

फा. सं. ऐरा/20010/एमवाईटीपी/एएआई-त्रिची/सीपी-II/2025-30
F. No. AERA/20010/MYTP/AAI-Trichy/CP-II/2025-30

आदेश संख्या 02/2026-27

Order No. 02/2026-27



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

तिरुचिरापल्ली अंतरराष्ट्रीय हवाईअड्डा, तिरुचिरापल्ली (टीआरजेड) के लिए द्वितीय नियंत्रण अवधि
(01.04.2025–31.03.2030) के लिए वैमानिक टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF
DETERMINATION OF AERONAUTICAL TARIFF FOR
TIRUCHIRAPPALLI INTERNATIONAL AIRPORT, TIRUCHIRAPPALLI
(TRZ)
FOR THE SECOND CONTROL PERIOD
(01.04.2025 – 31.03.2030)

जारी करने की तारीख : 30 अप्रैल, 2026

Date of Issue: 30th April, 2026

तृतीय तल/ 3rd Floor,
उड़ान भवन/ Udaan Bhawan,
सफदरजंग हवाईअड्डा/ Safdarjung Airport
नई दिल्ली/New Delhi – 110003



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Glossary

Abbreviation	Full Form
AAI	Airports Authority of India
AAICLAS	AAI Cargo Logistics and Allied Services
AC	Air Conditioning
ACFT	Airfield Crash Fire Tender
ACI	Airports Council International
ACP	Aluminium Composite Panel
AERA/ The Authority	Airports Economic Regulatory Authority of India
AFF	Aviation Fuel Facility
ALCMS	Airfield Lighting Control and Monitoring System
AMC	Annual Maintenance Contract
ANS	Air Navigation Services
AO	Airport Operator
AOCC	Airport Operations Control Centre
AIASL	AI Airport Services Limited
AIC	Aeronautical Information Circular
ARR	Aggregate Revenue Requirement
ASF	Aviation Security Fee
ASQ	Airport Service Quality
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
ATM	Aircraft Traffic Movement
AUCC	Airport Users Consultative Committee
AVDGS	Advanced Visual Docking Guidance System
BCAS	Bureau of Civil Aviation Security
BHS	Baggage Handling System
BIAL	Bangalore International Airport Limited
BOQ	Bill of Quantities
BPCL	Bharat Petroleum Corporation Limited
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CAR	Civil Aviation Requirement
CAT	Category
CCTV	Closed Circuit Television
CFT	Crash Fire Tender
CHQ	Corporate Headquarters
CIAL	Cochin International Airport Limited
CISF	Central Industrial Security Force
CNS	Communication, Navigation & Surveillance
CPCB	Central Pollution Control Board
CPWD	Central Public Works Department
CSR	Corporate Social Responsibility
CTEDS	Computed Tomography Explosive Detection System

GLOSSARY

Abbreviation	Full Form
CUTE	Common User Terminal Equipment
CY	Calendar Year
DFMD	Door Framed Metal Detector
DGCA	Directorate General of Civil Aviation
DIAL	Delhi International Airport Limited
DSR	Delhi Schedule of Rates
DV	Dual View
ESI	Employees' State Insurance
ETD	Explosive Trace Detector
FA	Financing Allowance
FAR	Fixed Asset Register
FCP	First Control Period
FIDS	Flight Information Display System
FLS	Façade Lighting System
FRoR	Fair Rate of Return
GHIAL	GMR Hyderabad International Airport Limited
GoI	Government of India
GSE	Ground Support Equipment
GST	Goods and Services Tax
HHMD	Hand-Held Metal Detector
HPCL	Hindustan Petroleum Corporation Limited
HVAC	Heating, Ventilation and Air Conditioning
IATA	International Air Transport Association
IC	Independent Consultant
ICMAI	The Institute of Cost Accountants of India
IDC	Interest During Construction
IL-BHS	Inline Baggage Handling System
IMG	Inter-Ministerial Group
IOCL	Indian Oil Corporation Limited
ITC	Input Tax Credit
KL	Kilo Liter
LoA	Letter of Award
MARF	Management Accounting Research Foundation
MCLR	Marginal Cost of Funds-Based Lending Rate
MIAL	Mumbai International Airport Limited
MoCA	Ministry of Civil Aviation
MoRTH	Ministry of Road Transport and Highways
MPPA	Million Passengers per Annum
MYTP	Multi-Year Tariff Proposal
NAR	Non-aeronautical revenue
NITB	New Integrated Terminal Building
NPV	Net Present Value
O&M	Operation and Maintenance
PBB	Passenger Boarding Bridge



Abbreviation	Full Form
PBT	Profit Before Tax
PDC	Probable Date of Completion
PC	Personal Computer
PCN	Pavement Classification Number
PF	Provident Fund
PIB	Public Investment Board
PMC	Project Management Consultancy
PPP	Public Private Partnership
PRP	Performance Related Pay
PSF	Passenger Service Fee
PTB	Passenger Terminal Building
PTT	Parallel Taxi Track
PV	Present Value
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RBI	Reserve Bank of India
RCC	Reinforced Cement Concrete
RCS	Regional Connectivity Scheme
RHQ	Regional Headquarters
RPK	Revenue Passenger Kilometer
SBI-RTL	SBI- Rupee Term Loan
SBI-ECB	SBI- External Commercial Borrowings
SCP	Second Control Period
SHA	Security Hold Area
SITC	Supply, Installation, Testing & Commissioning
Sq.m.	Square Meter
TBR	Terminal Building Ratio
TCP	Third Control Period
TNPCB	Tamil Nadu Pollution Control Board
TRZ	Tiruchirappalli International Airport
UDF	User Development Fees
UPS	Uninterruptible Power Supply
VAT	Value Added Tax
VDA	Variable Dearness Allowance
VE	Passenger Traffic
WPI	Wholesale Price Index
WTP	Water Treatment Plant
XBIS	X-ray Baggage Inspection System
YPP	Yield per Passenger



1. INTRODUCTION

1.1 Background

- 1.1.1 Tiruchirappalli International Airport, Tiruchirappalli, owned and operated by Airports Authority of India, is currently the 31st busiest Airport in India in terms of passengers handled. It is located at National Highway 336, approximately 5 km (3.10 mi) south of the city center.
- 1.1.2 The total land area of Tiruchirappalli International Airport is 702.02 acres. The airport terminal building has an area of 75,000 square meters, which currently handles both domestic and international operations.
- 1.1.3 AERA Act, 2008 was amended in 2019 and 2021 and definition of “Major Airport” has been changed. As per section 2(i) of the AERA Act, 2008 read with AERA (Amendment) Act 2019 and 2021, Major Airport means “any Airport which has or is designated to have, passenger throughput in excess of 3.50 MPPA or any other Airport or any other group of Airports as the Central Government may, by notification, specify as such”.
- 1.1.4 Tiruchirappalli International Airport was shortlisted for leasing to private airport operator on PPP mode by Ministry of Civil Aviation (MoCA). Considering the same, MoCA vide its notification no. AV-24011/141/2015-AD (Vol. V) dated October 30, 2019, has notified Tiruchirappalli International Airport as a Major Airport.
- 1.1.5 As per AAI traffic data, published on its website, Tiruchirappalli International Airport achieved passenger throughput of 1.95 MPPA in FY 2024-25. The proportion of domestic and international passenger traffic for the FY 2024-25 was 29%:71%.
- 1.1.6 The Authority determined tariff for the First Control Period (from FY 2020-21 to FY 2024-25) vide Order Number 55/2020-21 dated December 22, 2020.

Further, the Authority, vide Order No. 18/ 2024-25 dated March 24, 2025, had extended the levy of existing tariff rates, till September 30, 2025.

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

Further, the Authority vide order No. 26/2025-26 dated March 13, 2026, had extended the levy of existing tariff rates till 30.09.2026 or till determination of regular tariff, whichever is earlier.

1.2 Profile of Tiruchirappalli International Airport (TRZ)

- 1.2.1 The technical and terminal building details of Tiruchirappalli International Airport submitted by the Airport Operator and verified by the Independent Consultant engaged by the Authority are provided in the **Table 1** below:

Table 1: Technical and Terminal Building details of Tiruchirappalli International Airport

Technical details	
Particulars	Details
Total Airport land area	702.02 acres
Runway orientation and length	09-27
	Length – 2,423m x 45m 7,949 ft
No. of Parking Bays	19 nos.



Technical details	
No. of Taxi Tracks	11 nos.
Operational hours	24 hours
Terminal Building and Airside details	
Terminal Building Area	75,000 sq. m.
Designated Passenger Handling Capacity	4.45 MPPA
Peak Hour Passengers Handling Capacity	3,480
Conveyor Belts in Arrival Area	5 nos.
No. of check-in counters	56 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 Tiruchirappalli International 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 viz., Bird Airports Services Pvt. Limited (Fixed price) and AI Airport Services Limited (AIASL), providing Ground Handling services at Tiruchirappalli International Airport. AAI has considered a revenue share of 15% from AIASL as part of the aeronautical revenues as per AAI's agreement.

Supply of fuel to aircraft

- 1.3.3 Oil Marketing Companies (OMCs), namely M/s BPCL, M/s IOCL, M/s HPCL & M/s Reliance BP mobility Ltd. are providing Aviation Fuel Facility at Tiruchirappalli International Airport. Fuel storage capacity of M/s BPCL is 290 KL, M/s IOCL is 210KL, M/s HPCL is 60 KL and that of M/s Reliance BP Mobility Ltd. is 66 KL. The current total fuel capacity at Tiruchirappalli International Airport is 626 KL.



TARIFF DETERMINATION OF TIRUCHIRAPPALLI INTERNATIONAL AIRPORT

2. TARIFF DETERMINATION OF TIRUCHIRAPPALLI INTERNATIONAL AIRPORT (TRZ)

2.1 Introduction

2.1.1 AERA was established by the GoI vide notification No. GSR 317(E) dt. May 12, 2009. The functions of AERA, with respect to 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 follows:

- a) To determine the tariff for aeronautical services, taking into consideration –
 - i. the CAPEX incurred and timely investment in the improvement of airport facilities
 - ii. the service provided, its quality and other relevant factors
 - iii. the cost of 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 on its 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:
- a) for navigation, surveillance and supportive communication thereto for air traffic management;
 - b) for the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at any Airport;
 - c) for ground safety services at an Airport;
 - d) for ground handling services relating to aircraft, passengers and cargo at an Airport;
 - e) for the cargo facility at an Airport;
 - f) for supplying fuel to the aircraft at an Airport; and



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g) 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 MoCA across all Airports to maintain uniformity.

2.2 Authority's Orders applied in the determination of tariff of Tiruchirappalli International Airport in this Tariff Order

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

- a) Order No. 13 dt. January 12, 2011 (Regulatory Philosophy and Approach in Economic Regulation of Airport Operators) and Direction No. 5 dt. February 28, 2011 (Terms and Conditions for Determination of Tariff for Airport Operators); and
- b) Order No. 07/2018-19 dt. June 13, 2016 (Normative Approach to Building Blocks in Economic Regulation of Major Airports).
- c) Order No. 14/2018-19 dt. January 23, 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 GoI.
- d) Order No. 35/2019-20 dt. January 12, 2018, and Amendment No. 01 to Order No. 35/2019-20 dt. April 9, 2018, in the matter of determination of useful life of airport assets.
- e) Order No. 42/2020-21 dt. March 5, 2019 (Determination of FRoR to be provided on the cost of land incurred by various Airport Operators in India).

2.3 Issuance of Consultation Paper and receipt of Stakeholders' comments

2.3.1 AAI submitted Multi Year Tariff Proposal (MYTP) on March 19, 2020, to AERA considering FY 2019-20 to FY 2023-24 as the first control period. However, AERA, through para 1.2.3. of the order number 55/2020-21, stated that the First Control Period shall be from FY 2020-21 to FY 2024-25. Subsequently, AERA determined tariffs for aeronautical services for Tiruchirappalli International Airport for the First Control Period (FY 2020-21 to FY 2024-25), vide its order no. 55/2020-21 dated December 22, 2020.

The Authority determined tariff for the First Control Period (from FY 2020-21 to FY 2024-25) vide Order Number 55/2020-21 dated December 22, 2020.

Further, the Authority, vide Order No. 18/ 2024-25 dated March 24, 2025, had extended the levy of existing tariff rates, till September 30, 2025.

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

Further, the Authority vide order No. 26/2025-26 dated March 13, 2026, had extended the levy of existing tariff rates till 30.09.2026 or till determination of regular tariff, whichever is earlier.

2.3.2 The Airport Operator(s) are required to submit a Multi-Year Tariff Proposal (MYTP) to the Authority, for its consideration, six months before the start of the control period, for which MYTP is being submitted. However, AAI submitted the Multi Year Tariff Proposal (MYTP) for the Second Control



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Period (FY2025-26 to FY 2029-30), on July 25, 2025, along with the Financial Model. The aforesaid MYTP document is available on AERA's website.

- 2.3.3 The Authority had appointed an Independent Consultant, M/s Crisil Limited to assess the MYTP submitted by AAI for the Second Control Period. The Independent Consultant 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 released by the Authority. In addition, the Independent Consultant has examined the MYTP, submitted by AAI for the Second 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 etc. Independent Consultant also examined the building blocks in tariff determination and ensured that the treatment given to it is consistent with the Authority's methodology, approach, etc.

Subsequently, Independent Consultant raised series of queries and obtained clarifications regarding the information shared by the AAI from time to time. Independent Consultant also examined the appropriateness of the classification of assets, the reasonableness of the proposed CAPEX (through their visit at the Airport site), operation & maintenance expenditure. Subsequently, consultant examined the comments from the stakeholder and the counter comments from AAI. The sequential timeline of the above events has been presented in the Table 2 below:

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

Dates	Event
July 25, 2025	MYTP submission by AAI
August 14, 2025,	List of requirements sent to AAI
August 18-19, 2025	Site visit to Tiruchirappalli International Airport and sought clarifications pertaining to capex incurred during First Control Period, Proposed CAPEX for Second Control Period, O&M, NAR etc.
September 01, 2025	Reminder sent to AAI for queries
September 04 & 05, 2025	Reminder to AAI on pending response to queries
September 12, 2025	Second reminder to AAI, for response to pending queries
September 22, 2025	Partial response received from AAI. Follow up on balance queries
October 01, 2025	Follow up on response to queries
October 23, 2025	Response from AAI w.r.t. mapping of CAPEX
November 01, 2025	Communication with AAI for gaps w.r.t. mapping of CAPEX
November 25, 2025	Follow up on gaps w.r.t. mapping of CAPEX
November 26, 2025	Response from AAI w.r.t. gaps in mapping of CAPEX
November 28, 2025	Additional CAPEX proposed by AAI
December 04, 2025	Updated information provided by AAI, in response to queries raised earlier time to time
January 10, 2026	Additional clarification sought regarding loan, capex, etc for finalisation of CP
January 13, 2026	Response by AAI to clarifications sought on January 10, 2026
January 19, 2026	Response to queries raised on January 14, 2026 w.r.t. incomplete information of loan provided by AAI
February 2, 2026	Modified layout of Trichy Airport shared by AAI
February 18, 2026	Response to query sought on February 12, 2026 w.r.t. loan details shared by AAI

- 2.3.4 AAI has informed that the 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 as well as regional and corporate headquarters. However, since the accounts of AAI as a



TARIFF DETERMINATION OF TIRUCHIRAPPALLI INTERNATIONAL AIRPORT

whole are centralized at Corporate Headquarters (CHQ), the CAG accordingly issues the final audit certificate for the AAI as a whole. The Authority has examined through its Independent Consultant the audited trial balance from FY 2019-20 to FY 2024-25, as submitted by AAI for determination of tariff.

- 2.3.5 It is the sole responsibility of the Airport Operator to maintain proper books of accounts & Fixed Asset Register (FAR) and present accurate information in its submissions. The Authority relies on the information available in the audited financial reports & FAR for its analysis. The Authority expects that the Airport Operator, i.e. AAI, will ensure the accuracy of the information captured in its books of accounts & FAR and that there is no duplication of expenses.
- 2.3.6 All the figures presented in this tariff order have been rounded off to two decimals.
- 2.3.7 After examining the MYTP and other details submitted by AAI, the Authority issued Consultation Paper No.06/2025-26 on February 27, 2026. Stakeholder comments and AO counter comments were scheduled for submission by March 30, 2026 and April 09, 2026 respectively. Following the release of the Consultation Paper, the Authority convened a meeting with stakeholders on March 17, 2026. The minutes of the meeting are available on AERA's website.
- 2.3.8 The following stakeholders provided comments on Consultation Paper No 06/2025-26 dated February 27, 2026 and their response are available on the AERA's website:
- (i) Airports Authority of India (AAI)
 - (ii) Interglobe Aviation Limited
 - (iii) International Air Transport Association (IATA)

Table 3: Name of the Stakeholders who submitted comments/views on Regulatory Building Blocks

Name of the Stakeholders who commented/submitted views on regulatory building blocks/tariff determination process	Component impacting tariff determination of the Second Control Period
AAI, IATA	True up of the First Control Period
Indigo	Framework for determination of Tariff for Tiruchirappalli International Airport
AAI, IATA, Indigo	Traffic for the Second Control Period
AAI, IATA, Indigo	Capital expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the Second Control Period
AAI	Fair Rate of Return for Second Control Period
AAI, Indigo	Operation and Maintenance Expenses for the Second Control Period
AAI, IATA	Non-aeronautical Revenue for the Second Control Period
IATA, Indigo	Aeronautical Revenue/Tariff rate card

- 2.3.9 The counter comments from AAI on the comments from the Stakeholders were received on April 9, 2026. Thus, the Stakeholders' Consultation process concluded on the receipt of counter comments by AAI.
- 2.3.10 No inputs were received from the Ministry of Civil Aviation (MoCA) as part of the Consultation Process.



2.4 Construct of the Tariff Order

2.4.1 This Tariff Order has been developed/ constructed in the following sequence of Chapters:

- a) Introduction, profile of airport and broad contour of services and service providers is explained in Chapter 1
- b) The background of the Authority's tariff determination process is explained in Chapter 2 and the framework for determination of tariff has been discussed in chapter 3
- c) Chapter 4 lists out the submissions of AAI for true up of the First Control Period, which is from FY 2019-20 to FY 2024-25. This is followed by the Authority's examination of the same as set out in the Consultation Paper No. 06/2025-26 dated February 27, 2026. Thereafter, the comments of AAI and other stakeholder, response of AAI on other stakeholders' comments, Authority's analysis and final decision are set out.
- d) Chapter 5 presents the submissions of AAI regarding traffic projections for the Second Control Period set out in the Consultation Paper No. 06/2025-26 dated February 27, 2026. Thereafter, the comments of AAI and other stakeholder, response of AAI on other stakeholders' comments, Authority's analysis and final decision are set out.
- e) Chapter 6 presents 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 CAPEX, depreciation and RAB for the Second Control Period as set out in the Consultation Paper No. 06/2025-26 dated February 27, 2026. Thereafter, the comments of AAI and other stakeholder, response of AAI on other stakeholders' comments, Authority's analysis and final decision are set out.
- f) Chapters 7-12 include the submissions of AAI regarding various building blocks pertaining to the Second Control Period including FRoR, inflation, operation and maintenance expenses, non-aeronautical revenue, taxation, quality of service set out in the Consultation Paper No. 06/2025-26 dated February 27, 2026. Thereafter, the comments of AAI and other stakeholder, response of AAI on other stakeholders' comments, Authority's analysis and final decision are set out.
- g) Chapter 13 presents the Aggregate Revenue Requirement (ARR) determined by the Authority based on the various proposals and adjustments considered by the Authority for the Second Control Period submitted at Consultation Stage. Thereafter, the comments of AAI and other stakeholder, response of AAI on other stakeholders' comments, Authority's analysis and final decision are set out.
- h) Chapter 14 presents the aeronautical revenue decided by the Authority for Tiruchirappalli International Airport for the Second Control Period
- i) Chapter 15 summarizes the Authority's decisions on key aspects related to tariff computation.
- j) Chapter 16 is the Tariff Order issued by the Authority for Tiruchirappalli International Airport for the Second Control Period
- k) Chapter 17 contains annexure to Tariff Order:
 - Annexure I: Tariff Rate Card approved by the Authority for Tiruchirappalli International Airport for the Second Control Period



3. FRAMEWORK FOR DETERMINATION OF TARIFF FOR TIRUCHIRAPPALLI INTERNATIONAL 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 guidelines issued by AERA in 2011 as detailed in para 2.2.1.

3.1.2 The Authority had adopted the Hybrid-Till mechanism for tariff determination for the First Control Period, wherein, 30% of the NAR is to be used for cross-subsidising the aeronautical charges. The Authority has considered the same methodology 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,

- a) t is the tariff year in the control period, ranging from 1 to 5
 - b) ARR_t is the Aggregate Revenue Requirement for tariff year 't'
 - c) FRoR is the Fair Rate of Return for the Control Period
 - d) RAB_t is the aeronautical Regulatory Asset Base for tariff year 't'
 - e) D_t is the depreciation corresponding to the Regulatory Asset Base for tariff year 't'
 - f) O_t is the aeronautical operation and maintenance expenditure for the tariff year 't'
 - g) T_t is the aeronautical taxation expense for the tariff year 't'
 - h) s is the cross-subsidy factor for revenue from services other than Aeronautical services. Under the Hybrid-Till methodology followed by the Authority, $s = 30\%$.
 - i) 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:

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

- a) 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.
 - b) 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 February 28, 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 Tiruchirappalli International 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 Tiruchirappalli International Airport. AAI has submitted that the tariff proposal does not consider assets, expenses and revenues relating to ANS. This Tariff Order discusses the determination of tariffs for Aeronautical services at the Airport excluding ANS, as tariff for ANS is presently approved by the MoCA for all the Airports. The tariff for ANS services is determined at the Central level by the MoCA 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 from ANS.
- 3.3.2 AAI has submitted that all cargo operations have been transferred to 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 Tariff Order discusses the determination of tariff for aeronautical services at Tiruchirappalli International Airport excluding cargo operations. The tariff related to the cargo operations at Tiruchirappalli International Airport will be determined separately since its operations are carried out by AAICLAS.

Stakeholders' comments regarding framework for determination of tariff for Tiruchirappalli International Airport

- 3.3.4 Indigo's comment on the framework for determination of tariff for Tiruchirappalli International Airport is as follows:

"Revenue from Air Navigation Services and Cargo Services (Para 3.3 of the CP):

We submit that as per section 2 (a) of Airports Economic Regulatory Authority of India Act, 2008 (AERA Act), "aeronautical services means any services provided- (i) For navigation, surveillance and supportive communication thereto for air traffic management.... (v) for the cargo facility at an airport." Accordingly, it is submitted that considering the above provisions of the AERA Act, revenue from Air Navigation Services and Cargo services (100% revenue accruing to AAICLAS) should form part of aeronautical revenues and accordingly AERA should take into account of the corresponding revenues from such services and recompute the Aggregate Revenue Requirement (ARR) and further revise the tariff card accordingly."

AAI's response to Stakeholders' comments regarding framework for determination of tariff for Tiruchirappalli International Airport

- 3.3.5 AAI's response on Indigo's comment regarding the framework for determination of tariff for Tiruchirappalli International Airport is as follows:

"Revenue from ANS: - Ministry of Civil Aviation (MoCA) had approved the Tariff for Air Navigation Services (ANS) for 10 years (1st October 2020 to 31.03.2030) and the expenditure and revenue had been considered while determination of ANS tariff. Hence, revenue from ANS cannot be considered here for determination of aeronautical tariff."



FRAMEWORK FOR DETERMINATION OF TARIFF FOR TIRUCHIRAPPALLI INTERNATIONAL AIRPORT

Revenue from Cargo: - After the establishment of AAICLAS, all the revenue from Cargo operation is collected and booked by AAICLAS and accordingly consider for determination of Cargo Tariff. Hence, it cannot be considered for the determination of Aeronautical tariff."

Authority's analysis on Stakeholders' comments regarding framework for determination of tariff for Tiruchirappalli International Airport

3.3.6 The Authority notes Indigo's comments on Air Navigation Services (ANS) and cargo services and AAI's response on the same.

In this regard, the following is to be noted that:-

- i. The tariff for ANS is presently being determined and approved by the Ministry of Civil Aviation (MoCA) for all the airports in India, to ensure uniform ANS Charges across the Country. MoCA, while fixing tariff for ANS services being provided by AAI, separately considers all the assets, expenses and revenues pertaining to ANS. Hence, by excluding Assets, Revenues & Expenditure related to ANS the AERA determines tariff for Aeronautical services in respect of Airport Operator.
- ii. The Cargo Operations have been transferred by AAI to AAI Cargo Logistics and Allied Services (AAICLAS), a wholly owned subsidiary of AAI and the tariff proposal for the airport as such do 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 agreement with AAICLAS which has been factored while determining the tariff of this airport.



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4. TRUE UP OF THE FIRST CONTROL PERIOD

4.1 AAI's submission on true up of the First Control Period for Tiruchirappalli International Airport

4.1.1 AAI has submitted a shortfall of ₹ 357.39 crore in aeronautical revenue recovery from Tiruchirappalli International Airport, for the First Control Period, as part of its MYTP submission for the Second Control Period. The details are as below:

Table 4: True up for First Control Period submitted by AAI

(₹ crore)

Particulars	Ref.	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB	(a)	34.71	42.15	51.59	119.74	630.96	1071.41	
FRoR	(b)	14%	14%	14%	11.61%	11.61%	11.61%	
Return on Average RAB	c = (a) * (b)	4.86	5.90	7.22	13.90	73.25	124.39	224.67
Depreciation	(d)	5.44	6.15	6.79	8.68	29.97	51.39	102.98
O&M Expense	(e)	52.40	37.51	42.07	56.16	79.39	96.36	311.49
Tax	(f)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	(g)	0.00	0.78	1.21	0.00	0.00	0.00	1.99
Gross ARR	(h)= (c+ d+ e+ f+ g)	62.70	50.34	57.30	78.74	182.61	272.14	641.13
NAR		29.29	6.61	11.13	24.46	26.18	34.12	102.51
Less 30% NAR	(i)	8.79	1.98	3.34	7.34	7.85	10.24	30.75
Net ARR	(j)= (h-i)	53.91	48.35	53.96	71.41	174.76	261.90	610.38
Add: Shortfall of regulated year FY 2019-20	(k)		(3.71)					
ARR after considering shortfall for FY 2019-20	(l) = (j+k)	53.91	44.64	53.96	71.41	174.76	261.90	606.67
Actual Aeronautical Revenue	(m)	57.16	6.55	29.10	88.69	101.32	110.82	336.48
Under/ (Over) recovery of Pre- control Period	n = (l- m)	-3.25	38.09	24.86	-17.29	73.44	151.08	270.18
Discount Factor (@14%)	(o)	1.14	1.93	1.69	1.48	1.30	1.14	
Under/ (Over) recovery of Pre- control Period as on March 31, 2025	(n*o)	(3.71)	73.34	41.98	(25.61)	95.44	172.23	357.39
True up of Under Recovery of First Control Period as on March 31, 2025								357.39



4.2 Authority's examination of true up for the First Control Period

4.2.1 The Authority has examined through its Independent Consultant the submission of AAI regarding True up of the First Control Period, as per Order No. 55/2020-21 dated December 22, 2020 and various decisions taken therein are as under:

Chapter 2. Tariff Setting Principles

Clause 2.6.1: "The Authority decides to determine the Aeronautical tariffs for Trichy Airport for the First Control Period on "hybrid till" basis"

Chapter 3. Multi-Year Tariff Proposal ('MYTP') OF Trichy Airport

Clause 3.5.1: "The Authority decides not to consider the revenues from AAICLAS (except 30% royalty as revenue share from AAICLAS) and ANS while determining Aeronautical tariffs for Trichy Airport"

Chapter 4. Traffic Forecast

Clause 4.6.1: "The Authority decides to consider the passenger traffic and ATM for First control period for Trichy Airport as per Table 5"

Clause 4.6.2: "The Authority decides that subject to the terms and conditions of the privatization of Trichy Airport, it will consider to 'true-up' the traffic volume (passenger and ATM) based on the actual traffic in First Control Period while determining tariff for the Second Control Period"

Chapter 5. Allocation of assets between aeronautical and non-aeronautical

Clause 5.6.1: "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"

Chapter 6. Initial Regulatory Asset Base

Clause 6.4.1: "The Authority decides to consider the Initial Regulatory Asset Base (RAB) for the First Control Period for Trichy Airport as ₹ 29.65 crore in accordance with Table 13"

Chapter 7. Capital Expenditure for the First Control Period

Clause 7.6.1: "The Authority decides to adopt the Capitalization of Aeronautical expenditure for the First Control Period in accordance with Table 20"

Clause 7.6.2: "The Authority has decided that subject to the terms and conditions of privatization of Trichy 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"

Chapter 8. Depreciation

Clause 8.6.1: "The Authority decides to adopt depreciation rates for Trichy Airport as per Table 23 for the First Control Period"

Clause 8.6.2: "The Authority decides to consider the depreciation amounts for the First Control Period as per Table 24"

Chapter 9. Regulatory Asset Base for the First Control Period

Clause 9.3.1: "The Authority decides to consider the average RAB for the First Control Period for Trichy Airport as per Table 27"

Chapter 10. Fair Rate of Return (FRoR)

Clause 10.6.1: "The Authority decides to consider FRoR for Trichy Airport for the First Control Period as per Table 30"

Chapter 11. Non-Aeronautical Revenues

Clause 11.6.1: "The Authority decides to consider Non-Aeronautical Revenues for the First Control Period for Trichy Airport in accordance with Table 33"

Chapter 12. Operation and Maintenance expenditure

Clause 12.6.1: "The Authority decides to consider Operation and Maintenance expenses for the First Control Period for Trichy Airport as per Table 40"

Clause 12.6.2: "The Authority decides to consider a growth rate of 5% in payroll expenses for the First Control period beginning from FY 2020-21"

Chapter 13. Aeronautical Revenue

Clause 13.4.1: "The Authority decides to consider Aeronautical revenues for the First Control Period for Trichy Airport as per Table 43"

Chapter 14. Taxation

Clause 14.6.1: "The Authority decides to consider the tax expense for the First Control Period for Trichy Airport as per Table 46"

Clause 14.6.2: "It is noted that AAI has 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"

Chapter 15. Aggregate Revenue Requirement for the First Control Period

Clause 15.6.1: "The Authority decides to consider the ARR and Yield for the First Control Period for Trichy Airport in accordance with Table 48"

Chapter 16. Annual Tariff Proposal

Clause 16.6.1: "The Authority decides to approve the tariff for the First Control Period for Trichy Airport as given in the Tariff Card annexed as Annexure-1"

4.3 Regulated Period Prior to the First Control Period

- 4.3.1 AAI had submitted an over recovery of ₹ 3.71 crore for the regulated period i.e. FY 2019-20, a period prior to the First Control Period, as part of Tariff Determination of the Second Control Period against the under recovery of ₹ 0.08 crore as approved in the Tariff Order of the First Control Period.

Table 5: ARR of the regulated year submitted by AAI and approved by Authority in Tariff Order

(₹ crore)

Particulars	ARR submitted by AAI for true up of Regulated year 2019-20	ARR as per Tariff Order for Regulated year 2019-20
Average RAB	34.71	28.39
FRoR	14%	14%
Return of Average RAB	4.86	3.97
O&M Expense	52.40	58.31
Depreciation	5.44	4.94
Tax Expense	0.00	0.00
Less: 30% NAR	8.79	8.05
ARR	53.91	59.17
True up of shortfall approved	(3.71)	0.08

- 4.3.2 AAI, as part of the True-up submission for the First Control Period (FCP), had claimed CAPEX of ₹20.63 crore for FY 2019-20 (Regulated Year) against the approved CAPEX of ₹7.50 crore allowed by the Authority in the Tariff Order for the First Control Period, resulting in an incremental claim of ₹13.13 crore.
- 4.3.3 In this regard, it is pertinent to note that the Tariff Order for the First Control Period was finalized pursuant to a comprehensive and transparent stakeholder consultation process undertaken by the Authority. The process included issuance of a Consultation Paper, receipt of stakeholder comments, conduct of stakeholder consultation meetings, and consideration of counter-comments from AAI and other stakeholders. At no stage during this consultative process did AAI submit or disclose the above additional CAPEX pertaining to the regulated year.
- 4.3.4 The Authority further observed that during the complete tariff determination process, no comments had been received from AAI supporting the inclusion of such additional CAPEX, nor was any prior intimation provided by AAI regarding the inclusion of such capital expenditure for the regulated year. The proposed capital expenditure pertains to expenditure incurred prior to the commencement of the First Control Period and was not subjected to regulatory scrutiny, prudence check, or stakeholder consultation at the relevant time.
- 4.3.5 In line with the established regulatory principles of certainty, transparency, and ex-ante approval of capital expenditure for tariff determination the Authority is of the view that post facto inclusion of such additional CAPEX, which was neither proposed nor examined during the First Control Period determination process, would be inconsistent with the regulatory framework and precedent adopted for expenditure pertaining to periods prior to the First Control Period.
- 4.3.6 Accordingly, the Authority proposed not to consider the additional CAPEX of ₹13.13 crore claimed by AAI for FY 2019-20 and to maintain its earlier regulatory position as adopted in the Tariff Order for the First Control Period. Similarly, other building blocks for the regulated year have been retained as per the Tariff Order no. 55/ 2020-21 for the First Control Period.

Stakeholders' comments regarding Regulated Period Prior to the First Control Period

- 4.3.7 AAI's comment on the regulated period prior to the First Control Period is as follows:

"CFT/Fire Fighting Equipment – Rs. 4.23 Crores Proposed for disallowance by AERA



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AAI had incurred an amount of Rs.5.25 Crores towards procurement of CFT and AERA has allowed Rs.1.02 Crores for the regulated year. The Crash fire Tender vehicle is used exclusively for Fire Safety operations and it is vital for mitigating fire in case of any emergency in airport.

Further, nationwide lock down due to outbreak of Covid-19, the books of accounts was not finalized by the time submission of proposal to AERA. However, financial year 2019-20 being the regulated year is subject to true up.

AERA is requested to consider the said CAPEX for Rs. 4.23 Crores (balance amount) for True up for the Pre-control period.

SITC -GRID TIED 1MWP GROUND BASED SOLAR POWER Plant – 4.70 Crores (2019-20)

The said CAPEX was incurred towards the installation and commissioning of 1 MWP ground based Solar plant at Tiruchirappalli International Airport to enhance the airport's renewable energy infrastructure and promote sustainable power generation as per Govt. of India.

The said installation also facilitates in reduction of Airport energy consumption charges for Rs. 90.38 Lakhs per annum (2025).

AERA is requested to consider the said CAPEX for Rs. 4.70 Crores for True up for the Pre- control period.

FIRE HYDRANT SYSTEM AT TRICHY AIRPORT – Rs. 0.51 Crores (2019-20)

For maintaining fire safety in Old Terminal Building, the said work was carried to mitigate fire in case of emergency. AERA is requested to consider the said CAPEX for the regulated period being the said amount is incurred for enhancing passenger safety.

AERA is requested to consider the said CAPEX for Rs. 0.51 Crores for True up for the Pre- control period.

Vehicles – Rs. 0.44 Crores (2019-20)

AAI had incurred an amount of Rs.0.59 Crores towards procurement of operational vehicles during the regulated year 2019-20. AERA has allowed Rs.0.15 Crores for the regulated year and it is requested to consider the balance amount of Rs. 0.44 Crores as the same is incurred for operational requirement of the Airport (for Security and patrolling).

The said CAPEX incurred during the FY 2019-20 (regulated year) and the same may be considered along with the True up of the First Control Period.

Trichy Airport has already been declared for 2nd round on PPP, which is in pipeline. Disallowance of actual Capex (being form part of RAB) will lead to loss to AAI/Govt. of India and also invite Audit observations.

In view of the above, AERA is requested to allow CAPEX incurred during the regulated year for true-up."



Authority's analysis on Stakeholders' comments regarding Regulated Period Prior to the First Control Period

- 4.3.8 The First Control Period for Trichy Airport was from FY 2020-21 to FY 2024-25. At the time of determination of tariff for the First Control period, the under recovery of ₹ 0.08 crore for FY 2019-20 (period prior to the First Control Period) was considered as part of the base year for computation of ARR for the First Control Period. Worthwhile to mention that w.e.f. October 30, 2019 the Trichy airport was declared Major Airport and as a special major this portion of FY 2019-20 was considered as part of the base year for considering the initial RAB.

In the Tariff Order for First Control Period, there was no decision to true up figures of FY 2019-20. Also, as per Clause 6.4.1 of Tariff Order for First Control Period, it was decided to consider the Initial Regulatory Asset Base (RAB) and the same was determined to be ₹ 29.65 crore. This amount was arrived at after considering the asset additions and RAB submitted by AAI till FY 2019-20. Now AAI is submitting in the form of true up additional items of Capex for FY 2019-20 and it is not clear whether the same was before October, 2019 when the airport was declared major airport. Further, the Tariff Order for First Control Period clearly mentions that for this portion of FY 2019-20 there will be no provision of true up.

Hence, the Authority is of the view that any further capitalisation pertaining to FY 2019-20, which was not duly submitted or finalised at the time of determination of First Control Period Tariff Order cannot be considered retrospectively at this stage.

It is to be submitted that principally, the tariff is determined for a five year period, during which the true-up of the previous five-year period and projections for the upcoming five year period is considered. AAI had adequate opportunity during the tariff determination process of First Control Period to submit all information and its inputs/ comments/feedback but had not raised these issues at that time. Therefore, now the issues highlighted by AAI do not merit consideration at this stage.

4.4 True up of traffic

- 4.4.1 AAI has submitted passenger traffic and Aircraft Traffic Movement (ATM) for Tiruchirappalli International Airport for the First Control Period which is as follows:

Table 6: AAI's submission for true up of traffic for the First Control Period for Tiruchirappalli International Airport

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Passengers (in nos.)						
Domestic	1,64,828	1,49,277	3,80,227	4,58,756	5,58,221	17,11,309
International	1,91,075	4,07,430	11,34,033	13,05,186	13,98,630	44,36,354
Total	3,55,903	5,56,707	15,14,260	17,63,942	19,56,851	61,47,663
ATM (in nos.)						
Domestic	2,978	3,083	5,394	6,088	8,161	25,704
International	1,667	3,795	7,828	8,226	9,237	30,753

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Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Passengers (in nos.)						
Total	4,645	6,878	13,222	14,314	17,398	56,457

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

4.4.2 The traffic approved by the Authority in Tariff Order no. 55/ 2020-21 for the First Control Period is shown in Table 7 below:

Table 7: 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
Passengers (in nos.)						
Domestic	2,07,251	2,69,426	3,36,783	4,20,979	5,26,223	17,60,662
International	6,58,210	9,87,314	11,84,777	12,83,114	13,89,612	55,03,027
Total	8,65,461	12,56,740	15,21,560	17,04,093	19,15,835	72,63,689
ATM (in nos.)						
Domestic	3,755	4,881	6,102	7,499	9,216	31,453
International	4,448	6,672	8,006	8,359	8,726	36,211
Total	8,203	11,553	14,108	15,858	17,942	67,664

4.4.3 The Authority noted 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, flights were cancelled, due to which the domestic and international passenger traffic decreased in FY 2020-21 & FY 2021-22. Subsequently, the traffic recovered from the low base.

4.4.4 The Authority verified the actual passenger traffic and ATM from FY 2020-21 to FY 2024-25 for the First Control Period based on the data available on AAI's website and noted no variation.

4.4.5 Based on the above analysis, the Authority proposed to consider the actual traffic submitted by AAI for the First Control Period, as shown in Table 6, in line with its Decision 4.6.2 of the Tariff Order No. 55/ 2020-21 dated December 22, 2020, which states "The Authority decides that subject to the terms and conditions of the privatisation of Trichy 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."



Stakeholders' comments regarding true up of traffic for the First Control Period

4.4.6 No comments received from Stakeholders on the true up of traffic for the First Control Period.

Authority's analysis on Stakeholders' comments regarding true up of traffic for the First Control Period

4.4.7 The Authority notes that no comments have been received from the Stakeholders on the true up of traffic for the First Control Period. Hence, the Authority decides to consider the traffic for the true up of the First Control Period, consistent with the proposal made in the Consultation Paper No. 06/2025-26 dated February 27, 2026, as shown in Table 6.

4.5 True up of Capital Expenditure (CAPEX), depreciation and RAB**CAPEX**

4.5.1 The actual CAPEX submitted by AAI for True up of the First Control Period amounting to ₹ 1,125.18 crore is as follows:

Table 8: Capital additions of the First Control Period as submitted by AAI for Tiruchirappalli International Airport

(₹ crore)

S. No	Asset Category	2020-21	2021-22	2022-23	2023-24	2024-25	Total
1.	Runways, Taxiway & Aprons	0.00	20.39	45.51	5.38	0.00	71.29
2.	Road, Bridges & Culverts	0.00	1.46	0.00	0.00	7.11	8.58
3.	Building- Terminal	0.00	0.00	0.18	735.52	9.62	745.32
4.	Building - Temporary	0.00	0.00	0.00	0.00	0.00	0.00
5.	Building - Residential	0.27	0.00	74.48	0.00	0.00	74.75
6.	Boundary Wall -Operational	0.56	0.00	0.00	0.75	8.02	9.33
7.	Other Buildings-Unclassified	0.00	0.00	0.27	0.00	0.00	0.27
8.	Computers: End Users	0.10	0.06	0.06	0.00	0.17	0.38
9.	Computers: Servers and Networks	0.00	0.00	0.00	30.25	0.00	30.25
10.	Plant & Machinery	4.38	1.98	4.83	158.04	4.22	173.45
11.	Tools & Equipments	0.21	0.47	0.03	2.80	2.38	5.89
12.	Office Furniture	0.09	1.58	0.37	2.26	0.45	4.76
13.	Vehicles	0.00	0.00	0.05	0.27	0.30	0.63
14.	Other Office Equipments	0.03	0.02	0.03	0.01	0.01	0.09
15.	X Ray Baggage System	0.21	0.00	0.00	0.00	0.00	0.21
16.	CFT/Fire Fighting Equipments	0.00	0.00	0.01	0.00	0.00	0.01
17.	Total (Additions/WIP Capitalisation)	5.85	25.96	125.83	935.27	32.28	1,125.18

4.5.2 The CAPEX allowed by the Authority in the Tariff Order for the First Control Period was ₹ 735.30 crore. The asset category-wise details of the CAPEX (capitalization of assets) allowed by the Authority and its variance vis-à-vis submission by AAI for True up are as follows:

Table 9: CAPEX allowed in the Tariff Order for the First Control Period (Category wise)

(₹ crore)

S. No	Asset Category	Approved as per Tariff Order	Actual Aero Capex incurred in First Control Period	Variance
1.	Runways, Aprons and Taxiways	37.73	71.29	33.56
2.	Road, Bridges & Culverts	0	8.58	8.58



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S. No	Asset Category	Approved as per Tariff Order	Actual Aero Capex incurred in First Control Period	Variance
3.	Building- Terminal	415.87	745.32	329.45
4.	Building – Residential	55.11	74.74	19.63
5.	Boundary Wall – Operational	0.37	9.33	8.96
6.	Other Buildings – Unclassified	0	0.27	0.27
7.	Plant & Machinery	0.25	173.45	173.2
8.	Solar plant	0	0	0
9.	Tools & Equipments	1.26	5.89	4.63
10.	Vehicles	0	0.63	0.63
11.	Electrical Installations	224.71	0	-224.71
12.	Furniture & Fix. Other than Trolley	0	4.75	4.75
13.	Furniture & Fixtures: Trolley	0	0.00	0.00
14.	X Ray Baggage System	0	0.21	0.21
15.	CFT/Fire Fighting Equipment	0	0.01	0.01
16.	Computers: End Users	0	0.38	0.38
17.	Computers: Servers and Networks	0	30.25	30.25
18.	Other Office Equipment	0	0.09	0.09
	Total	735.30	1,125.18	389.88

4.5.3 The Authority noted a variance of ₹ 389.88 crore between CAPEX approved by the Authority in Tariff Order for the First Control Period and actual incurred and claimed by AAI. The CAPEX claimed by AAI is 53.02% higher than the CAPEX approved by Authority for the First Control Period.

Authority’s examination and proposal regarding true up of Capital Expenditure (CAPEX), depreciation and RAB of the First Control Period at Consultation Stage:

4.5.4 The Authority noted 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 & claimed by the Airport Operator. The Authority, through its Independent Consultant, had examined the actual CAPEX incurred by AAI for the First Control Period. The Independent Consultant as part of due diligence of CAPEX had reviewed the Fixed Assets Register, bidding process & BOQs, Letter of Award (LoA), work orders etc. as well as need, essentiality of capex, current and future traffic demand. Independent Consultant also assessed the status of completion of project work as on March 31, 2025. The aviation expert of Independent Consultant had also reviewed various technical details of projects and has assessed the reasonability of actual CAPEX incurred, based on market rates, cost incurred by other similar airports etc. Further, the Independent Consultant during his site visit to the Airport had reviewed all the major capital works executed at the Airport from the perspective of its essentiality & reasonability of costs incurred.

4.5.5 As per the First Control Period MYTP submission, AAI proposed to construct New Integrated Terminal Building (NITB) with a design capacity of 3.63 Million Passengers Per Annum (MPPA) and total estimated terminal project cost of ₹ 853.10 crore. The NITB was expected to be commissioned during FY 2022–23. In the Tariff Order for the First Control Period, the Authority considered the cost of the New Integrated Terminal Building (NITB) at ₹ 639.80 crore, which is 75% of the total terminal project cost of ₹ 853.10 crore. Based on traffic assessment for the First Control Period, the Authority projected passenger throughput to reach approximately 1.91 MPPA by FY 2024–25, implying utilization of only about 40–43% of the available infrastructure. Accordingly, only the proportionate cost (75%) relatable to the expected level of use was allowed. Further, the Authority proposed that if the actual traffic flow



exceeds the projected figure of 1.91 MPPA and capacity utilization is more than 50%, the remaining cost would be adjusted during the True up.

- 4.5.6 Further, Authority noted that AAI had reconfigured the terminal design capacity of Tiruchirappalli International Airport from 3.63 MPPA to 4.45 MPPA. The actual traffic during FY 2024-25 was 1.95 MPPA which was slightly above the traffic projected by the Authority in the Tariff Order of the First Control Period. But due to higher reconfigured terminal design capacity, the actual utilisation of the terminal continues to remain less than 50% of the revised design capacity. As per the IMG norms, the terminal building should be planned considering the traffic in the 10th year from the planning year. The terminal building was planned in FY 2019-20 considering the traffic of FY 2029-30, which is projected to be 3.03 MPPA, as submitted by AAI. The Authority noted that the projected traffic of 3.03 MPPA in FY 2029-30 is still below the original design capacity of 3.63 MPPA. Furthermore, the Authority noted that the terminal building is already underutilized and there was no need to reconfigure the terminal building. This reconfiguration had led to an increase in terminal building area and creation of additional capacity. In view of the persistent underutilization of terminal building capacity, the Authority was of the opinion that such capacity enhancement was not necessary and has resulted in increased terminal building costs.
- 4.5.7 In view of the above and persistent underutilization, the Authority proposed to retain and allow the admissible capital cost at ₹853.10 crore, as per the original planning for 3.63 MPPA terminal building during First Control Period, so as to avoid imposing an undue tariff burden on passengers, who are the ultimate funders of such capital expenditure.
- 4.5.8 The comparison between the submitted terminal building cost by AAI for True up and the terminal building cost proposed / found admissible by Authority are as follows:

Table 10: Comparison between the submitted terminal building cost by AAI for True up and the terminal building cost proposed / found admissible by AAI

(₹ in crore)

Asset Category	Submitted by AAI in First Control Period	Approved in Tariff Order	AAI submission for True-up	Proposed by Authority
Terminal Building	554.52	415.87	745.32	656.66
Electrical Installation	298.58	223.93	-	-
Computer: Servers & Networks	-	-	30.10	30.10
Plant & Machinery	-	-	159.86	159.86
Tools & Equipment	-	-	4.22	4.22
Office Furniture	-	-	2.26	2.26
Total – For Terminal Building (A)	853.10	639.80	941.76	853.10
Other Approved Works (B)	98.69	95.50	144.94	133.69

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Asset Category	Submitted by AAI in First Control Period	Approved in Tariff Order	AAI submission for True-up	Proposed by Authority
Additional Works (C)	-	-	38.48	19.07
Total D=A+B+C	951.79	735.30	1125.18	1,005.85

4.5.9 At the time of tariff determination of First Control Period, Authority approved 639.80 crore i.e. 75% of the terminal building capex. This alongside other capex items totaled to ₹ 735.30 crore.

4.5.10 The variance of ₹ 389.88 crore between the CAPEX submitted by AAI and capex approved by the Authority during the First Control Period (₹ 1125.18 crore less ₹ 735.30 crore), pertains to the following reasons:

- ₹ 213.30 crore towards the adjustment mentioned in para 4.5.5.
- ₹ 88.66 crore (₹ 941.76 crore less ₹ 853.10 crore) pertains to reconfiguration of terminal building and cost escalations due to increase in terminal building area and increase in price of materials/wages, etc.
- ₹ 20.39 crore towards recarpeting work on existing Runway which was approved during the First Control Period for an amount of ₹ 18.97 crore as part of O&M Expenses. However, due to increase in PCN value from 45 to 64, the same has now been considered as CAPEX.
- ₹ 29.05 crore towards variation in cost incurred towards the approved capex for construction of apron, associated taxiways, isolation bays, Ground Support Equipments & associated works, Construction of Staff Quarter & CISF barracks, construction & raising of operational boundary wall and other plant & machinery.
- Remaining difference of ₹ 38.48 crore pertains to various additional small work that has also been undertaken and that were not part of the approved CAPEX during the First Control Period.

4.5.11 The Authority also noted that Airport operator had convened an Airport Users Consultative Committee (AUCC) meeting on 11 January 2019 in respect of the major capital expenditure associated with the New Integrated Terminal Building (NITB) and related works proposed during the First Control Period. The said meeting, attended by various airport stakeholders, and the minutes thereof were taken on record by the Authority at the relevant time.

However, during the true up, the Authority observed that the capital expenditure relating to the NITB and associated infrastructure has undergone substantial escalation and scope modifications. Despite these material changes which have larger implications on airport charges. No fresh AUCC meeting has been convened to present the revised cost estimates, justification for escalation, phasing of expenditure, or the consequential impact on airport charges. Further, no AUCC consultation had been undertaken for the additional CAPEX proposals submitted for the Second Control Period.

In line with the consultative framework prescribed under the regulatory guidelines and the principles of transparency and stakeholder engagement emphasized by AERA in its tariff guideline, 2011, clause A1.3.1 "The Airport Operator shall undertake user consultation with AUCC on major capital projects planned at the airport. The major capital projects shall be defined as capital investment projects that may represent more than 5% of the value of the RAB at the beginning of the control period or Rs. 50

crore Rupees, whichever is the lower amount", therefore for the additional expenditure, the Authority was of the view that such revised and additional capitalisation cannot be appropriately considered without structured user consultation.

4.5.12 Asset category-wise variance in costs, as approved by Authority through Tariff Order for the First Control Period and the actual cost incurred had been discussed below in detail:

1) Runways, aprons and taxiways

AAI incurred a total CAPEX of ₹ 71.29 crore, as against an approved CAPEX of ₹ 37.73 crore in the First Control Period. The Authority, through its Independent Consultant, had examined the assets as follows:

Runway

- a) The AAI had incurred an expenditure of ₹ 20.39 crore in First Control Period towards runway resurfacing cost. The said work was considered under O&M cost as repair and maintenance in Tariff Order for First Control Period. But after resurfacing, PCN value increased from 45 to 64, hence AAI has capitalized the said expenditure in CAPEX. The cost approved for this work during First Control Period was ₹ 18.97 crore without GST and ₹ 22.39 crore with GST. Considering the essentiality of the above CAPEX for operational requirements and the reasonableness of costs, based on norms such as CPWD, DSR / MoRTH and similar works at other airports, the Authority finds the same to be reasonable. The Authority, through its Independent Consultant, had verified the capitalization of above assets in the FAR. Accordingly, the Authority proposed to consider the same.

Apron, Taxiways, isolation bays etc.

- b) An expenditure of ₹45.51 crore was incurred during FY 2022–23 towards the construction of apron, associated taxiways, isolation bays, GSE and related works. This was part of the approved CAPEX, towards works other than terminal building, during the First Control Period. The cost approved during the First Control Period was ₹ 37.73 crore without GST, however the actual capitalization includes GST due to non-availability of ITC. The Authority noted that the said works were undertaken to address anticipated future traffic demand at Tiruchirappalli Airport, adopting a holistic approach for the Airport's long-term development. The scope of work included construction of an apron catering to 10-Code 'C' aircraft, associated link taxiways, GSE & vehicular lane, provision of apron and perimeter lighting, and an isolation bay with link taxi track, designed to accommodate A320/A321 type aircraft in compliance with DGCA CAR requirements.

Considering the essentiality of the above CAPEX for operational requirements and the reasonableness of costs, based on the review of various norms such as CPWD, DSR and similar works at other airports, the Authority found the same to be reasonable. The Authority, through its Independent Consultant, had verified the capitalization of above assets in the FAR. Accordingly, the Authority proposed to consider the same.

Wall to Wall Grading

- c) Capital expenditure of ₹1.41 crore was incurred during FY 2023–24 towards wall-to-wall grading of the operational area. The work was not proposed during the First Control Period and AAI could not provide sufficient clarifications / justification for such additional works. In the absence of adequate justification, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works from the First Control Period true-up.



Turning Pads & Fillets

- d) AAI had incurred CAPEX amounting ₹ 3.96 crore towards expansion of turning pad and fillets for B777-300ER aircraft in FY 2023-24. The Authority noted that the MoCA had identified Tiruchirappalli International Airport, among the 14 airports of AAI to be upgraded for handling VVIP aircraft (B777-300ER). The work is required, considering the size of turning pad required for B777-300ER, which is much larger than that needed for A-321. The scope of work included expansion of the turning pad, associated shoulders, lighting, and marking.

Considering the essentiality of the above CAPEX for operational requirements and the reasonableness of costs, based on norms such as CPWD, DSR / MoRTH and similar works at other airports, the Authority finds the same to be reasonable. The Authority, through its Independent Consultant, had verified the capitalization of above assets in the FAR. Accordingly, the Authority proposed to consider the aforesaid work amounting to ₹ 3.96 crore.

Based on the above facts and discussions, the Authority proposed to consider the following capital works as part of true up of the CAPEX of the First Control Period:

Table 11: Runways, aprons and taxiways cost proposed by Authority at Consultation stage

S. No	Particulars	As approved in FCP		As per true-up submitted by AAI		Proposed by Authority
		Capitalization		Capitalization		
		Year	Amount	Year	Amount	
1.	Resurfacing of existing runway 09-27 & associated works	-	-	2021-22	20.39	20.39
2.	Construction of apron associated taxiways, isolation bays, GSE Area and associated works	2020-21	37.73	2022-23	45.51	45.51
3.	Wall-to-Wall grading of operational area	-	-	2023-24	1.41	0.00
4.	Expansion of turning pad 09 & 27 and fillet of link taxi track for operation of B777-300ER type of aircraft	-	-	2023-24	3.96	3.96
	Total		37.73		71.29	69.87

2) Road, bridges & culverts

AAI had incurred a total CAPEX of ₹8.57 crore towards additional works for roads bridges and culverts, which was not part of the approved CAPEX for the First Control Period. The details are as follows:

- a) An expenditure of ₹1.46 crore was incurred during FY 2021–22 towards the construction of RCC drains and strengthening of unpaved areas within the operational area.
- b) Expenditure of ₹1.98 crore was incurred during FY 2024–25 towards the construction and overlay of concrete pavement at the fire station, including the approach road.



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- c) An expenditure of ₹3.87 crore was incurred towards widening of the existing perimeter road and CAT-I approach lighting works during FY 2024-25.
- d) An expenditure of ₹1.25 crore was incurred during FY 2024-25 towards perimeter road and drainage works.

The Authority noted that AAI had not provided sufficient clarifications / justification for such additional works. In the absence of adequate justification, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works from the First Control Period true-up. Accordingly, only the justified and verified expenditure aligned with the approved scope as was envisaged during the First Control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests.

Table 12: Road, bridges & culverts cost proposed by Authority at Consultation stage

(₹ in crore)

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		Year	Amount	Year	Amount	
1.	Construction of RCC drain and strengthening of unpaved area near to Air India Engineering office inside the operational area	-	-	2021-22	1.46	0.00
2.	Construction and overlay of existing concrete pavement at fire station including construction of approach road	-	-	2024-25	1.98	0.00
3.	Widening of existing perimeter road and approach road & CAT-I approach lighting system	-	-	2024-25	3.87	0.00
4.	Perimeter road and drainage	-	-	2024-25	1.25	0.00
	Total	-	-		8.57	0.00

3) Building-terminal

AAI had incurred ₹ 745.32 crore on the terminal building, as against approved CAPEX of ₹ 415.87 crore under the terminal building in the First Control Period.

AAI had undertaken the following work as part of NITB during the First Control Period amounting to ₹ 745.32 crore. The details are as below:

- a) ₹ 719.38 crore towards construction of NITB including PMC (FY 2023-24)
- b) ₹ 9.34 crore towards interior & art works for NITB (FY 2023-24)
- c) ₹ 1.32 crore towards horticulture, landscaping works for NITB (FY 2023-24)



- d) ₹ 1.94 towards supplying & application of PU floor coating at the luggage handling area of NITB at basement level (FY 2023-24)
- e) ₹ 3.54 towards construction of gopuram in forecourt of NITB (Civil + Elec.) (FY 2023-24)
- f) ₹ 5.84 crore towards miscellaneous civil works in NITB (FY 2024-25)
- g) ₹3.77 crore towards the construction of tensile membrane fabric works around column capitals and the gopuram-type vestibule at the New Integrated Terminal Building (NITB) was incurred during FY 2024-25.
- h) ₹ 0.18 crore towards provision for toilet for passengers in extended SHA of NITB (FY 2022-23)

During the Tariff Order stage for the First Control Period, CAPEX for terminal building was bifurcated in civil and electrical part only. However, during the True up of First Control Period, the detailed bifurcation of terminal building CAPEX has been provided by AAI. The CAPEX towards NITB has been restricted to ₹ 853.10 crore (refer to para 4.5.4 to 4.5.11). Since the terminal building cost has been restricted to ₹ 853.10 crore and the same was only bifurcated in civil and electrical part, the rationalisation had been undertaken in civil part only. The same has been detailed out in table below.

The Authority, through its Independent Consultant, had reviewed the scope of work and the reasonableness of costs in line with market rates for the proposed amount of the terminal building. Further, the Authority, through its Independent Consultant, has verified the actual capitalization of these assets from the FAR in the respective years. The Authority noted through its Independent Consultant that AAI could not demonstrate the adequate justification for the additional works, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works resulting into a deviation of ₹ 88.66 crore from the First Control Period true-up and accordingly, only the justified and verified expenditure aligned with the approved scope, as was envisaged during the First Control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests. The Authority proposed to consider the following for true-up of the CAPEX of the First Control Period.

Table 13: Building- terminal cost proposed by Authority at Consultation stage

(₹ in crore)

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		year	Amount	year	Amount	
1.	Construction of NITB incl. PMC	2022-23	415.87	2023-24	719.38 (686.30 + 33.08)	638.21
2.	Interior & Art works for NITB	-	-	2023-24	9.34	9.34
3.	Horticulture, landscaping works for NITB	-	-	2023-24	1.32	1.32



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S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		year	Amount	year	Amount	
4.	Supplying & application of PU floor coating at the luggage handling area of NITB at basement level	-	-	2023-24	1.94	1.94
5.	Miscellaneous civil works in NITB	-	-	2024-25	5.84	5.84
6.	Construction of gopuram in forecourt of NITB (Civil + Elec.)	-	-	2023-24	3.54	0.00
7.	Provision for toilet for passengers in extended SHA	-	-	2022-23	0.18	0.00
8.	Construction of tensile membrane fabric around column capitals and gopuram vestibule	-	-	2024-25	3.77	0.00
	Total		415.87		745.32	656.66

4) Building – residential

For Building Residential, AAI had incurred CAPEX of ₹ 74.75 crore (₹ 74.48 crore plus ₹ 0.27 crore) against the approved CAPEX of ₹ 55.11 crore. The details are as follows:

- a) The Authority noted that the cost towards construction of new residential staff quarter, CISF barracks, dog kennels and community hall at old wireless station was estimated at ₹ 65.12 crore during tariff determination of First Control Period. Out of this cost, ₹ 15.06 crore was considered 100% aeronautical being cost towards the cost of CISF barracks, hostel, dog kennel & community hall at old wireless station. The remaining cost of ₹ 50.06 crore (₹ 65.12 crore less ₹ 15.06 crore) utilized for constructing residential quarters for Aero and Non-Aero staff, was allocated in the ratio of 80: 20 (Aero staff: ANS staff). Accordingly, ₹ 55.11 crore was approved during the First Control Period after removing allocated cost for ANS staff residential quarters.

In the True up, AAI had submitted ₹ 74.48 crore towards construction of new residential staff quarter CISF barracks, dog kennels and community hall at old wireless station and has not considered any allocation. The Authority noted that the actual awarded cost is ₹ 60.79 crore plus GST i.e. 69 crore and there is an increase in cost due to change of scope towards additional CISF female barracks and interest on loan. The Authority also noted that out of total capitalization of ₹ 74.48 crore, ₹ 13.09 crore is towards construction of CISF barracks and remaining ₹ 61.38 crore towards construction of staff quarters. Accordingly, Authority proposed to consider 13.09 crore as 100% aeronautical and



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allocate ₹ 61.38 crore in the quarter ratio of 81.67%:18.33% (based on actual ratio of Aero Staff and ANS staff) for the FY 2022-23.

The Authority, through its Independent Consultant, had verified the capitalization of the above assets from the FAR. Accordingly, considering the essentiality of the work and the reasonableness of the cost, the Authority proposed to consider ₹ 63.22 crore in FY 2020-21 for true up of the CAPEX of the First Control Period

- b) ₹ 0.27 crore has been incurred towards new bore wells in AAI colony and non-operational area (FY 2020-21). Authority observes that the same was not part of CAPEX approved during the First Control Period. AAI has not provided sufficient need/ justification for such additional work. In the absence of adequate justification, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works from the First Control Period true-up. Based on above, the Authority proposed to consider as below:

Table 14: Building – residential cost proposed by Authority at Consultation stage

(₹ in crore)

S. No	Particulars	As approved in FCP Capitalization		As per true-up Capitalization		Proposed by Authority
		Year	Amount	Year	Amount	
		1.	Construction of new residential staff quarter CISF barracks, dog kennels and community hall at old wireless station	2021-22	55.11	
2.	New bore wells in AAI colony and non-operational area	-	-	2020-21	0.27	0.00
	Total		55.11		74.75	63.22

5) Boundary wall – operational

The Authority had examined through its Independent Consultant the proposal of AAI regarding Boundary Wall – Operational, wherein AAI had submitted an actual expenditure of ₹9.32 crore as against the approved CAPEX of ₹0.37 crore for the First Control Period. In this regard, the Authority noted that ₹ 0.56 crore incurred during FY 2020-21 towards construction and raising of the operational boundary wall, forming part of the originally approved scope of work. Considering the operational necessity of the works and the reasonableness of costs assessed with reference to norms such as CPWD/ DSR rates, the same had been found justified & reasonable. The Authority, through its Independent Consultant, had verified the capitalization of these assets in the Fixed Asset Register and the actual cost incurred therein, proposed to allow this amount as part of the true-up of CAPEX for the First Control Period.

Further to above, AAI had reported additional expenditure comprising ₹0.75 crore towards boundary wall construction with chain-link fencing (FY 2023-24), ₹4.38 crore towards compound wall, perimeter road, and RCC drain for NITB (FY 2024-25), and ₹3.63 crore towards construction of a pre-cast property wall around NITB (FY 2024-25). In the absence of adequate justification, detailed scope



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validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works from the First Control Period true-up and accordingly, only the justified and verified expenditure aligned with the approved scope as was envisaged during the First Control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests. Therefore, the Authority proposed to consider ₹ 0.56 crores as CAPEX.

Table 15: Boundary wall – operational proposed by Authority at Consultation stage

(₹ in crore)

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization year	Capitalization amount	Capitalization year	Capitalization amount	
1.	Construction and raising of operational boundary wall	2020-21	0.37	2020-21	0.56	0.56
2.	Construction of boundary wall and providing chain link fencing at newly acquired land				0.75	0.00
3.	Construction of compound wall, perimeter road, RCC drain for NITB				4.38	0.00
4.	Construction of pre-cast property wall around NITB				3.63	0.00
	Total		0.37		9.32	0.56

6) Other buildings – unclassified

AAI had incurred ₹ 0.27 crore towards platform to solar panels- 1 MW solar power plant. Authority observed that the same was not part of CAPEX approved during the First Control Period. AAI had not provided sufficient need/ justification for such additional work. In the absence of adequate justification, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works from the First Control Period true-up

7) Plant & Machinery

AAI had incurred CAPEX of ₹ 173.45 crore in the First Control Period. Out of this ₹ 173.45 crore, ₹ 9.62 crore pertains to additional Plant & Machinery, which were not part of approved CAPEX during First Control Period. The remaining CAPEX of ₹ 163.83 crore in plant & machinery was covered under the head of electrical installations amounting to ₹ 224.71 crore in Tariff Order for First Control Period. The Authority, through its Independent Consultant, had verified the capitalization of the above assets from the FAR. Accordingly, considering the essentiality of the work and the reasonableness of the cost



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based on market rates, the Authority proposed to consider ₹ 163.83 crore for True up of the CAPEX of the First Control Period.

However, in the absence of adequate justification, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed not to consider ₹ 9.62 crore worth of additional Plant & Machinery from the First Control Period true-up and accordingly, only the justified and verified expenditure aligned with the approved scope as was envisaged during the First Control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests.

Based on the above, the Authority proposed to consider the following for true up of the CAPEX of the First Control Period:

Table 16: Plant & machinery cost proposed by Authority at Consultation stage

(₹ in crore)

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		Year	Amount	Year	Amount	
1.	Electrical installations towards upgradation of NITB	2022-23	223.93	-	-	-
2.	Extension of CCR hall including repositioning of CCR and ups of Trichy airport	2020-21	0.37	2020-21	0.38	0.38
3.	Replacement of air conditioning	2020-21	0.18	2020-21	0.16	0.16
4.	Transinstallation of NDB at operational area	2020-21	0.23		0.00	0.00
5.	Replacement of 3X400Tr Cooling tower for existing HVAC plant (Elect)-Trichy	2020-21	0.25	2020-21	0.43	0.43
6.	SITC of FIDS system at Trichy airport			2020-21	1.19	1.19*
7.	Improvement of illumination of car parking area			2020-21	0.23	0.00
8.	Biometric Access Control Systems			2020-21	1.45	0.00
9.	Replacement of 3x400TR cooling tower for existing			2021-22	0.26	0.00
10.	250 KWP Solar PV power plant			2022-23	1.18	0.00
11.	Apron flood lightings for new and existing apron			2022-23	1.15	0.00
12.	Construction of 10 nos parking bay- electrical works			2022-23	1.82	1.82
13.	NITB-landscape lighting			2023-24	1.72	1.72
14.	NITB-signages			2023-24	5.18	5.18
15.	NITB-1050 KLD STP			2023-24	4.29	4.29
16.	Ofc cable – ATC tower – NITB (AOCC)- new ATC tower			2023-24	0.04	0.00
17.	NITB- major electrical work			2023-24	61.86	61.86



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S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		Year	Amount	Year	Amount	
18.	NITB- fire alarm system			2023-24	13.56	13.56
19.	NITB- HVAC works ₹ 45.37 crore			2023-24	42.99	42.99
20.	Building Management System-BMS works (part of NITB)			2023-24	1.38	1.38
21.	NITB- WTP			2023-24	1.65	1.65
22.	NITB- lift and escalator			2023-24	11.72	11.72
23.	NITB-FLS			2023-24	2.14	2.14
24.	NITB- Project Management			2023-24	8.19	8.19
25.	33kv HT cables and VCB panel at NITB (part of NITB)			2023-24	1.59	1.59
26.	PBB and AVDGS Bukkaka (part of NITB)			2024-25	2.66	2.66
27.	NITB-misc electrical works (part of NITB)			2024-25	0.82	0.82
28.	Others plant & machinery				5.41	0.46
	Total		224.96		173.45	163.83
Shift of work from OPEX to CAPEX						
29.	Water connection works**	2023-24	15.10	2023-24	15.10	15.10

* Approved as part of Tools & Equipment during First Control Period.

****Utilities: Water connection works**

AAI had included water connection charges amounting to ₹ 15.10 crore as part of O&M expenses in FY 2023-24. The said expense pertains to infrastructure development required to supply water supply from existing booster station at Madhayanipatti of CWSS and other related works. The Authority, through its Independent Consultant, had examined the work and found the nature of the work pertains to Capital Expenditure and it is necessary to provide the water supply in order to commensurate the requirement of NITB. Therefore, Considering the essentiality of the above CAPEX for operational requirements and the reasonableness of costs verified from the books of accounts, invoices etc. and analysed based on CPWD/DSR and other similar works, the Authority based on the justification and rationale provided by AAI had considered the water connection charges amounting to ₹ 15.10 crore as part of RAB.

8) Tools & Equipments

The Authority had incurred ₹ 5.88 crore towards tools & equipment in the First Control Period against the approved CAPEX of ₹ 1.26 crore. Out of this ₹ 5.88 crore, ₹ 1.64 crore had been incurred towards additional work such as Supply of 01 No bomb inhibitor, SITC of 03nos ETD (CHQ procure), Supply of fibre optic surveillance device etc., which were not part of approved CAPEX during First Control Period. In the absence of adequate justification, detailed scope validation, and demonstrable linkage to the originally approved project components, the Authority proposed to exclude these additional works from the First Control Period true-up and accordingly, only the justified and verified expenditure aligned with the approved scope as was envisaged during the First Control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests.



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The remaining CAPEX of ₹ 4.24 crore crore in plant & machinery was covered under the head of electrical installations amounting to ₹ 224.71 crore in Tariff Order for First Control Period. The Authority, through its Independent Consultant, had verified the capitalization of the above assets from the FAR. Accordingly, considering the essentiality of the work and the reasonableness of the cost based on market rates, the Authority proposed to consider ₹ 4.24 crore for True up of the CAPEX of the First Control Period

Based on above, the Authority proposed to consider the following for true up of the CAPEX of the First Control Period:

Table 17: Tools & equipment cost proposed by Authority at Consultation stage

(₹ in crore)

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		Year	Amount	Year	Amount	
1.	SITC of FIDS Trichy	2020-21	1.24	-	-	-
2.	Procurement of BR helmets-35no.@ 5884.75 each	2020-21	0.02	2020-21	0.02	0.02
3.	Supply of 01 No bomb inhibitor			2020-21	0.11	0.00
4.	SITC of 03nos ETD (CHQ procure)			2021-22	0.32	0.00
5.	Supply of 01 no fibre optic surveillance device			2021-22	0.11	0.00
6.	SITC of e-gates (part of NITB)			2023-24	1.33	1.33
7.	DFMD			2023-24	0.62	0.62
8.	ETD			2023-24	0.62	0.62
9.	ETD			2024-25	0.63	0.63
10.	SITC of biometric smartcard reader-cum-controller			2024-25	0.81	0.81
11.	Other tools & equipment*				1.31	0.21
	Total		1.26		5.88	4.24

* Spread over multiple years

9) Vehicles

AAI had incurred an expenditure of ₹0.63 crore towards procurement of vehicles during the First Control Period. The Authority noted that no provision for such procurement was included in the approved CAPEX plan of the First Control Period. Further, AAI had not furnished adequate operational justification, usage linkage to aeronautical functions, or evidence demonstrating that the procurement was indispensable for passenger facilitation or capacity augmentation. In the absence of regulatory approval and supporting rationale, the Authority concluded that the expenditure falls outside the admissible scope and accordingly, proposed to exclude the same from the true-up exercise.



10) Furniture & fix. other than trolley

AAI had incurred ₹4.75 crore towards supply of furniture and fixtures, including seating, indoor recreational items, computers, kitchen equipment for CISF barracks, residential quarters and associated facilities. Upon detailed scrutiny, the Independent Consultant verified the capitalization of assets in the Fixed Asset Register and assessed the reasonableness of associated costs against prevailing market benchmarks. Out of the total expenditure, ₹2.25 crore pertains to furniture installed in the New Integrated Terminal Building (NITB), which is functionally linked to operational readiness and was found to be essential for asset utilization. The Authority, therefore, proposed to allow ₹2.25 crore for True up. The remaining ₹2.50 crore relates to additional items not envisaged in the approved CAPEX and lacking sufficient necessity justification; hence, the Authority proposed to exclude this portion.

11) X ray baggage system

AAI incurred ₹0.21 crore towards procurement of one dual-view X-ray Baggage Inspection System. The Authority observed that this procurement was not included in the approved CAPEX for the First Control Period. As the expenditure does not align with the allowable investment plan of AAI during the First Control Period, the Authority therefore proposed to disallow the same for tariff determination purposes.

12) CFT/firefighting equipment

AAI incurred ₹0.01 crore towards installation of CCTV in ACFT for accident video recording during FY 2022-23. The Authority noted that this item was not part of the approved CAPEX framework and no detailed justification or regulatory approval has been submitted to establish its criticality within the aeronautical asset base. Accordingly, the Authority proposed to exclude this expenditure from the True up of CAPEX for the First Control Period.

13) Computers: end users

AAI had incurred ₹0.38 crore towards procurement of end-user IT hardware, including laptops, printers, and routers, during FY 2020-21 to FY 2022-23 for CCR and AOCC functions. While such assets may support administrative efficiency, the Authority observed that the expenditure was not included in the approved CAPEX plan and has not been substantiated as a capacity-driven or passenger-facing requirement. In view of the absence of prior approval and detailed justification, the Authority proposed to disallow this amount for True up.

14) Computers: servers and networks

AAI had incurred ₹ 30.25 crore towards IT infrastructure works for the NITB, covering digital connectivity, network security architecture, and airport-wide communication systems. Out of this ₹ 30.25 crore, ₹ 30.10 crore formed part of the originally approved CAPEX in First Control Period and was covered under the head of electrical installations amounting to ₹ 224.71 crore approved in Tariff Order for First Control Period. The Independent Consultant verified capitalization of ₹ 30.10 crore in the Fixed Asset Register, examined procurement documentation and benchmarked costs with prevailing market rates, finding them to be reasonable and aligned with project requirements. Considering that these systems are integral to terminal operations, safety, and service delivery, the Authority proposed to allow ₹30.10 crore for True up of CAPEX.

Additional items have also been procured amounting ₹ 0.15 crore. However, the Authority noted that this item was not part of the approved CAPEX in First Control Period and no detailed justification or

regulatory approval has been submitted. Hence, the Authority proposed to disallow this amount for True up.

15) Other office equipment

AAI incurred ₹0.09 crore towards procurement of miscellaneous office equipment. The Authority noted that this expenditure was not envisaged under the approved CAPEX plan and AAI had not provided sufficient justification demonstrating its necessity for aeronautical service provision. As such, the Authority proposed to exclude this amount from the true-up exercise

4.5.13 Based on the foregoing detailed examination, prudence checks, and independent validation, the Authority had adopted a calibrated approach by allowing only those capital expenditures that are justified, efficiently incurred, within the approved project scope, and demonstrably available for the use of airport user in providing aeronautical services to passengers during the Control Period. This approach ensures that non-essential or unapproved costs in First Control Period are not passed through to airport users, thereby maintaining tariffs at a fair, reasonable, and economically sustainable level while ensuring economic and viable airport operations. The allowable CAPEX under each head, as determined through this rigorous assessment, are shown in the following table.

Table 18: Capital additions proposed by the Authority for true up of the First Control Period at Consultation stage

(₹ crore)

S. No	Asset category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
1.	Runways, taxiway & aprons	0.00	20.39	45.51	3.97	0.00	69.87
2.	Road, bridges & culverts	0.00	0.00	0.00	0.00	0.00	0.00
3.	Building- terminal	0.00	0.00	0.00	650.82	5.84	656.66
4.	Building - temporary	0.00	0.00	0.00	0.00	0.00	0.00
5.	Building – residential	0.00	0.00	63.23	0.00	0.00	63.23
6.	Security fencing - temporary	0.00	0.00	0.00	0.00	0.00	0.00
7.	Boundary wall - operational	0.56	0.00	0.00	0.00	0.00	0.56
8.	Boundary wall – residential	0.00	0.00	0.00	0.00	0.00	0.00
9.	Other buildings- unclassified	0.00	0.00	0.00	0.00	0.00	0.00
10.	Computers: end users	0.00	0.00	0.00	0.00	0.00	0.00
11.	Computers: servers and networks	0.00	0.00	0.00	30.10	0.00	30.10
12.	Intangible assets- software	0.00	0.00	0.00	0.00	0.00	0.00
13.	Plant & machinery	2.16	0.00	1.82	171.48	3.48	178.94
14.	Tools & equipment	0.02	0.00	0.00	2.58	1.65	4.25
15.	Office furniture	0.00	0.00	0.00	2.25	0.00	2.25
16.	Vehicles	0.00	0.00	0.00	0.00	0.00	0.00
17.	Vehicle- cars & jeeps	0.00	0.00	0.00	0.00	0.00	0.00
18.	Electrical installations	0.00	0.00	0.00	0.00	0.00	0.00
19.	Solar plant	0.00	0.00	0.00	0.00	0.00	0.00
20.	Other office equipment	0.00	0.00	0.00	0.00	0.00	0.00

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S. No	Asset category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
21.	Furniture & fixtures- other than trolley	0.00	0.00	0.00	0.00	0.00	0.00
22.	Furniture & fixtures- trolley	0.00	0.00	0.00	0.00	0.00	0.00
23.	X ray baggage system	0.00	0.00	0.00	0.00	0.00	0.00
24.	CFT/fire fighting equipment	0.00	0.00	0.00	0.00	0.00	0.00
	Total	2.74	20.39	110.55	861.19	10.97	1005.85

4.5.14 The Authority proposed to consider CAPEX of ₹ 1005.85 crore as against CAPEX of ₹ 1125.18 crore submitted by AAI for true up of the First Control Period. The variance of ₹ 119.33 crore pertains to:

- Disallowance the unapproved works undertaken by AAI for an amount of ₹ 19.41 crore
- Disallowance of CAPEX amounting to ₹ 88.66 crore towards NITB over and above ₹ 853.10 crore approved during the First Control Period.
- Re-allocation of the cost of construction of staff quarters in quarter ratio i.e. 80: 20 (Aero staff: ANS staff), resulting is reduction of CAPEX by ₹ 11.26 crore.

True up of transfer/disposal for the First Control Period at Consultation stage

4.5.15 AAI had submitted that the old terminal building at Tiruchirappalli International Airport would be transferred to AAICLAS. The assets pertaining to old terminal buildings have been removed from RAB in the First Control Period amounting to ₹ 5.30 crore. The list of assets removed from the RAB is as below:

Table 19: List of Assets excluded from RAB w.r.t. old terminal building as submitted by AAI

(₹ in crore)

S. No	Asset Category	Disposable value in FY 2024-25
1.	Runways, Taxiway & Aprons	0.10
2.	Terminal Building	1.36
3.	Building Residential	0.17
4.	Plant & Machinery	3.14
5.	Tools & Equipment	0.30
6.	Electrical Installation	0.20
7.	Furniture & Fixtures	0.02
8.	Computer: Servers and Networks	0.01
	Total	5.30

4.5.16 The Authority noted that AAI has reduced the RAB by ₹ 5.30 crore towards disposal/transfer of assets pertaining to old terminal building. As per the submission, the old terminal building would be transferred to AAICLAS and accordingly the net block of the old terminal building has been reduced from RAB by AAI in FY 2024-25. The Authority noted that the AAI has considered the value of assets after adjustment for accumulated depreciation. The Authority proposed to exclude ₹ 4.91 crore from RAB pertaining to old terminal building, after considering the revised CAPEX and depreciation calculation.



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Note: Authority clarifies that the actual value of the old terminal building shall be duly considered at the time of its monetization in the future. Based on the actual value realized, the corresponding amount shall be trued up in the relevant control period in accordance with applicable AERA guidelines.

True up of depreciation for the First Control Period

4.5.17 AAI has submitted the following depreciation for the First Control Period for Tiruchirappalli International Airport:

Table 20: Depreciation for the First Control Period submitted by AAI for Tiruchirappalli International Airport

(₹ crore)

S. No	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
2	Runways, Taxiway & Aprons	0.12	0.45	1.55	2.40	2.42	6.93
3	Road, Bridges & Culverts	0.57	0.64	0.71	0.71	1.07	3.70
4	Building- Terminal	1.83	1.82	1.13	12.33	24.73	41.84
5	Building - Temporary	0.00	0.00	0.00	0.00	0.00	0.00
6	Building - Residential	0.05	0.06	1.29	2.53	2.51	6.45
8	Boundary Wall -Operational	0.29	0.31	0.31	0.27	0.65	1.83
9	Boundary Wall - Residential	0.00	0.00	0.00	0.00	0.00	0.01
10	Other Buildings-Unclassified	0.19	0.19	0.19	0.20	0.20	0.96
11	Computers: End Users	0.14	0.12	0.14	0.05	0.17	0.62
12	Computers: Servers and Networks	0.01	0.01	0.01	2.53	5.05	7.59
14	Plant & Machinery	0.86	1.07	1.29	6.73	12.12	22.06
15	Tools & Equipment	0.18	0.20	0.21	0.31	0.48	1.38
16	Office Furniture	0.08	0.20	0.34	0.52	0.72	1.86
17	Vehicles	0.18	0.18	0.17	0.18	0.21	0.93
19	Electrical Installations	0.65	0.59	0.56	0.51	0.38	2.69
20	Solar Plant	0.03	0.03	0.03	0.03	0.03	0.15
21	Other Office Equipment	0.21	0.21	0.07	0.00	0.03	0.52
22	Furniture & Fixtures-Other than Trolley	0.15	0.14	0.13	0.12	0.07	0.63
23	Furniture & Fixtures- Trolley	0.08	0.03	0.00	0.00	0.00	0.11
24	X Ray Baggage System	0.18	0.19	0.18	0.18	0.16	0.89
25	CFT/Fire Fighting Equipment	0.37	0.37	0.37	0.37	0.37	1.84
	Total	6.15	6.79	8.68	29.97	51.39	102.98

4.5.18 The Authority noted 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, and amendments for determination of useful life on airport assets'. Accordingly, the rates of depreciation approved by AERA had been applied by AAI from FY 2018-19 onwards.

4.5.19 The Authority observed that AAI has depreciated assets @ 50% of depreciation rates in the year of capitalization of assets. However, the Authority proposed 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 proposed to consider depreciation on capital additions for the First Control Period for Tiruchirappalli International Airport, based on the date of capitalization/ date of asset being "put to use" by the Airport Operator.



4.5.20 Based on the above factors, the Authority had re-computed the depreciation as ₹ 65.44 crore, as against ₹ 102.98 crore and the same is presented below:

Table 21: Depreciation proposed by the Authority for true up of the First Control Period at Consultation stage

(in ₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Runways, taxiway & aprons	0.09	0.34	1.76	2.36	2.35	6.91
Road, bridges & culverts	0.22	0.22	0.22	0.22	0.22	1.12
Building- terminal	1.76	1.75	1.06	0.23	21.86	26.65
Building - temporary	0.00	0.00	0.00	0.00	0.00	0.00
Building - residential	0.03	0.03	1.61	2.13	2.11	5.90
Boundary wall -operational	0.21	0.22	0.22	0.14	0.09	0.88
Boundary wall - residential	0.00	0.00	0.00	0.00	0.00	0.01
Other buildings-unclassified	0.15	0.15	0.15	0.15	0.15	0.74
Computers: end users	0.05	0.00	0.00	0.00	0.00	0.05
Computers: servers and networks	0.00	0.00	0.00	0.05	5.02	5.07
Plant & machinery	0.12	0.19	0.23	1.48	11.93	13.95
Tools & equipment	0.02	0.03	0.02	0.05	0.26	0.38
Office furniture	0.00	0.00	0.00	0.03	0.32	0.36
Vehicles	0.04	0.04	0.03	0.02	0.01	0.14
Electrical installations	0.57	0.51	0.48	0.43	0.31	2.30
Solar plant	0.03	0.03	0.03	0.03	0.03	0.13
Other office equipment	0.19	0.19	0.04	0.00	0.00	0.41
Furniture & fixtures-other than trolley	0.03	0.02	0.01	0.00	0.00	0.06
Furniture & fixtures- trolley	0.00	0.00	0.00	0.00	0.00	0.00
X ray baggage system	0.07	0.07	0.06	0.06	0.05	0.31
CFT/fire fighting equipment	0.02	0.02	0.02	0.02	0.02	0.08
Total	3.61	3.79	5.91	7.42	44.71	65.44

4.5.21 Variance in the depreciation proposed by the Authority (₹ 65.44 crore) and that claimed by AAI (₹ 102.98 crore) 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

Regulatory Asset Base (RAB)

4.5.22 The RAB for the First Control Period is provided in the table below:

Table 22: RAB proposed by the Authority for true up of the First Control Period at Consultation stage

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Opening RAB (A)	29.66	28.80	45.40	150.04	1003.82	
Additions (B) (Refer Table 18)	2.74	20.39	110.55	861.19	10.97	1,005.85
Disposal/Transfer (C)	0.00	0.00	0.00	0.00	4.91	4.91
Depreciation (D) (Refer Table 21)	3.61	3.79		7.42	44.71	65.44



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Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Closing RAB (E) = [(A)+(B)-(C)-(D)]	28.80	45.40	150.04	1003.82	965.17	
Average RAB = [(A) + (E)]/2	29.23	37.10	97.72	576.93	984.49	

Stakeholders comments regarding true up of Capital expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period

4.5.23 AAI's comment on CAPEX towards AUCC for construction of New Terminal Building is as follows:

"The AUCC consultation meeting was convened on 11th January 2020, wherein the proposal for capital expenditure of approximately ₹951 Crores for the construction of the New Integrated Terminal Building (NITB) was presented to the stakeholders. The meeting was attended by representatives of airlines, airport stakeholders and other users, and the proposal was discussed

Moreover, several meetings were conducted with the stakeholders for projects like PBB, New Apron, parallel taxiway, ILBHS etc., which are part of NITB during initial concept and design stage and was accepted by stakeholders like airlines, GHA, CISF, Customs and others.

Further, as per Clause A1.3.1 of the AERA Tariff Guidelines, 2011, the AUCC consultation is required to be undertaken prior to the commencement of the Control Period for major capital projects. In this regard, the AUCC consultation for the NITB project was conducted before the beginning of the relevant Control Period, and the same was executed.

The increase in amount of Rs.81.71 cr. is mainly due to cost escalation is due to the COVID-19 pandemic causing nationwide lockdown & non-availability of oxygen affecting the supply of manpower & materials, cyclone Nivar in Nov 2020, cyclone Burevi in Dec 2020 and cyclone Jawad in Nov-Dec 2021, non-availability of vessels for imported items transfer, non-availability of electronic chips etc. which is beyond the control of AAI. contributed to escalation in the overall project cost and not due to Re-configuration work as mentioned in the CP 06/2025-26. The said NITB project which was approved by PIB (Ministry of Finance) and the revised cost of Rs.161.21 Crores which is due to cost escalation (Covid 19) is also approved by the PIB.

Though capacity is increased from 3.63 MPPA to 4.45 MPPA, total area of building remains same i.e. 75,000 sq.mt. Only modification inside the building like removal of partition wall, providing additional counters, augmentation of conveyor, providing additional XBIS in SHA is undertaken to meet the BCAS requirement for better space efficiency, increased passenger capacity, efficient flow of passengers, removal of bottlenecks and to increase the peak hour capacity of Terminal Building for optimal utilization of terminal Building. Accordingly, the development of the NITB and associated infrastructure was planned to meet the anticipated passenger demand and ensure adequate level of service for airport users.

AAI therefore submits that

- i. The consultation meeting with the stakeholders requirement for the major capital project (NITB) has been complied with.*
- ii. In view of the above, it is requested to consider the CAPEX amount of Rs. 81.71 Crores."*

4.5.24 AAI's comment on CAPEX towards Wall to Wall Grading is as follows:

"Wall to Wall Grading (para 4.5.12 (C))



The wall-to-wall grading work (levelling and grading of runway basic strip) was undertaken to comply the DGCA surveillance inspection observation.

As per the Directorate General of Civil Aviation (DGCA) Surveillance inspection observance of Trichy airport for the year 2018 it is mentioned that "the transverse slope of the runway strip is uneven, engulfed with vegetation and stones at few places. The runway strip at certain portion is 2" lower than the runway edge and it is not flushed with runway shoulder

The runway strip needs to be levelled, graded & transverse slope to be maintained as per DGCA Civil Aviation Requirement (CAR) observation."

After the completion of runway re-carpeting work, it is observed by DGCA that the level difference between Runway shoulder edge and the basic runway strip are uneven. Which creates water logging and attracting birds activity causing threat to aircraft safety.

Accordingly, the work was carried out with the approval/directions of DGCA, and all relevant stakeholders were involved during the concept, design and execution level approval and commissioning level approval wherein the scope of work was elaborately explained in detail.

The said work is purely unplanned and undertaken to comply the observation raised by DGCA.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.41 Crores"

4.5.25 AAI's comment on CAPEX towards Road, bridge & Culverts is as follows:

"Road, bridge & Culverts para 4.5.12 (2)

1) *Construction of RCC drain and strengthening of unpaved area near to Air India Engineering office inside the operational area:*

Water logging was noticed in 09 side runway with increased bird movement causing potential threat to the safety of aircraft movement as there was no proper drainage system available. Also unpaved area near to Air India engineering office was causing issues in the movement of their Ground Support Equipment (GSE).

The said CAPEX has been incurred for improving the drainage system to ensure proper disposal of rainwater from the runway basic strip at RWY 09 side, mitigate flooding of runway along with RESA and connecting the existing drainage and thereby maintaining the runway basic strip in compliance with ICAO standards for safe aircraft operations.

Further, strengthening of the unpaved surface has been undertaken to facilitate the movement and operation of Ground Support Equipment (GSE) used by airlines, thereby enhancing the efficiency of aircraft operations.

As this CAPEX pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred due to operational requirement (the said work is highlighted in Green).

Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period. The said work is purely of the operational requirement.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.46 Crores.

2) *Construction and overlay of existing concrete pavement at fire station including construction of approach road*



The newly constructed parallel Taxi track crosses the Fire Station approach road to Runway. There is a level difference of 1.35 M around fire station hard stand and top finished level of parallel taxi. The CFT vehicles are required to approach the runway by crossing parallel taxi track.

Besides, the existing approach road between fire station hard stand and parallel taxi & the road between parallel taxi and RWY was required to be elevated accordingly to match the top level of parallel taxi.

Accordingly, the fire station approach road has been overlaid to enable the movement of CFT vehicles as per operational requirements.

Also, the existing concrete pavement around the Fire Station has been overlaid to raise the pavement level and to eliminate water inundation during rains which is a threat to aircraft safety.

As this CAPEX pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred due to operational requirement.

Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.98 Crores.

3) Widening of existing perimeter road and approach road & CAT-I approach lighting system

The existing perimeter road was narrow (approximately 3 meters wide), which was unable to cater the efficient movement of Crash Fire Tender (CFT). This posed a potential threat to passenger and aircraft safety in case of any emergency.

The said work was carried out to maintain the readiness and efficiency of airport rescue and firefighting services (CFT) as per Fire Manual requirement. Also, the perimeter road is connected to the newly constructed terminal building service road for creating the uninterrupted vehicular and CFT movements. These are critical for maintaining airport Fire safety standards and ensuring quick response times in accordance with operational requirements.

Further, the approach road in the existing CAT-I Approach Lighting System area has been extended, including the construction of a footpath to facilitate effective maintenance of the approach lighting system, which is essential for safe aircraft landing operations.

As this CAPEX undertaken based on operational requirements, the expenditure was incurred due to operational requirement.

As such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 3.87 Crores.

4) Perimeter road and drainage

NITB along with service road was constructed in the isolated barricaded area which was to be connected with the existing operational area for uninterrupted vehicular and CFT movements to maintain the airport safety standards.

The existing perimeter road was extended and connected with the NITB along with associated drainage works to secure the operational area adjoining the NITB including the new apron area and two operational vehicle gates, to ensure smooth movement of security patrol and maintenance



vehicles along the airport boundary and to improve the drainage system to prevent water stagnation in the surrounding areas (highlighted in red)

These works are essential for maintaining operational safety and security in accordance with the standards and requirements prescribed by BCAS.

AAI therefore submits that the said work was taken as mitigating measures for aircraft safety.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.25 Crores."

4.5.26 AAI's comment on CAPEX towards Building Terminal is as follows:

"Building- Terminal para 4.5.12 (3)

1) *"Construction of NITB incl. PMC*

The NITB project was approved by PIB (Ministry of Finance), Further CAG audit as well as Internal audit also conducted for NITB project. The increase in amount, is mainly due to cost escalation is due to the COVID-19 pandemic causing nationwide lockdown & non-availability of oxygen affecting the supply of manpower & materials, cyclone Nivar in Nov 2020, cyclone Burevi in Dec 2020 and cyclone Jawad in Nov-Dec 2021, non-availability of vessels for imported items transfer, non-availability of electronic chips The said NITB project which was approved by PIB (Ministry of Finance) and the revised cost of Rs.161.21 Crores which is due to cost escalation (Covid 19) is also approved by the PIB. The subsequent increase in the cost of manpower and construction materials (like make in China is disallowed and conveyor to be made through Make in India as per Govt. policy which increased the cost) is also contributed to escalation in the overall project cost.

Trichy Airport has already been declared for 2nd round on PPP, which is in pipeline. Disallowance of actual Capex (being form part of RAB) will lead to loss to AAI/Govt. of India and also invite Audit observations.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 81.17 Crores.

2) *Construction of gopuram in forecourt of NITB (Civil +Elec.)*

The construction of Gopuram was envisaged to enhance the aesthetic appearance of the terminal forecourt and to symbolize the local architectural heritage and cultural identity of the region. The structure has been designed as an architectural feature reflecting traditional temple architecture commonly associated with the region, thereby creating a distinctive visual identity for the airport and enriching the overall passenger experience as the major PAX footfall is of International.

Further the expenditure also includes associated civil and electrical works required for structural stability, lighting, and illumination of the structure, which contribute to improved ambience and visibility in the forecourt area of the New Integrated Terminal Building (NITB).

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 3.54 Crores.

3) *Provision for toilet for passengers in extended SHA (FY 2022-23)*

The capacity of old terminal building is 1.5 MPPA. The said provision was made in the old NITB as part of passenger facilitation measures as there was congestion in existing SHA in old NITB.

The old kitchen area converted as extended SHA area by the way of constructing the connecting corridors from existing SHA to extended SHA. Accordingly, the passenger toilet facility provided in the extended SHA area. The installation of additional toilet facilities was necessary to accommodate



the increasing passenger movement and to ensure adequate passenger amenities within the terminal area.

This improvement was undertaken to maintain appropriate passenger service standards and to provide improved comfort and convenience for passengers utilizing the extended SHA area.

As this CAPEX pertains to an infrastructure improvement project undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.18 Crores.

- 4) *Construction of tensile membrane fabric around column capitals and gopuram vestibule. (FY 2024-25)*

Gopuram vestibules (04 nos. for departure entry gates and 02 nos. for arrival exit gates) have been constructed at the New Integrated Terminal Building (NITB).

Further, tensile membrane fabric has been provided around the column capitals as part of the original conceptual architectural design drawing of NITB. These works were undertaken to maintain architectural uniformity with the overall design theme of the NITB and to enhance the aesthetic appearance of the terminal forecourt.

Moreover, the total building cost would have been increased if false ceiling was provided in pre-SHA & check in area. Hence, the said work of providing Tensile Membrane was executed to cover the steel structural work and to protect from the nuts & bolts in case of any fall.

The tensile membrane structure also contributes to improved visual ambience and enhances the passenger movement areas, thereby improving the overall passenger experience at the terminal.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 3.77 Crores.

4.5.27 AAI's comment on CAPEX towards Building Residential is as follows:

"Building- Residential para 4.5.12 (4)

New bore wells in AAI colony and non- operational area:

The said CAPEX has been incurred for the construction of a borewell in the airport residential colony to ensure a reliable and adequate water supply for firefighting and the residential requirements of airport staff residing in the colony.

The residential colony comprises multiple high-rise blocks equipped with downcomer systems for firefighting, and the community hall is provided with a wet riser system. For effective emergency preparedness, a minimum water storage capacity of 2 lakh Liters is required to respond to any fire-related contingencies. Accordingly, the provision of the borewell was necessitated to address water availability issues and to maintain essential utility services within the colony.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.27 Crores."

4.5.28 AAI's comment on CAPEX towards Boundary wall is as follows:

"Boundary wall para 4.5.12 (5)

- 1) *Construction of boundary wall and providing chain-link fencing at newly acquired land:*



The boundary wall has been constructed to establish the operational boundary and to secure the Simple Approach Lighting System (SAPL) of Runway 09 on the city side (located on the other side of the highway road), which is essential for the safe landing of aircraft.

The provision of boundary wall and chain link fence was necessary to prevent any inadvertent or premeditated access by unauthorized persons, in compliance with ICAO requirements (Clause 9.10.2 of Annex 14) and DGCA CAR requirements (Clause 9.11.4 of Section 4, Series 'B', Part I).

Such protection is essential for maintaining the integrity and security of the approach lighting system and associated airside infrastructure.

As this CAPEX pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred on need basis.

Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.75 Crores.

2) *Construction of compound wall, perimeter road, RCC drain for NITB:*

The compound wall has been constructed to extend and secure the operational area adjoining the NITB, including the new apron area and two operational vehicle gates. The compound wall forms part of the operational boundary wall required for securing the operational area in compliance with BCAS requirements.

Further, a perimeter road and RCC drain have been constructed along the said compound wall to facilitate operations of the two operational vehicle gates of the NITB and to enable security patrolling by CISF as mandated under BCAS requirements.

These works are essential for safeguarding airport infrastructure, facilitating operational movement around the terminal area, -and preventing water accumulation that may adversely affect airport operations and are essential for maintaining operational safety and security in accordance with the standards and requirements prescribed by BCAS.

As this CAPEX project undertaken based on operational requirements, the expenditure was incurred on need basis.

Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 4.38 Crores.

3) *Construction of pre-cast property wall around NITB:*

The said CAPEX has been incurred for the construction of a precast property wall on the city side of the New Integrated Terminal Building (NITB) to ensure security and protection of vital airport infrastructure and passenger movement areas.

The property wall has been constructed to secure critical installations such as the 33 KV HT yard feeding power supply to NITB, the 33 KV substation, the new Sewage Treatment Plant (STP), the airport water supply system, and the car parking area. In addition, the wall provides enhanced security for passenger movement in the city-side area of the terminal.



The provision of the property wall has also been considered as part of the BCAS security vetting requirements and is reflected in the relevant approved drawings wherein the scope of work was elaborately in detail.

As this CAPEX project undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 3.63 Crores."

4.5.29 AAI's comment on CAPEX towards Other Buildings-unclassified is as follows:

"Other Buildings-unclassified para 4.5.12 (6)

The said CAPEX incurred towards the construction of a platform for the installation of solar panels for the 1 MW solar power plant at Tiruchirappalli International Airport was undertaken to carry out effective maintenance and cleaning of the Solar panels which will enhance the airport's renewable energy infrastructure and promote sustainable power generation.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.27 Crores."

4.5.30 AAI's comment on CAPEX towards Plant & Machinery is as follows:

Plant & Machinery para 4.5.12 (7)

1) Improvement of illumination of car parking area.

Two high-mast lighting systems have been provided at the old NITB car park area, which was operational during 2020-21, to improve illumination and enhance safety and passenger facilitation in the car park.

These high-masts contribute to better visibility and overall security, thereby supporting smooth passenger movement and ensuring a safe environment.

As this CAPEX pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.23 Crores. (Table 15 - Sl. No 7 pg no:36 of CP 06/2025-26)

2) Biometric Access Control Systems

The Biometric Access Control System for the Old NITB has been implemented by CHQ. The system has been installed to facilitate centralized access control for staff entry within the terminal premises, thereby enhancing security and monitoring of personnel movement. In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.45 Crores (Table -15 Sl. No 8 pg no:37 of CP 06/2025-26).

3) Replacement of 3x400TR cooling tower for existing HVAC Plant (Elect).

Three numbers of 400 TR cooling towers were installed at the HVAC plant serving the Old NITB terminal, and these cooling towers were operating round the clock. Over time, the rooftop insulators deteriorated due to ageing.



Additionally, the cooling load increased significantly because of increased flight operations and the addition of electrical equipment such as ovens, hot plates, refrigerators, and ice makers at various food and beverage counters. As a result, the cooling efficiency of the existing cooling towers was reduced.

The procurement of the cooling towers was essential to maintain the operational efficiency of the HVAC system and to continue providing optimal air conditioning services to the terminal and to reduce suffocation of passenger.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.26 Crores (Table –15 Sl. No 9 pg no:37 of CP 06/2025-26)

4) 250 KWP Solar PV power plant

A 250 KWP solar PV power plant had been installed at the NITB service yard rooftop as part of the original scope of work for the NITB project, which forms part of the A/A&E/S estimate of overall project cost of 951 Crores and envisaged in the original conceptual design of NITB as part of GRIHA.

This installation aligns with the GRIHA-4 norms for energy conservation and contributes to the airport's efforts towards sustainability and renewable energy usage.

The solar power plant will enhance the airport's energy efficiency and reduce dependency on non-renewable energy sources and it results in reduction of electricity cost of Rs. 28.92 Lakhs per annum by producing 3,81,449/- units for the year 2025.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.18 Crores. (Table –15 Sl. No 10 pg no:37 of CP 06/2025-26).

5) Apron flood lightings for new and existing apron

The new apron is part of the original scope of work for the NITB project, part of the A/A&E/S estimate of overall project cost of 951 Crores and envisaged in the original conceptual design of NITB.

Apron flood lighting has been provided to meet ICAO requirements (Clause 5.3.24.1 of Annexure 14) and DGCA CAR requirements (Clause 5.3.24.2 of Section-4, Series 'B', Part I) for supporting safe and efficient aircraft operations. The flood lighting installation ensures compliance with international safety standards and facilitates smooth aircraft movement during night-time or low-visibility conditions.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 1.15 Crores. (Table –15 Sl. No 11 pg no:37 of CP 06/2025-26)

6) Others plant & machinery

The plant & machinery as tabulated below, have been procured for day-to-day airport operations and include essential safety equipment used for ensuring safe and efficient passenger handling and operational activities at the airport. These items are necessary for maintaining operational standards, safety requirements, and service quality at the airport. AERA has allowed Rs. 0.46 crores of the assets from the said list, of Rs.5.41 cr. it is requested to consider the balance amount of Rs.4.95 cr. CAPEX for the said control period.



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S. No.	Asset no	Capitalized on	Particulars of the assets	Amount expended (Rs. In crs)	Remarks
1	50011471-0	19-09-2020	MODIFICATION OF CONFERENCE HALL AT OTB-CIVIL WORKS	0.35	Details provided below
2	90046086-0	05-08-2020	PROVISION OF 05 NOS VOLTAS AIR CONDITIONING&INTERN	0.04	Facility provided for FIDS room in old NITB
3	90046094-1	10-06-2020	ARMOURED JELLY FILLED 100 MTRS CABLE, PVC&PIJF	0.01	All pairs of the existing telephone cable from equipment room to Fire station was exhausted. Hence new cables were laid for establishing phone lines between Fire Station to ATC Tower.
4	90046571-0	19-02-2021	BIFURCATION OF ELECTRICAL LOAD FOR RATIONALISATION	0.11	The said work was taken up for bifurcation of Industrial and commercial tariff in old NITB results in reduction of energy consumption charges.
5	90048066-0	02-06-2021	REPLACEMENT OF CONVENTIONAL LIGHT FITTING INTO LED	0.17	Conventional Light fighting replaced with LED fitting in old NITB for energy conservation.
6	90048067-0	11-08-2021	RETROFITTING OF ACB&MCCB IN EXISTING ESSENTIAL	0.41	Existing essential panels were provided with GE Make ACB & MCCB which became obsolete. Hence, they were retrofitted with L&T make ACB & MCCB to maintain the smooth operation.
7	90048630-0	07-10-2021	ADDL HT POWER CABLE FOR EB CONNECTION & SOLAR POWER	0.24	Standby cable for second source laid at power house from 11Kv HT yard and 1MW solar power plant to enhance the redundancy.
8	90048631-0	01-10-2021	SUBMERSHIBLE PUMPS FOR NEW BORE WELL IN RESIDENTIAL	0.12	Bore well provided to maintain the water level at fire tanks to maintain fire



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S. No.	Asset no	Capitalized on	Particulars of the assets	Amount expended (Rs. In crs)	Remarks
					safety in Residential colony
9	90048985-0	03-03-2022	UPGRADATION OF ALCMS NEW INSTALLATION AT TRY APT	0.03	ALCMS was provided at CCR Room for operating and controlling of Ground lighting facilities from ATC Tower.
10	90049032-0	09-12-2021	UPGRADATION OF INDOOR AIR QUALITY FOR SAFE OPNS	0.32	To improve air quality in the old NITB in the aftermath of Covid-19 to safeguard the passenger from airborne disease.
11	90049425-0	03-08-2020	03 NOS VOLTAS AIR CONDITIONING UNIT FOR JGM (PRO)	0.03	For operational and admin. building
12	90050209-0	29-10-2022	PROVISION OF POWER CABLE FOR VARIOUS INSTALLATION	0.15	Power cables laid for various installation at operational area To ensure seamless uninterrupted power supply.
13	90050416-0	11-01-2023	270 NOS LED LIGHT FITTINGS FOR PERIMETER POLES, TRY	0.03	The existing LED lights fittings were outlived and were replaced with new LED light fitting to enhance perimeter security.
14	90050881-0	21-12-2021	SALS IN RUNWAY 09, PERIMETER WALL LIGHTING FOR NEWL	0.43	There was no approach lighting system at runway 09 end due to existing National Highway which is a DGCA audit observation for which temporary exemption was taken. After Land acquisition from State Government, Simple Approach Lighting System (SALS) provided at runway 09 system for safe



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S. No.	Asset no	Capitalized on	Particulars of the assets	Amount expended (Rs. In crs)	Remarks
					aircraft landing operations.
15	90050935-0	30-03-2023	STANDBY CABLES FOR PAPI 09 AND 27 ENDS AT TRICHY	0.27	Standby feeder cable laid for Precision Approach Path Indicator (PAPI) 09 & 27 to enhance the redundancy which is essential operational requirement as per ICAO.
16	90050998-0	31-03-2023	RESIDENTIAL QUARTERS - SPLIT AC'S	0.12	Procured for Residential colony - Hostel
17	90050998-4	21-03-2023	Heavy duty Flour mixing machine - CISF Barrack	0.02	Procured for CISF Barracks
18	90050998-5	21-03-2023	Chapatti maker Semi-Automatic - CISF	0.02	Procured for CISF Barracks
19	90050998-6	21-03-2023	Food serving Steel Case / Hot Baine Marie - CISF	0.02	Procured for CISF Barracks
20	90050998-7	21-03-2023	Refrigerator of 320 L - CISF Barrack	0.01	Procured for CISF Barracks
21	90050998-11	21-03-2023	Automated chimney - CISF	0.01	Procured for CISF Barracks
22	90050998-12	21-03-2023	Water cooler 80 LT - RO and UV w 50 LPH - CISF	0.01	Procured for CISF Barracks
23	90050998-1	21-03-2023	Air Cooler 5000 cm/hr - CISF Barrack	0.04	Procured for CISF Barracks
24	90051753-0	25-05-2023	REPLACEMENT OF FEEDER CABLE FOR STP	0.06	Feeder cable to 240 KLD STP became faulty and replaced to maintain STP operations which is statutory requirement.
25	90051804-0	17-05-2023	RE-TRENCHING, LAYING OF RING MAIN-1 CABLES	0.04	Ring main -1 cables feeding power supply to NAVAIDS running parallel to taxiway E1 & E2 taken out by civil for grading works. Hence the same laid through retrenching at more depth.
26	90051949-0	03-07-2023	INSULATION MAT AT POWER HOUSE AND CCR AT TRYAPT	0.03	To meet the safety standards as specified by



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S. No.	Asset no	Capitalized on	Particulars of the assets	Amount expended (Rs. In crs)	Remarks
					Central Electricity Authority (CEA).
27	90052118-0	06-11-2023	LED LIGHT FITTINGS FOR EXISTING APRON HIGH MAST	0.07	Existing LED light fittings at High mast of old Apron replaced with New LED light fittings to maintain the illumination level to meet the DGCA observation.
28	90052181-0	30-08-2023	AIRCONDITIONING UNIT & RO WATER COOLERS	0.28	For operational & admin building
29	90052181-0	30-08-2023	AIRCONDITIONING UNIT & RO WATER COOLERS	0.09	For operational & admin building
30	90052181-0	30-08-2023	AIRCONDITIONING UNIT & RO WATER COOLERS	0.01	For operational & admin building
31	90052265-0	30-08-2023	PAPI UNITS 02NO FOR 09&27 APPROACH AT NEW LOCATION	0.14	Recarpeting of runway has carried out by Civil. Accordingly, New Precision Approach Path Indicator (PAPI) provided at runway 09 & 27 as per the siting calculation of ICAO norms for safe operation of aircraft.
32	90052730-0	13-01-2024	RETROFITTING EMISSION CONTROL DEVICE-1010 KVA DGSE	0.88	To meet the statutory CPCB norms. Details provided below.
33	90052735-0	26-12-2023	LED FIXTURES IN NITB CANOPY, SHA, MT, CPA-BAJAJ	0.09	Existing LED light fittings at old NITB canopy, Car park area, SHA & MT Dept outlived their life and became yellowish. Hence, they were replaced with New LED light fittings to maintain the serviceability of old NITB.



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S. No.	Asset no	Capitalized on	Particulars of the assets	Amount expended (Rs. In crs)	Remarks
34	90053435-0	23-05-2023	WALL TO WALL GRADING WORK-ELECTRICAL WORKS	0.03	Transformer housing boxes, earth pits & manhole chambers were raised to match the level of basic strip after wall-to-wall grading by civil.
35	90055843-0	26-03-2024	OFC Cable - ATC Tower - NITB (AOCC)- New ATC Tower	0.04	OFC cable laid for interconnecting the NITB AOCC room with ATC tower for operationalization of NITB.
36	90056001-0	03-05-2024	STANDBY CABLES FOR RUNWAY EDGE LIGHTING SYSTEM,	0.19	Standby feeder cable laid for runway lighting circuit to enhance the redundancy which is essential operational requirement as per ICAO.
37	90057463-0	04-02-2025	INSET TYPE TAXIWAYS EDGE LIGHT FITTINGS-20NO-APRON	0.1	Inset type Taxiway edge light fittings provided at runway turn pad, Taxiway - Taxiway intersection, Taxiway - runway intersection and new apron to facilitate aircraft movement without any hindrance at operational area.
38	90057468-0	28-02-2025	SMART VISUAL DOCKING GUIDANCE SYSTEM - 01 NO	0.3	To provide automated chock on / off time and to facilitate the aircraft docking and parking by pilots.
39	90057514-0	08-01-2025	FEEDER PILLAR CABLES-VKN BACK SIDE, FS INSIDE PANEL	0.14	Damaged Feeder pillar & cables were replaced in airside operational area for perimeter lighting & fire station which is a security requirement.
			Total	5.42	



1. MODIFICATION OF CONFERENCE HALL AT OTB-CIVIL WORKS – 0.35 Crores (2020-21).

The conference room located in the Operation & Admin Building (ground floor) which was being used for all stockholders meeting, press briefing, training and other meetings during the execution of project and development project works. The same was renovated by providing wall panelling, false ceiling in order to enhance the aesthetics

2. RETROFITTING EMISSION CONTROL DEVICE-1010 KVA DGSE

There are 3*1010 KVA DG Sets at old power house feeding standby power supply to runway ground lighting facilities during power shutdown. As per National Clean Air Program (NCAP) launched by Ministry of Environment, Forest & Climate Change (MoEF&CC) to reduce the air pollution levels in the country and subsequently National Green Tribunal (NGT) has issued directions to all states and U.T for strict enforcement of NCAP.

Accordingly Central Pollution Control Board (CPCB) and Tamil Nadu Pollution Control Board

(TNPCB) have issued notifications for retrofitting the existing DG sets since Trichy has been identified as non-attainment city not meeting the National Ambient Air Quality standards. Hence retrofit emission control devices (RECD) have been provided for the existing 3*1010 DG Sets at old Power house to meet the statutory requirement of CPCB/TNPCB

3. SMART VISUAL DOCKING GUIDANCE SYSTEM

Existing Passenger Boarding Bridges (PBB) are equipped with Advanced Visual Docking Guidance System (AVDGS) which provides guidance to pilots for only for parking of aircrafts at designated Apron bays without support of marshallers. They don't have the facility to record the chock on & chock off timing of the aircraft due to which the same is being done manually.

Smart Visual Docking Guidance System (SVDGS) enables the recording of chock on & chock off timing of the aircraft and transmit the data automatically on remote basis to AOCC and ATC in addition to guidance to pilots for parking of aircrafts at designated Apron bays.

Accordingly, 01 no. Smart Visual Docking Guidance System (SVDGS) has been provided at New Apron Bay no 14 for Trichy Airport. The said CAPEX as tabulated above, pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the balance CAPEX amount of Rs. 4.95Crores.

4. Water connection works

AERA has considered the water connection charges paid to TWAD board as CAPEX. As per Environmental clearance obtained for NITB, ground water cannot be used. Hence water supply from Tamil Nadu Water Supply and Drainage Board (TWAD Board) for NITB operations has been availed.

The said amount of Rs. 15.10 Crores is paid to TWAD Board (Govt. of Tamil Nadu) for availing the water through pipeline from their pumping station which is 13.5 KM away and is not in AAI Premises.

As per the accounting policy "expenditure not represented by AAI Assets" is charged off as Revenue expenses and accordingly has been charged off. Since it is not AAI asset, this may be considered as Revenue expenditure and not to treat as CAPEX.

4.5.31 AAI's comment on CAPEX towards Tools & Equipment is as follows:



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"Tools & Equipments para 4.5.12 (8):

The tools and equipment have been procured for day-to-day airport operations and include essential safety equipment used for ensuring safe and efficient passenger handling and operational activities at the airport. These items are necessary for maintaining operational standards, safety requirements, and service quality at the airport. As this CAPEX pertains to an infrastructure improvement based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

Sl. No.	Asset inc. Sub number	Capitalized on	Asset description	Acquisition cost (in cr)	Remarks
1	90046436-0	18-01-2021	SUPPLY OF 02 NOS GANM ALHOCAL BREATH ANALYSER	0.01	Mandatory DGCA requirement for operational staff
2	90046510-0	10-12-2020	PROCUREMENT OF 10 NO 9KG WHEELED FIRE EXTINGUISHER	0.01	To maintain fire safety as per Fire Manual
3	90046712-0	25-03-2021	SUPPLY OF 01 NO BOMB INHIBITOR AT TRICHY AIRPORT	0.11	To maintain security requirement
4	90046894-0	29-01-2021	ELECTRONIC STETHOSCOPE	0.02	For medical emergency in NITB
5	90048086-0	08-07-2021	MS TECH - ETD	0.33	To maintain security requirement, Explosive Trace Detector (ETD) is provided.
6	90048229-0	02-08-2021	SUPPLY&INSTLN-5NO SCCTV CAMERA (4 FIXED & 1 PTZ) TO	0.03	To maintain security requirement, additional cameras provided in old NITB.
7	90048230-0	29-07-2021	FIBRE OPTIC SURVEILLANCE DEVICE (FOSD)	0.11	To maintain security requirement and for CCTV link.
8	90049096-0	11-11-2020	WIRELESS CONFERENCE PA SYSTEM CONFERENCE HALL	0.05	For operational & administrative Building
9	90050659-0	21-02-2023	PROVISION OF WIND DIRECTION INDICATOR AT RUNWAY	0.03	To meet the operational & safety requirement as per ICAO
10	90051668-0	01-06-2023	RE-2010 HHMD	0.02	To maintain security requirement, Hand Held Metal Detector (HHMD) is provided.



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Sl. No.	Asset inc. Sub number	Capitalized on	Asset description	Acquisition cost (in cr)	Remarks
11	90051726-0	27-04-2023	Hand Held Thunder Boom	0.01	To mitigate wildlife activity
12	90051802-0	24-06-2023	PANSIM 42U racks	0.01	For operational & administrative Building
13	90053204-0	23-03-2024	Sthil Brush Cutter	0.04	To control vegetation growth inside operational area
14	90053465-0	26-08-2023	HYDRACULIC CUTTER & SPREADER-LUCAS RESUCE	0.16	This is mandatory requirement and is to be kept in Fire station CFT as the same is being used for cutting the aircraft metal sheet to rescue the PAX during emergency
15	90053679-0	06-04-2024	Non Linear Junction Detector (NLJD)	0.04	To maintain security requirement
16	90056025-0	17-07-2024	Motorola XIR P6600i - Walkie Talkie	0.14	To maintain security requirement and for communicating between ATC Tower & operational personnel and CISF
17	90056351-0	12-11-2024	INSECTICIDE SPRAYER	0.01	To mitigate bird activity inside airport
18	90056477-0	30-10-2024	BMW 15" Batwing Multi Spindle slasher	0.20	Used for grass cutting in operational area to mitigate bird activity
19	90056880-0	26-11-2024	SITC of All in One PCs - HP Pro One 440 G9	0.04	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
20	90056880-1	26-11-2024	SITC Finger-Print Enrolment Scanner - TBSE-13- 04	0.07	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
21	90056880-2	26-11-2024	SITC - HP Laserjet Pro-MFP M435nw Printer	0.01	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
22	90056880-3	26-11-2024	SITC-AEC Smartcard Personal Artista - Printer	0.11	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.

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Sl. No.	Asset inc. Sub number	Capitalized on	Asset description	Acquisition cost (in cr)	Remarks
23	90056880-4	26-11-2024	SITC of AEC Encoder - CPK 5C01	0.01	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
24	90056880-5	26-11-2024	SITC of Servers Tier – II - DL 360 G10 plus	0.07	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
25	90056880-7	26-11-2024	SITC of 48-Port L3 Network Switch - Arubaa 6200M	0.13	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
26	90056880-10	26-11-2024	SITC of Boom-Barriers - MBB-PM	0.03	To maintain security requirement
27	90056880-11	26-11-2024	Supply of CAT-6A UTP Cable	0.01	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
28	90056880-12	26-11-2024	Integ. BCAS software Biometric Access & Alarm Mgmt	0.06	Biometric Access Control system. AERA has considered main work. Requested to allow the allied work as well.
29			TOTAL (₹. In Crores)	1.85	

In view of the above, AERA is requested to consider full amount of Rs. 5.8 cr instead of Rs. 4.24 cr.”

4.5.32 AAI's comment on CAPEX towards Vehicles is as follows:

“Vehicles para 4.5.12 (9)

AAI has procured Tractor, Ambulance & Operational jeep during the First control period. These vehicles are exclusively used for airport operations. The tractor is utilized for operational activities within the airport premises, including grass cutting and related airside maintenance works.

Regular grass cutting is essential to maintain the airside environment and to prevent excessive vegetation growth, which may attract birds and increase the risk of bird strikes, thereby posing a hazard to aircraft operations.

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The ambulance is critical for providing immediate medical assistance and for responding to medical emergencies and contingencies within the airport premises, thereby supporting passenger safety and emergency preparedness.

Asset inc. Sub number	Capitalized on	Asset description	Acquisition cost (in cr)	Remarks
130004031-0	31-03-2023	Tractor Escorts 50 HP - TN45 CC-8299	0.05	Used for Operational requirement for Grass cutting in airport
130004040-1	10-05-2023	Ambulance Prestige 2515 AC PS BS6 - TN45 CC 8217	0.13	Used exclusively for passenger rescue / medical emergency in airport
130004040-2	14-06-2023	Ambulance Prestige 2515 AC PS BS6-TN45CC8295	0.14	Used exclusively for passenger rescue / medical emergency in airport
130004163-0	19-08-2024	Tata Yodha Jeep - TN45 CE 6913	0.11	Used for Operational purpose for fire safety in airport
130004201-0	14-11-2024	John Deere 5075E Tractor - TN45CF2080	0.14	Used for Operational requirement for Grass cutting in airport
130004203-0	10-10-2024	Tractor 50Hp Kuboto - TN45 CE 8872	0.05	Used for Operational requirement for Grass cutting in airport
		Total	0.63	

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.63 Crores."

4.5.33 AAI's comment on CAPEX towards Furniture & Fix. Other than trolley is as follows:

"Furniture & Fix. Other than trolley para 4.5.12 (10):

The Furniture & Fixtures (as tabulated below) has been procured for NITB Art items, CISF Barracks, Residential colony which are related to airport and it is requested to kindly consider the same as part of the True-up.

Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110017548-0	19-11-2020	SS Dustbin 3 compartment -5/240 Lt - 4/SS Round -10	UNIVERSAL SERVICES & ENTERPRISES	0.022	Procurement for old NITB
110017550-0	22-10-2020	SUPPLY OF 27 NO CHAIR & 1 NO TABLE FOR CONFERENCE	P.Obul reddy & Sons	0.066	For operational and admin building



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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110017661-0	01-01-2021	SS 304 SINGLE PHASE WET GRINDER - 20Ltr - CISF	Shree Swaminaryana Machine Tools	0.004	Procurement for CISF Barrack
110018685-8	30-12-2022	Revolving Chair HB 2no & Visitor Chair 3 No	PURPLE OFFICE SYSTEMS	0.002	For operational and admin building
110018685-13	30-12-2022	Godrej Aristo Table TASH RH 1500*900	P.Obul reddy & Sons	0.007	For operational and admin building
110018685-14	30-12-2022	Godrej Maestro OC RD Black 1800mm	P.Obul reddy & Sons	0.003	For operational and admin building
110018685-15	30-12-2022	Godrej Chair 7001 Blue	P.Obul reddy & Sons	0.002	For operational and admin building
110018685-33	30-12-2022	MS Racks - Project Engineer	PURPLE OFFICE SYSTEMS	0.001	For operational and admin building
110018685-34	30-12-2022	Executive Table - Project Engineer	PURPLE OFFICE SYSTEMS	0.005	For operational and admin building
110018685-35	30-12-2022	3 Seater Sofa Leatherite Cover - Project Engineer	PURPLE OFFICE SYSTEMS	0.004	For operational and admin building
110018711-0	03-05-2021	Three SEATER A.T CHAIRS FROM CHQ	OBEMAR AIRPORT SYSTEM INDIA PRIVATE LIMI	1.582	Three seater chairs for Passengers
110019515-0	31-03-2023	200+24 Plastic chair, 10 Pls Table- Community Hall	Twenty First Century techno product	0.026	Procurement done for Residential Colony
110019515-1	22-03-2023	5 Chess Board & Carrom Board - Community Hall	SPORTS GROUP	0.001	Procurement of Indoor

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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
					Games for Residential Colony
110019515-2	30-03-2023	Double side twister - Community Hall	STURDY INTERNATIONAL	0.001	Procurement of GYM equipment for Residential colony
110019515-3	31-03-2023	LINEN ITEMS - NEW Residential Qtrs Hostel	RAJEEV TRADING CO	0.013	Procurement of Linen items for Residential colony
110019515-4	30-03-2023	BARRACK KITCHEN AND OTHER MISC UTENSILS - CISF	ANEES AGENCIES	0.009	Procurement for CISF Barrack
110019515-6	30-03-2023	Commercial treadmill - Community Hall	STURDY INTERNATIONAL	0.008	Procurement of GYM equipment for Residential colony
110019515-7	30-03-2023	Interlock rubber floor mat - Community Hall	STURDY INTERNATIONAL	0.002	Procurement of GYM equipment for Residential colony
110019515-8	30-03-2023	Multi bench press - Community Hall	STURDY INTERNATIONAL	0.001	Procurement of GYM equipment for Residential colony
110019515-9	30-03-2023	Elliptical trainer - Community Hall	STURDY INTERNATIONAL	0.007	Procurement of GYM equipment for Residential colony
110019515-10	30-03-2023	PEV Hexagon Rubber Dumbbells - Community Hall	STURDY INTERNATIONAL	0.003	Procurement of GYM equipment for Residential colony



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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110019515-11	30-03-2023	Spin bike - Community Hall	STURDY INTERNATIONAL	0.002	Procurement of GYM equipment for Residential colony
110019515-12	30-03-2023	Weight plates - Community Hall	STURDY INTERNATIONAL	0.003	Procurement of GYM equipment for Residential colony
110019515-13	30-03-2023	Olympic bar & Olympic curl bar - Community Hall	STURDY INTERNATIONAL	0.001	Procurement of GYM equipment for Residential colony
110019515-14	30-03-2023	Dumbbell Store Rack - Community Hall	STURDY INTERNATIONAL	0.001	Procurement of GYM equipment for Residential colony
110019515-15	30-03-2023	Multi gym with stack - Community Hall	STURDY INTERNATIONAL	0.008	Procurement of GYM equipment for Residential colony
110019515-16	31-03-2023	King size mattress - Hostel	Twenty Century First techno product	0.008	Procurement of F&F for Hostel & Community Hall
110019515-17	31-03-2023	Single size mattress - Hostel	Twenty Century First techno product	0.008	Procurement of F&F for Hostel & Community Hall
110019515-18	31-03-2023	Office table - Community Hall	Twenty Century First techno product	0.005	Procurement of F&F for Hostel & Community Hall

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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110019515-19	31-03-2023	King size cot - Hostel	Twenty Century First product techno	0.013	Procurement of F&F for Hostel & Community Hall
110019515-20	31-03-2023	3 seater sofa - Community Hall	Twenty Century First product techno	0.011	Procurement of F&F for Hostel & Community Hall
110019515-21	31-03-2023	Revolving chair - Community Hall	Twenty Century First product techno	0.003	Procurement of F&F for Hostel & Community Hall
110019515-22	31-03-2023	Single size cot - Hostel	Twenty Century First product techno	0.016	Procurement of F&F for Hostel & Community Hall
110019515-23	31-03-2023	Visitor chair - Community Hall	Twenty Century First product techno	0.004	Procurement of F&F for Hostel & Community Hall
110019515-24	31-03-2023	2 Seater table - Community Hall	Twenty Century First product techno	0.007	Procurement of F&F for Hostel & Community Hall
110019515-25	31-03-2023	Dressing table - Hostel	Twenty Century First product techno	0.011	Procurement of F&F for Hostel & Community Hall
110019515-26	31-03-2023	Single seater sofa - Community Hall	Twenty Century First product techno	0.011	Procurement of F&F for Hostel & Community Hall



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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110019515-27	22-03-2023	Table tennis - Community Hall	SPORTS GROUP	0.004	Procurement of Indoor Games for Residential Colony
110019515-28	22-03-2023	Badminton Net poles + Brown - Community Hall	SPORTS GROUP	0.001	Procurement of Indoor Games for Residential Colony
110019515-29	22-03-2023	Badminton court Mat - Community Hall	SPORTS GROUP	0.016	Procurement of Indoor Games for Residential Colony
110019515-30	22-03-2023	DEGCHIBRESS WROUGHT ALUMINIUM UTENSIL - CISF	ANEES AGENCIES	0.003	Used for CISF Barrack
110019515-31	30-03-2023	SS DOUBLE BURNER GAS STOVE - CISF	ANEES AGENCIES	0.002	Used for CISF Barrack
110019515-32	30-03-2023	LPG CHAPATI PLATE WITH PUFFER 4 BURNERS - CISF	ANEES AGENCIES	0.012	Used for CISF Barrack
110019515-33	30-03-2023	SS SINK UNIT WITH 3 NUMBER OF TAP HOLES - CISF	ANEES AGENCIES	0.014	Used for CISF Barrack
110019515-34	30-03-2023	SS IDLI STEAMER 100 Capacity - CISF	ANEES AGENCIES	0.003	Used for CISF Barrack
110021605-0	01-06-2024	Galvanized Shelf Rack- CISF	NILESH ENGINEERS	0.001	Used for CISF Barrack
110021605-1	01-06-2024	Wooden Meat Sage- CISF	NILESH ENGINEERS	0.005	Used for CISF Barrack
110021605-2	01-06-2024	Vegetable Display Racks- CISF	NILESH ENGINEERS	0.002	Used for CISF Barrack
110021605-3	01-06-2024	Dining table with Chair- CISF	NILESH ENGINEERS	0.015	Used for CISF Barrack
110021605-4	01-06-2024	Steel table - T9- CISF	NILESH ENGINEERS	0.002	Used for CISF Barrack
110021605-5	01-06-2024	Revolving Chair- CISF	NILESH ENGINEERS	0.001	Used for CISF Barrack



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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110021986-0	03-07-2024	BROZE LORD KRISHNA STATUE WITH FLUTE-5.92FT	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.182	For NITB artwork
110021986-1	03-07-2024	WALL HANGING-THANJAVUR PAINTING-SARASWATHI	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.009	For NITB artwork
110021986-2	03-07-2024	WALL HANGING-THANJAVUR-RADHAKRISHNA WITH GOPIKAS	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.015	For NITB artwork
110021986-3	03-07-2024	WALL HANG-THANJAVUR PAINT-LORD GODDESS ANNAPOORANI	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.011	For NITB artwork
110021986-4	03-07-2024	WALL HANG-THANJAVUR PAINT-LORD VENNAI THALIKRISHNA	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.023	For NITB artwork
110021986-5	03-07-2024	WALL HANG-THANJAVUR PAINT-LORD VENNAI THALIKRISHNA	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.023	For NITB artwork
110021986-6	03-07-2024	WALL HANG-THANJAVUR PAINT-BHARATHANATIYAM WOMEN	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.016	For NITB artwork
110021986-7	03-07-2024	WALL HANG-THANJAVUR PAINT-LORD GODDESS GAJALAKSHMI	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.090	For NITB artwork
110021986-8	03-07-2024	WALL HANGING-THANJAVUR PAINTING OF LORD BALAJI	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.031	For NITB artwork
110021986-9	03-07-2024	WALL HANGING-THANJAVUR PAINTING OF GODDESS LAKSHMI	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.031	For NITB artwork
110021986-10	03-07-2024	WOODEN CARVED PEDESTAL BROZE LORD KRISHNA STATUE	THE TAMIL NADU HANDICRAFTS DEVELOPMENT	0.004	For NITB artwork



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Asset inc. Sub number	Capitalized on	Asset description	Vendor Name	As per MYTP (Rs. In Cr.	Remarks
110022031-0	28-11-2024	PU Foam Mattress - 70*69 - VIP Lounge	M/s M K WOOD WORKS	0.002	Used in VIP Lounge in NITB
110022512-0	30-03-2023	WOODEN ALMIRAH WITH GLASS DOOR - CISF	SUGAN ETNERPRISES	0.015	Purchased for CISF
110022512-1	30-03-2023	Computer Table - CISF	SUGAN ETNERPRISES	0.001	Purchased for CISF
110022512-2	30-03-2023	10-SEATER SOFA SET - CISF	SUGAN ETNERPRISES	0.011	Purchased for CISF
110022512-3	30-03-2023	SS GRADE 304 SHELF RACK WITH 3 SHELF - CISF	SUGAN ETNERPRISES	0.002	Purchased for CISF
110022512-4	30-03-2023	ARMED VISITOR CHAIR - CISF	SUGAN ETNERPRISES	0.001	Purchased for CISF
110022512-5	30-03-2023	CENTRED TABLE WITH TEMPERED GLASS TOP - CISF	SUGAN ETNERPRISES	0.002	Purchased for CISF
110022512-6	30-03-2023	KITCHEN STORAGE PLATFORM RACK - CISF	SUGAN ETNERPRISES	0.012	Purchased for CISF
110022512-7	30-03-2023	SIDE RACK STEEL SHELF - CISF	SUGAN ETNERPRISES	0.001	Purchased for CISF
110022512-8	30-03-2023	PIN UP NOTICE BOARD - CISF	SUGAN ETNERPRISES	0.001	Purchased for CISF
110022512-9	30-03-2023	SS DINING TABLE-6 FIXED & 100 Plastic chairs- CISF	SUGAN ETNERPRISES	0.054	Purchased for CISF
110022512-10	30-03-2023	4-SHELVES ALMIRAH BIG SIZE - CISF	SUGAN ETNERPRISES	0.003	Purchased for CISF
110022512-11	30-03-2023	KEY HOLDER BOX - CISF	SUGAN ETNERPRISES	0.001	Purchased for CISF
110022512-12	30-03-2023	WOODEN DINING CHAIR - CISF	SUGAN ETNERPRISES	0.002	Purchased for CISF
110022512-13	30-03-2023	METAL COT WITH PROVISION OF MOSQUITO NET - CISF	SUGAN ETNERPRISES	0.010	Purchased for CISF
110022512-14	30-03-2023	TABLE TENNIS TABLE WITH ALL ACCESSORIES - CISF	SUGAN ETNERPRISES	0.004	Purchased for CISF
			Total	2.522	



In view of the above, AERA is requested to consider the CAPEX amount of Rs. 2.52 Crores."

4.5.34 AAI's comment on CAPEX towards X ray baggage system is as follows:

"X ray baggage system para 4.5.12 (11):

The Dual View X-ray Baggage Inspection System has been procured and installed in pre SHA old NITB from a security standpoint to strengthen airport screening capabilities and enhance baggage inspection efficiency.

The system enables improved detection of prohibited and restricted items through advanced dual-view imaging, thereby supporting aviation security requirements and ensuring safer passenger and baggage screening operations at the airport.

As this CAPEX pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.21 Crores."

4.5.35 AAI's comment on CAPEX towards CFT/firefighting equipment is as follows:

"CFT/firefighting equipment para 4.5.12 (12)

The installation of CCTV cameras in ACFT enables video recording of emergency and accident response activities, which assists in post-incident analysis, training, and improvement of rescue and firefighting procedures. This measure also supports enhanced safety oversight and operational accountability in accordance with safety guidelines prescribed by the Directorate General of Civil Aviation (DGCA).

As this CAPEX pertains to an infrastructure improvement and development project undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period

In view of the above, it is requested that the CAPEX incurred towards the said installation may kindly be considered.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.01 Crores."

4.5.36 AAI's comment on CAPEX towards Computers: end users is as follows:

"Computers: end users para 4.5.12 (13):

The said CAPEX expenditure towards procurement of end-user IT hardware, including laptops, printers, and routers as well as for Constant Current Regulator (CCR) of runway lighting facility and Airport Operation Control Centre (AOCC) functions is incurred for uninterrupted communication, effective supervision of airside and terminal operations, and timely response to operational and safety-related events.

While administrative functions may also benefit, the primary purpose of the procurement is to strengthen operational control and support passenger-facing services indirectly by enabling more effective management of airport operations."



TRUE UP OF THE FIRST CONTROL PERIOD

<i>Asset inc. Sub number</i>	<i>Capitalize d on</i>	<i>Asset description</i>	<i>Acquisit ion cost (in cr)</i>	<i>Remarks</i>
150016368-0	08-06-2020	HP Pro One- All in one PC 600 G5 AiO PC 21.5	0.04	For Operational & admin building
150016560-0	17-06-2020	HP Laser Jet pro MFP- M226DW	0.01	For Operational & admin building
150017063-0	22-06-2020	PROCUREMENT OF 02 NOS DELLDESKTOP UPS &MS OFFICE	0.02	For Operational & admin building
150017237-0	30-11-2021	DESKTOP COMPUTER FOR AMSS-RWS AT TRY APT	0.02	For Operational & admin building
150017329-1	10-01-2022	DELL i5 LAPTOP 15.6" - IT2/Finance/OPS	0.02	For Operational & admin building
150017330-0	12-01-2022	CANON MF244 DW PRINTER- APD,FINANCE,CNS,	0.01	For Operational & admin building
150017361-15	23-09-2020	UPGRADATION OF PTB-01 NO CANON IR 2006 N PRINTER &	0.01	For Operational & admin building
150017361-18	09-10-2020	UPGRADATION OF PTB-01NO ALL IN ONE COMPUTER HP	0.01	For Operational & admin building
150017361-19	30-09-2020	UPGRADATION OF PTB - 03 NOS EPSON DS 530 SCANNER	0.01	For Operational & admin building
150017361-22	07-01-2023	UPGRADATION OF PTB- ACER i5 14' LAPTOP	0.01	For Operational & admin building
150017812-0	25-08-2022	HLBS ALL IN ONE PC - 23.8"	0.03	For Operational & admin building
150018519-0	16-03-2023	Qtrs - Acer All in One PC i5 21.5" - PC	0.01	For Operational & admin building
150020436-0	10-02-2025	Acer i7 All in one PC - 23.8" Computer	0.09	For Operational & admin building
150020800-0	26-03-2025	Cannon CIS sheet Fed scanner - DR C230	0.01	For Operational & admin building
150020857-0	16-10-2024	UPGRADATION OFALCMS-ADITECH MAKE COMPUTER FOR CCR	0.07	For operational requirement - CCR
150020857-1	16-10-2024	UPGRADATION OFALCMS-LG 24" MAKE TOUCH MONITOR-CCR	0.01	For operational requirement - CCR
Total			0.38	

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.38 Crores."

4.5.37 AAI's comment on CAPEX towards Computers, servers and networks is as follows:



"Computers: servers and networks para 4.5.12 (14)

Additional items amounting ₹ 0.15 crore is incurred digital audio rendition of the artwork in the NITB, enabling passengers to experience a comprehensive and holistic interpretation of the displayed artwork. In view of the above, it is requested that the Authority may kindly consider the said CAPEX being it is done for the facilitation of passengers.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.15 Crores."

4.5.38 AAI's comment on CAPEX towards Other office equipment is as follows:

"Other office equipment para 4.5.12 (15)

The office equipment as tabulated below, has been procured to support the administrative and operational functions of the airport. These items are essential for the efficient functioning of airport offices and for facilitating day-to-day operational activities.

<i>Asset inc. Subnumber</i>	<i>Capitalized on</i>	<i>Asset description</i>	<i>As per MYTP (Rs. In cr.)</i>	<i>Remarks</i>
150016411-0	29-06-2020	PURCAHSE OF REDMI8A MOBILE PHONE FOR APD, TRICHY	0.001	For operational requirement
150016613-0	23-09-2020	SUPPLY OF 1NO VOLTAS WATER DISPENSER WITH PURIFIER	0.001	For operational & administrative building
150016614-0	29-01-2021	SUPPLY OF 02NO OASIS MAKE DRINKING WATER FOUNTAIN	0.03	For Old Terminal building
150017048-0	27-07-2020	PROCUREMENT OF 01NO SHRED X CUT GBC MACHINE TO	0.00	
150017426-0	08-05-2021	CISCO Codec incl camera & MIC - CONFERENCE HALL	0.01	For operational & administrative building
150017426-1	08-05-2021	LG 75" LED TV - CONFERENCE HALL	0.00	For operational & administrative building
150018292-0	07-01-2023	Voltas Floor Mounted Hot, Cold & Normal Water	0.00	For operational & administrative building
150018519-1	03-03-2023	RESIDENTIAL QUARTERS 40 Qty Beetel TELEPHONE SETS	0.00	For Residential colony
150018519-3	16-03-2023	Qtrs - VOLTRIQ Smart Tv 55" LED Backlit LCD	0.00	For Residential colony
150018519-4	10-03-2023	Qtrs - Candes Smart Tv 32" LED Backlit LCD	0.01	For Residential colony



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Asset inc. Subnumber	Capitalized on	Asset description	As per MYTP (Rs. In cr.)	Remarks
150018519-6	20-03-2023	RESIDENTIAL QUARTERS - EPABX	0.01	For Residential colony
150019606-1	27-02-2024	Voltas Floor Mounted Hot, Cold & Normal Water	0.00	For operational & administrative building
150019607-0	23-02-2024	Samsung Mobile A05 (4/64 GB) - WSO/ATC/CNS	0.00	For operational requirement
150019607-1	23-02-2024	Samsung Mobile A05 (4/64 GB) - APD/OPS/CISF 2/AHCR	0.00	For operational requirement
150019908-0	16-04-2024	43" Panasonic TV - LH - 43SL5ND	0.01	For NITB building
150020008-0	03-09-2024	Water Dispenser - Atlantis Sky 3	0.00	For operational & administrative building
		Total	0.09	

As this CAPEX pertains to an infrastructure improvement undertaken based on operational requirements, the expenditure was incurred on need basis. Such works cannot always be envisaged in advance; hence the proposal was not included in the proposed CAPEX plan for the First Control period.

In view of the above, AERA is requested to consider the CAPEX amount of Rs. 0.09 Crores”

4.5.39 AAI's comment on CAPEX towards Inline Baggage Handling System is as follows:

“Inline Baggage Handling System- Not considered by AERA (Due to linking error in Financial Model submitted by AAI):

The Inline Baggage Handling system is part of the original NITB scope and AAI has submitted CAPEX proposal for Inline Baggage Handling system in NITB along with HB & RB of Rs.87.09 crores has been submitted by AAI in MYTP, however due to linking error in financial model, AERA has not considered in CP06/2025-26. The Inline baggage system is most essential in the Terminal building for screening of the check-in baggages, embarking and disembarking of the checkin baggages in the Terminal building. As the said CAPEX is linked to passenger facility, AERA is requested to consider the CAPEX of Rs. 86.85 Crores towards INLINE BAGGAGE HANDLING SYSTEM & Rs.5.26 Crores towards Kritiscan X-BIS. (The difference in carrying cost for ILBHS is due to the part capitalization of the NITB assets.)

S.No.	Assets No.	Description	Capitalization date	Amount (in Cr.)
1	90054186	KRITISCAN - 6040 DV - HB - XBIS	27-07-2023	0.42
2	90054187	KRITISCAN - 100100DV - RB - XBIS	31-10-2023	1.38
3	90054192	KRITISCAN - 6040 DV - HB - XBIS	15-02-2024	2.70



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S.No.	Assets No.	Description	Capitalization date	Amount (in Cr.)
4	90054195	SITC of Rollers - XBIS HB	27-03-2024	0.29
5	90054196	Dual View HB XBIS - Kritiscan	13-03-2024	0.48
6	90053648	INLINE BAGGAGE HANDLING SYSTEM - NITB*	30-03-2024	86.85
		Total		92.11

The Inline Baggage Handling system is part of the original NITB scope and AAI has submitted CAPEX proposal for Inline Baggage Handling system in NITB along with HB & RB of Rs.87.09 crores has been submitted by AAI in MYTP, however due to linking error in financial model, AERA has not considered in CP06/2025-26. The Inline baggage system is most essential in the Terminal building for screening of the check-in baggages, embarking and disembarking of the checkin baggages in the Terminal building. As the said CAPEX is linked to passenger facility, AERA is requested to consider the CAPEX of Rs. 86.85 Crores towards INLINE BAGGAGE HANDLING SYSTEM & Rs.5.26 Crores towards Kritiscan X-BIS. (The difference in carrying cost for ILBHS is due to the part capitalization of the NITB assets. "

4.5.40 AAI's comment on capital additions of the First Control Period which was submitted partially during the MYTP proposal due to part capitalization of the assets of NITB is as follows:

"Capital additions of the First Control Period which was submitted partially during the MYTP proposal due to part capitalization of the assets of NITB:

S.N	Asset Block	Vendor Name	Asset description	Capitalized date	Carrying cost of the Asset	Submitted in MYTP	Balance for consideration for AERA
1	Building-terminal cost	Agrisense Landscape	NEW PASSENGER TERMINAL BUILDING-LANDSCAPING WORKS	11-03-2024	1.79	1.32	0.46
2	Building-terminal cost	Cemindia Projects Limited	CONSTRUCTION OF NEW PASSENGER TERMINAL BUILDING	27-03-2024	686.33	686.31	0.03
3	Building-terminal cost	EGIS INDIA CONSULTING ENGINEERS PRIVATE	PASSENGER TERMINAL BUILDING-PROJECT MANAGEMENT	31-03-2024	42.14	33.08	9.06
4	Building-terminal cost	H.S Oberoi Build tech Pvt. Ltd.	NEW PASSENGER TERMINAL BUILDING INTERIOR & ART	31-03-2024	13.42	9.34	4.08

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S. N	Asset Block	Vendor Name	Asset description	Capitalized date	Carrying cost of the Asset	Submitted in MYTP	Balance for consideration for AERA
5	Plant & Machinery	HYDROTECH H PARYAVARAN (INDIA) PRIVATE LIM	1050 KLD SEWAGE TREATMENT PLANT-PTB	25-03-2024	4.59	4.29	0.30
6	Plant & Machinery	INSTA POWER LTD	LANDSCAPE LIGHTING WORKS - PTB	29-02-2024	2.45	1.73	0.72
7	Plant & Machinery	SATIN NEO DIMENSIONS PRIVATE LIMITED	SIGNAGES IN PASSENGER TERMINAL BUILDING	25-03-2024	6.70	5.18	1.52
8	Runways, Taxiways, Aprons-Freehold	GARG ASSOCIATES	WALL TO WALL GRADING OF OPERATIONAL AREA	22-06-2023	1.46	1.42	0.05
				Total	758.88	742.66	16.22

The NITB project was initially capitalized during FY 2023–24 as part capitalization, as the building was completed and inaugurated on 02.01.2024, which is intended to use. However, the final bills pertaining to the NITB project were received and accounted for in the subsequent financial year, resulting in capitalization of the remaining cost thereafter.

It is to be submitted that, during the MYTP submission, the capitalization value considered was based on the part-capitalized amount, and the final carrying cost was not included. This was primarily because the MYTP CAPEX considered during the year has not taken the additional expenditure incurred on previously capitalized assets (i.e., NITB assets).

AERA has already considered the said expenditure as CAPEX incurred during the First Control Period. Accordingly, it is requested that the final carrying cost of the NITB project may kindly be considered for tariff determination.”

4.5.41 AAI’s comment on Capital additions of the First Control Period which was not submitted in the MYT proposal is submitted by AAI for Tiruchirappalli International Airport for consideration for Tariff Fixation is as follows:

“The below-listed assets were not included in the MYT proposal due to post capitalization of assets and upon reconciliation it is identified that these assets were left out in original submission. Further, the expenditure forms part of the NITB. Accordingly, it is requested to AERA for kind consideration towards capital additions(left out) for the First Control Period.”



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Asset Class	Asset inc. Subnumber	Capitalized on	Asset description	Acquisition cost (Rs. In Cr)	Remarks
Building-terminal cost	50012533-0	27-03-2024	RECONFIGURATION WORKS FOR NITB	23.21	For NITB
Furniture & fix. other than trolley	110018685-26	27-03-2024	Tempered glass coffee table-1200X400X600MM	0.01	For NITB
Furniture & fix. other than trolley	110018685-27	27-03-2024	CLEAR glass coffee table-1200X400X600MM	0.01	For NITB
Furniture & fix. other than trolley	110018685-28	27-03-2024	Clear glass coffee table-1200X600X440 MM	0.01	For NITB
Furniture & fix. other than trolley	110018685-29	27-03-2024	Leather sofa set 3+2 seater tan brown colour	0.04	For NITB
Furniture & fix. other than trolley	110018685-30	27-03-2024	Solid wood veneer center table- Dark Oak colour	0.01	For NITB
Furniture & fix. other than trolley	110018685-31	27-03-2024	Solid wood veneer side table-Family Brown	0.01	For NITB
Furniture & fix. other than trolley	110018685-32	27-03-2024	3 Seater Chair Individual arm- Brown colour	0.84	For NITB
Building-terminal cost	50012532-0	27-03-2024	FIXED LINK BRIDGE (FLB) AND NODE BUILDING FOR NITB	15.40	For NITB
Plant & Machinery	90057524-0	15-02-2024	PBB AND AVDGS BUKKAKA MAKE	10.65	For NITB
Trolleys	90046639-0	28-07-2020	SUPPLY OF 1184 NOS PASSENGER BAGGAGE TROLLEY WITH	2.84	Procurement of Trolleys for old NITB & New NITB
X-Bis	90057458-0	30-03-2024	BAGGAGE HANDLING SYSTEM-RECONFIGURATION WORKS	1.77	For NITB
			TOTAL	54.80	



1) RECONFIGURATION WORKS FOR NITB for Rs. 23.21 Crores (2023-24)

The planning of terminal buildings is primarily based on Peak Hour Passenger (PHP) demand, while the annual passenger handling capacity is derived from the peak hour capacity, considering the number of peak traffic hours an airport can accommodate in a day. Therefore, from a planning perspective, terminal buildings are designed to avoid capacity constraints during peak hours.

The current New Integrated Terminal Building was conceptualized in 2015, based on the traffic forecast derived from actual traffic data of the year 2014-15. At that time, the traffic distribution between domestic and international passengers was 8% (96,944) and 92% (10,92,274), respectively. The forecast on which the building was planned showed that in 2025-26, the domestic passengers would be 5% (1,80,641) & Int'l passengers would be 95% (33,48,181). Considering, it to be a majorly international terminal using the traffic ratio for International passengers as per IMG Norms. The Total designed peak hour was calculated as 2900 Pax.

TRAFFIC FORECAST-TRICHY AIRPORT			
YEAR	PASSENGERS (In Nos.)		
	INTL	DOM	Total
2014-15(Base Year)	1092274	96944	1189218
Growth Rate	8.0%	20.0%	9.0%
2015-16	1179656	116333	1295989
Growth Rate	12.00%	4.00%	11.40%
2016-17	1321215	120986	1442201
2017-18	1479760	125826	1605586
2018-19	1657332	130859	1788190
2019-20	1856211	136093	1992304
2020-21	2078957	141537	2220493
Growth Rate	10.0%	5.0%	9.7%
2021-22	2286852	148613	2435466
2022-23	2515538	156044	2671582
2023-24	2767092	163846	2930938
2024-25	3043801	172039	3215839
2025-26	3348181	180641	3528821

Accordingly, the terminal, with an area of 75,000 sqm, was designed to handle a peak hour capacity of 2,900 passengers with providing facilities for domestic passengers to a bare minimum resulting in designed peak hour of 2,300 international + 600 domestic.

The work was awarded in 2018, completed in 2023, and the terminal building was inaugurated in January 2024.

However, during the course of construction in 2022, it was observed that the actual traffic distribution for the year 2019-20 had shifted significantly to 20% (2,96,073) domestic and 80% (13,16,419) international traffic. Since the building footprint could not be altered, the increase in the share of domestic traffic posed a significant challenge. It was envisaged that the originally planned domestic peak hour capacity of 600 passengers would lead to saturation of domestic processing areas, even though the terminal would not have reached its overall planned annual capacity.



POST-COVID TRAFFIC FORECAST - TRICHY AIRPORT			
YEAR	PASSENGERS (in Nos.)		
	International	Domestic	Total
2019-20	1316419	296073	1612492
2020-21	191075	164828	355903
2021-22	407430	149277	556707
2022-23 ESTIMATED	1200000	373193	1573193
FORECAST			
2023-24	1380000	447831	1827831
2024-25	1573200	528441	2101641
2025-26	1761984	591853	2353837
N 2026-27	1973422	662876	2636298
2027-28	2170764	729163	2899928
2028-29	2387841	802080	3189921
2029-30	2626625	882288	3508913
2030-31	2836755	961694	3798448
2031-32	3063695	1048246	4111941
2032-33	3308791	1142588	4451379
2033-34	3573494	1245421	4818915

Therefore, to enhance the domestic peak hour capacity and extend the terminal's saturation year, a reconfiguration of the terminal building was planned and implemented. This resulted in an increase in the planned peak hour capacity to 3,480 passengers (2,400 international and 1,080 domestic). The annual capacity of the reconfigured terminal has been estimated at 4.45 million passengers per annum, based on traffic ratios in accordance with IMG norms.

The modifications were limited to internal adjustments within the existing building footprint. These included removal of partition walls, addition of check-in counters, augmentation of conveyor systems to support increased check-in capacity, and installation of additional X-BIS machines. These changes were aimed at improving space utilization, enhancing passenger flow efficiency, eliminating bottlenecks, and increasing overall peak hour handling capacity.

Only modification inside the building like removal of partition wall, providing additional counters, augmentation of conveyor due to increase in Check-in counters, providing additional XBIS in SHA was undertaken to meet the passenger peak hour capacity (PHP) mainly of domestic which was 600 (300 departure + 300 arrival)(in view of increase in domestic passengers from 20% to 40% and minimum two domestic flights in one hour as per slot allotment) for better space efficiency, increased passenger capacity, efficient flow of passengers, removal of bottlenecks and to increase the peak hour capacity of Terminal Building. Moreover, the modification work in conveyor cannot be carried out in the operational Airport.

In view of the above, AERA is requested to consider the CAPEX made for Rs. 23.21 crores towards the RECONFIGURATION WORKS FOR NITB expended to meet the increased PAX handling capacity of the building without increasing the buildup area i.e. 75,000 sq.mt.



2) **Furniture & Fixtures – Three-Seater chairs and other NITB related furniture Rs. 0.93 Crores – 2023-24**

The furniture for Rs. 0.93 Crores including Three-seater chairs has been procured exclusively for NITB (Terminal Building) and the same is part of original project cost. The said procurement is incurred for NITB and hence AERA is requested to consider the same.

3) **FIXED LINK BRIDGE (FLB) AND NODE BUILDING FOR NITB for Rs. 15.40 Crores (2023-24)**

Fixed Link Bridge (FLB) is the structure connecting the terminal building with the aero bridges for enhance the smooth and convenient passenger movement for embarking and disembarking of the passengers.

The construction of Fixed Link Bridge (FLB) & Node Building was not part of NITB project and is separately constructed with the same agency due to paucity of time. The scope of the work is made up of structural steel, deck sheet at bottom, Façade glazing, metal false ceiling, MEP works incl. Air conditioning firefighting etc. and node building with RCC framed structure with AAC block. Hence the said work was taken up for better passenger facilitation in the passenger terminal building.

The said work was carried out in urgency as the same needs to be completed along with the NITB inauguration and hence the said work was carried out through the NITB awarded contract M/s. ITD Cementation/Cemindia Project Ltd. In view of the above, AERA is requested to kindly allow the spent CAPEX of Rs. 15.40 Crores towards construction of Fixed Link Bridge & Node Building for NITB.

4) **Passenger Boarding Bridge (PBB) – 4 Nos. - Rs.10.65 Crores (2023-24)**

AERA has allowed 1 no. of PBB for the CAPEX expended during the FY 2024-25 for Rs. 2.66 Crores. However, the 4 No. of PBB expended for NITB is not considered in the items submitted by AAI. The PBB are required to enhance the smooth and convenient passenger movement for embarking and disembarking of the passengers and the same is part of NITB project.

Hence, AERA is requested to consider the CAPEX amount spent for the 4 number of PBB which forms part of the original NITB scope.

5) **SUPPLY OF 1184 NOS PASSENGER BAGGAGE TROLLEY Rs. 2.84 Crores – 2020-21**

The said trolley has been procured for passengers in the old NITB and which is used for passenger facility. The said CAPEX has not been listed in the CAPEX proposal of AAI. AERA is requested to consider the said CAPEX of Rs. 2.84 Crores towards procurement of the Trolley for old NITB which is now used in New NITB for passenger facility.

6) **BAGGAGE HANDLING SYSTEM-RECONFIGURATION WORKS – Rs. 1.77 Crores (2023-24)**

The Reconfiguration work was already explained in the previous paras. The subject work has already been elaborated along with the reconfiguration work.

As, the modification work in conveyor cannot be carried out in the operational Airport.

In view of the above, AERA is requested to consider the CAPEX made for Rs1.77 crores towards the BAGGAGE HANDLING SYSTEM-RECONFIGURATION WORKS.

Trichy Airport has already been declared for 2nd round on PPP, which is in pipeline. Disallowance of actual Capex (being form part of RAB) will lead to loss to AAI/Govt. of India and also invite Audit observations.



Accordingly, it is requested that the Authority may kindly consider the CAPEX which was not included in the MYTP due to linking error for the True-up”

4.5.42 IATA's comment on Process and consultation gap is as follows:

Process and consultation gap

- *IATA notes that the capacity of the New Integrated Terminal Building (NITB) has been enhanced from the originally planned 3.63 MPPA to 4.45 MPPA, despite the Authority's own traffic projections for FY 2029–30 remaining significantly lower than this revised capacity. The reconfiguration resulted in an increase in terminal area, associated systems and overall capital cost, while the terminal was already under-utilised. Material changes in scope and capacity have long term tariff implications and should be subject to structured user consultation through the AUCC framework as mandated by AERA.*
- *The Consultation Paper highlights a substantial 53.2% variance between the CAPEX approved by the Authority for the First Control Period (INR 735.30 crore) and the CAPEX subsequently incurred and claimed by AAI (INR 1,125.18 crore). IATA concurs with AERA's observation that this discrepancy is significant and must be addressed. Airlines and users should not be burdened with unjustified and inefficient investments.*
- *IATA supports AERA's proposal to allow only a portion of the NITB cost into the RAB, given the clearly excessive unutilized capacity. Users should not bear the cost burden of infrastructure that remains materially underutilized. However, instead of the proposed 75% recognition, IATA recommends that AERA consider a lower proportion that is more aligned with the actual utilization rate of only 40–43% during the First Control Period, such as in the range of 45 - 50%.*
- *A substantial portion of this increase arose without fresh AUCC consultation, despite the magnitude of escalation. Airlines were not consulted on revised cost implications, undermining the required transparency and governance of capex programme. Ex-post disallowance of costs does not fully mitigate the impact of ex-ante process gaps. Strong AUCC discipline is essential to prevent inefficient investment decisions that later translate into excessive tariff volatility.*
- *IATA notes that additional capital expenditure proposals for the Second Control Period have also been submitted without comprehensive AUCC consultation, notwithstanding the airport's continuing excess capacity. Traffic projections should be validated against airline feedback and schedules/slot filings, rather than relying primarily on backward looking growth arithmetic.*

4.5.43 IATA's comment on Depreciation and Asset Classification is as follows:

"IATA supports AERA's decision to reject AAI's depreciation approach, specifically the practice of applying only 50% depreciation in the first year of asset capitalization, and to correct the classification between aeronautical and non aeronautical assets. This adjustment appropriately reduces the claimed depreciation from INR 102.98 crore to INR 65.44 crore.

Overstated depreciation materially inflates the Aggregate Revenue Requirement (ARR) and, consequently, the aeronautical tariffs borne by airlines and passengers. Such misstatements directly undermine the cost relatedness and transparency required under ICAO principles.

IATA remains concerned about AAI's asset management and accounting practices, as this is not the first instance where significant discrepancies have been identified during the true up process. Continued vigilance and stronger controls are necessary to avoid recurring irregularities that ultimately increase user charges."



AAI's response on Stakeholders' comments regarding true up of Capital expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period

4.5.44 AAI's response on IATA's comment regarding the Process and consultation gap is as follows:

"RECONFIGURATION WORKS FOR NITB

The planning of terminal buildings is primarily based on Peak Hour Passenger (PHP) demand, while the annual passenger handling capacity is derived from the peak hour capacity, considering the number of peak traffic hours an airport can accommodate in a day. Therefore, from a planning perspective, terminal buildings are designed to avoid capacity constraints during peak hours.

The current New Integrated Terminal Building was conceptualized in 2015, based on the traffic forecast derived from actual traffic data of the year 2014-15. At that time, the traffic distribution between domestic and international passengers was 8% (96,944) and 92% (10,92,274), respectively. The forecast on which the building was planned showed that in 2025-26, the domestic passengers would be 5% (1,80,641) & Int'l passengers would be 95% (33,48,181). Considering, it to be a majorly international terminal using the traffic ratio for International passengers as per IMG Norms. The Total designed peak hour was calculated as 2900 Pax.

TRAFFIC FORECAST-TRICHY AIRPORT			
YEAR	PASSENGERS (In Nos.)		
	INTL	DOM	Total
2014-15(Base Year)	1092274	96944	1189218
Growth Rate	8.0%	20.0%	9.0%
2015-16	1179656	116333	1295989
Growth Rate	12.00%	4.00%	11.40%
2016-17	1321215	120986	1442201
2017-18	1479760	125826	1605586
2018-19	1657332	130859	1788190
2019-20	1856211	136093	1992304
2020-21	2078957	141537	2220493
Growth Rate	10.0%	5.0%	9.7%
2021-22	2286852	148613	2435466
2022-23	2515538	156044	2671582
2023-24	2767092	163846	2930938
2024-25	3043801	172039	3215839
2025-26	3348181	180641	3528821

Accordingly, the terminal, with an area of 75,000 sqm, was designed to handle a peak hour capacity of 2,900 passengers with providing facilities for domestic passengers to a bare minimum resulting in designed peak hour of 2,300 international + 600 domestic.

The work was awarded in 2018, completed in 2023, and the terminal building was inaugurated in January 2024.

However, during the course of construction in 2022, it was observed that the actual traffic distribution for the year 2019-20 had shifted significantly to 26% (2,96,073) domestic and 80% (13,16,419) international traffic. Since the building footprint could not be altered, the increase in the share of



domestic traffic posed a significant challenge. It was envisaged that the originally planned domestic peak hour capacity of 600 passengers would lead to saturation of domestic processing areas, even though the terminal would not have reached its overall planned annual capacity.

POST-COVID TRAFFIC FORECAST - TRICHY AIRPORT			
YEAR	PASSENGERS (in Nos.)		
	<i>International</i>	<i>Domestic</i>	<i>Total</i>
2019-20	1316419	296073	1612492
2020-21	191075	164828	355903
2021-22	407430	149277	556707
2022-23 ESTIMATED	1200000	373193	1573193
FORECAST			
2023-24	1380000	447831	1827831
2024-25	1573200	528441	2101641
2025-26	1761984	591853	2353837
2026-27	1973422	662876	2636298
2027-28	2170764	729163	2899928
2028-29	2387841	802080	3189921
2029-30	2626625	882288	3508913
2030-31	2836755	961694	3798448
2031-32	3063695	1048246	4111941
2032-33	3308791	1142588	4451379
2033-34	3573494	1245421	4818915

Therefore, to enhance the domestic peak hour capacity and extend the terminal's saturation year, a reconfiguration of the terminal building was pl

anned and implemented. This resulted in an increase in the planned peak hour capacity to 3,480 passengers (2,400 international and 1,080 domestic). The annual capacity of the reconfigured terminal has been estimated at 4.45 million passengers per annum, based on traffic ratios in accordance with IMG norms.

The modifications were limited to internal adjustments within the existing building footprint. These included removal of partition walls, addition of check-in counters, augmentation of conveyor systems to support increased check-in capacity, and installation of additional X-BIS machines. These changes were aimed at improving space utilization, enhancing passenger flow efficiency, eliminating bottlenecks, and increasing overall peak hour handling capacity.

Only modification inside the building like removal of partition wall, providing additional counters, augmentation of conveyor due to increase in Check-in counters, providing additional XBIS in SHA was undertaken to meet the passenger peak hour capacity (PHP) mainly of domestic which was 600 (300 departure + 300 arrival)(in view of increase in domestic passengers from 20% to 40% and minimum two domestic flights in one hour as per slot allotment) for better space efficiency, increased passenger capacity, efficient flow of passengers, removal of bottlenecks and to increase the peak hour capacity of Terminal Building. Moreover, the modification work in conveyor cannot be carried out in the operational Airport. Reconfiguration works for NITB incurred to meet the increased PAX handling capacity of the building without increasing the build-up area i.e. 75,000 sq.mt.



AUCC for NITB:-

The AUCC consultation meeting was convened on 11th January 2020, wherein the proposal for capital expenditure of approximately ₹951 Crores for the construction of the New Integrated Terminal Building (NITB) was presented to the stakeholders. The meeting was attended by representatives of airlines, airport stakeholders and other users, and the proposal was discussed.

Moreover, several meetings were conducted with the stakeholders for projects like PBB, New Apron, parallel taxiway, ILBHS etc., which are part of NITB during initial concept and design stage and was accepted by stakeholders like airlines, GHA, CISE, Customs and others.

Further, as per Clause A1.3.1 of the AERA Tariff Guidelines, 2011, the AUCC consultation is required to be undertaken prior to the commencement of the Control Period for major capital projects. In this regard, the AUCC consultation for the NITB project was conducted before the beginning of the relevant Control Period. and the same was executed.

The increase in amount of Rs.81.71 cr. is mainly due to cost escalation is due to the COVID-19 pandemic causing nationwide lockdown & non-availability of oxygen affecting the supply of manpower & materials, cyclone Nivar in Nov 2020, cyclone Burevi in Dec 2020 and cyclone Jawad in Nov-Dec 2021, non-availability of vessels for imported items transfer, non-availability of electronic chips etc. which is beyond the control of AAI.

The subsequent increase in the cost of manpower and construction materials (like make in China is disallowed and conveyor to be made through Make in India as per Govt. policy which increased the cost) is also contributed to escalation in the overall project cost.

The CAPEX approved in the FCP of Rs. 735.30 Crores was based on the initial projection prepared for the NITB project.

Whereas during the execution of the project there was cost escalation (due to the COVID-19 pandemic causing nationwide lockdown & non-availability of oxygen affecting the supply of manpower & materials, cyclone Nivar in Nov 2020, cyclone Burevi in Dec 2020 and cyclone Jawad in Nov-Dec 2021, non-availability of vessels for imported items transfer, non-availability of electronic chips etc. which is beyond our control) and not due to Re-configuration work as mentioned in the CP 06/2025-26.

Reconfiguration cost is only 24.98 Crores which is only 2% of the total project cost. The details of the reconfiguration and requirement was provided in the Stakeholders meeting presentation.

The subsequent increase in the cost of manpower and construction materials (like make in China is disallowed and conveyor to be made through Make in India as per Govt. policy which increased the cost) is also contributed to escalation in the overall project cost.

In addition to the CAPEX incurred for the NITB, various other capital expenditures were undertaken during the First Control Period in compliance with the requirements of DGCA and BCAS. These capital expenditures were carried out after detailed analysis and based on the specific needs of the respective airport.

AAI has prudently considered and undertaken only those CAPEX items that were deemed essential.

AUCC for Second Control period:-

As per tariff guideline, 2011, clause A1.3.1 issued by AERA "The Airport Operator shall undertake user consultation with AUCC on major capital projects planned at the airport. The major capital projects



shall be defined as capital investment projects that may represent more than 5% of the value of the RAB at the beginning of the control period or Rs. 50 crore Rupees, whichever is the lower amount”,

Since capital expenditure proposed by Trichy airport for the second control period is less than 5% of the value of the RAB at the beginning of the control period or Rs. 50 crore Rupees, therefore AUCC meeting for proposed CAPEX for Second Control Period is not required as mentioned in CP on page no.72.

4.5.45 AAI's response on IATA's comment on Depreciation and Asset Classification is as follows:

“The depreciation has been reduced from INR 102.98 crore to INR 65.44 crore due to non-consideration of actual capex incurred (NITB and other associated work) for the 1st control period and Rs.13.13 cr. for regulated year i.e. FY 2019-20”

Authority's analysis on Stakeholders' comments regarding true up of Capital expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period

4.5.46 The Authority notes the comments of AAI regarding the conduct of AUCC meeting convened on 11th January 2020, wherein the proposal for capital expenditure of approximately ₹ 951.28 crore for the construction of the New Integrated Terminal Building (NITB) including other associated works was presented to the stakeholders. Other meetings referred by AAI, are not AUCCs. However, as there was substantial increase in projected CAPEX, a separate AUCC meeting should have been convened by AAI.

It is also observed that AAI in its comments has incorrectly mentioned that the additional cost of ₹ 161.21 crore has been approved by PIB. In fact, this additional cost has been approved by MoCA as per the laid down provisions of allowing the Administrative Ministry the power of approval for the excess cost beyond the PIB approved cost till a certain percentage of the original approved cost by PIB.

In its comments, AAI has also mentioned that the additional increase in cost was ₹ 81.71 crore, which is also not factually correct. Additional cost incurred (including reconfiguration) by AAI is approx. ₹ 200 crore.

Regarding the additional cost incurred by AAI, the Authority, after examining the justification provided in AAI's submissions, notes that the increase in the cost of the Terminal Building is attributable to escalation arising from the COVID-19 pandemic. This included nationwide lockdowns, and disruptions in the availability of manpower and materials, as well as the impact of cyclones occurring from time to time - factors were beyond the control of AAI. Based on the above justification and rationale provided by AAI, the Authority has decided to consider the additional/escalation cost of ₹ 81.17 crore as part of the Regulatory Asset Base for the purpose of computing the ARR.

4.5.47 The Authority, after examining the comments and justification submitted by AAI, notes that the work of wall-to-wall grading (levelling and grading of the runway basic strip) was necessary for safe airport operations. In this regard, as per the DGCA Surveillance Inspection observations (provided by AAI) for Tiruchirappalli International Airport for the year 2018, it was noted that “the transverse slope of the runway strip is uneven and is engulfed with vegetation and stones at certain locations. In some portions, the runway strip is approximately 2 inches lower than the runway edge and is not flush with the runway shoulder. The runway strip, therefore, requires levelling, grading, and maintenance of transverse slope in accordance with the DGCA Civil Aviation Requirements (CAR).”



These observations substantiate the necessity of the work, which was undertaken by AAI in compliance with safety requirements prescribed by the Directorate General of Civil Aviation (DGCA), supported by relevant documentation.

Accordingly, the Authority has decided to allow the capital expenditure of ₹1.41 crore for the same.

4.5.48 The Authority, based on the comments, supporting documents, and justifications submitted by AAI, observes that the following works seemed essential for the smooth and safe conduct of airport operations:

- Construction of RCC drain and strengthening of the unpaved area near to Air India Engineering office within the operational area, at a cost of ₹1.46 crore.
- Construction and overlay of existing concrete pavement at the fire station, including development of an approach road, at a cost of ₹1.98 crore.
- Widening of the existing perimeter road and approach road, along with the CAT-I approach lighting system, at a cost of ₹3.87 crore.
- Development of perimeter road and drainage, at a cost of ₹1.25 crore.

The aforementioned works look essential for ensuring safe, secure, and efficient airport operations as have been duly substantiated by AAI through relevant documentation. These projects were undertaken in compliance with ICAO standards for safe aircraft operations as emphasized by AAI during the Stakeholder Consultation meeting held on 17.03. 2026.

Accordingly, the Authority has decided to allow the above capital expenditure (capex) of ₹ 8.56 crore as part of true-up of the First Control Period for Trichy Airport.

4.5.49 The Authority notes the submissions made by AAI regarding capex towards terminal building during the stakeholder consultation meeting held on March 17, 2026, written comments submitted thereafter, and the justifications and supporting documents provided therein. The Authority has examined the comments in detail and has observed that AAI has incorrectly stated that an additional/escalation cost of ₹161.21 crore has been approved by PIB. In fact, this additional cost was approved by MoCA as per the laid down provisions of allowing the Administrative Ministry the power of approval for the excess cost beyond the PIB approved cost till a certain percentage of the original approved cost by PIB.

Further, in its submissions, AAI has indicated the additional cost as ₹81.17 crore, which is also not factually correct. The total additional cost incurred by AAI, including expenditure on reconfiguration, is approximately ₹ 200 crore.

Regarding the additional cost incurred by AAI, the Authority, after examining the justification provided in AAI's submissions, notes that the increase in the cost of the Terminal Building is attributable to escalation arising from the COVID-19 pandemic, cyclone Nivar in Nov 2020, cyclone Burevi in Dec 2020 and cyclone Jawad in Nov-Dec 2021, non-availability of cargo vessels for imported items, non-availability of electronic chips etc. This included nationwide lockdowns, shortages of oxygen, and disruptions in the availability of manpower and materials, as well as the impact of cyclones occurring from time to time. These factors were beyond the control of AAI. Based on the above justification and rationale provided by AAI, the Authority has decided to consider the additional/escalation cost of ₹81.17 crore as part of the Regulatory Asset Base for the purpose of computing the ARR.



In addition to the above, the Authority has also examined various other Capital items wherein AAI has provided their need, essentiality and justification for consideration and based on the justification and rationale provided therein the authority has considered the same as mentioned below :-

- i. Decides to consider the Gopuram cost of ₹3.54 crore, as the same has been incurred by AAI to enhance the aesthetic appearance of the terminal forecourt and to symbolize the local architectural heritage and cultural identity of the region.
- ii. Decides to allow CAPEX of ₹ 3.77 crore incurred for the construction of tensile membrane fabric around column capitals and the Gopuram vestibule, as the expenditure was necessary to maintain architectural uniformity with the overall design theme of the NITB, enhance the aesthetic appearance of the terminal forecourt, and provide protection against potential hazards arising from falling nuts and bolts.

Regarding the provision for toilet for passengers in extended SHA it is submitted that the NITB was in progress and the existing old terminal building was to be salvaged post commissioning of NITB and therefore the capex incurred on the old terminal building would have been avoided. Moreover, the annual traffic of passengers was expected to be low due to COVID-19 and were 0.36 MPPA, 0.55 MPPA and 1.51 MPPA in FY 2020-21, FY 2021-22 and FY 2022-23 respectively, which was well within the limits of existing old terminal building capacity and therefore the capex incurred amounting to ₹ 0.18 crore was not required and thus not considered.

4.5.50 The Authority based on the justification provided by AAI in their written comment's notes that the work of new borewell in AAI colony and non-operational area was required for the airport operations and has been justified by AAI along with relevant documents. The work was required for smooth and adequate water supply for firefighting and the residential requirements of airport staff residing in the colony and to have an effective emergency preparedness to meet contingencies. Accordingly, the Authority decides to consider the capex of ₹ 0.27 crore for the same as part of true of the First Control Period.

4.5.51 The Authority notes the submissions made by AAI during the stakeholder consultation meeting held on 17.03.2026, written comments submitted thereafter, and the justifications, supporting documents provided therein and has examined the comments in detail and decides the following:

- i. To consider capex of ₹ 0.75 crore incurred for Construction of boundary wall and providing chain-link fencing at newly acquired land to establish the operational boundary and to secure the Simple Approach Lighting System (SAPL) of Runway 09 on the city side (located on the other side of the highway road), which is essential for the safe landing of aircraft as the provision of boundary wall and chain link fence was necessary to prevent any inadvertent or premeditated access by unauthorized persons, in compliance with ICAO requirements (Clause 9.10.2 of Annex 14) and DGCA CAR requirements (Clause 9.11.4 of Section 4, Series 'B', Part I).
- ii. To allow capex of ₹ 4.38 crore incurred for Construction of compound wall, perimeter road, RCC drain for NITB as the compound wall has been constructed to extend and secure the operational area adjoining the NITB, including the new apron area and two operational vehicle gates. The compound wall forms part of the operational boundary wall required for securing the operational area in compliance with BCAS requirements. Further, a perimeter road and RCC drain have been constructed along the said compound wall to facilitate operations of the two operational vehicle gates of the NITB and to enable security patrolling by CISF as mandated under BCAS requirements. These works are essential for safeguarding airport infrastructure, facilitating operational movement around the terminal area and preventing water accumulation that may adversely affect airport operations and



are essential for maintaining operational safety and security in accordance with the standards and requirements prescribed by BCAS.

4.5.52 To allow capex of ₹ 3.63 crore incurred for Construction of pre-cast property wall around NITB as it has been incurred to ensure security and protection of vital airport infrastructure and passenger movement areas. The property wall has been constructed to secure critical installations such as the 33 KV HT yard feeding power supply to NITB, the 33 KV substation, the new Sewage Treatment Plant (STP), the airport water supply system, and the car parking area. In addition, the wall provides enhanced security for passenger movement in the city-side area of the terminal. The provision of the property wall has also been considered as part of the BCAS security vetting requirements.

Based on the above, the authority has considered the above capital items as part of RAB for the true up of the First Control Period.

4.5.53 The Authority has examined the submission of AAI regarding the capitalisation amounting to ₹ 0.27 crore towards additional works pertaining to the solar power plant. The Capex for the solar power plant with necessary accessories etc. has already been approved. This should have been a part of the original Capex and subsequent addition does not reflect well on the planning and design of such important Capex item. Also reflects a non- professional approach that anything can be submitted and claimed in the true up. Hence, cannot be considered now to discourage such practise during true up that increases the under recovery of previous control period thereby increasing the airport charges.

4.5.54 The Authority notes that the following works were part of NITB and was required for the airport operations as has been justified by AAI along with relevant documents. Accordingly, the Authority decides the following:

1. Not to consider the CAPEX of ₹ 0.23 crore incurred by AAI for improvement of illumination of car parking area as car parking area is non-aeronautical and outside the purview of tariff determination point of view.
2. Not to consider CAPEX of ₹ 1.45 crore for biometric access control system as the same was installed in old terminal building, which is to be salvaged after commissioning of NITB.
3. To consider CAPEX of ₹ 0.26 crore for replacement of 3x400TR cooling tower for existing HVAC Plant (Elect) as the procurement of the cooling towers was essential to maintain the operational efficiency of the HVAC system and to continue providing optimal air conditioning services to the terminal and to reduce suffocation of passenger.
4. To consider the 250 KWP Solar PV power plant for ₹ 1.18 crore and apron flood lightings for new and existing apron for ₹ 1.15 crore
5. Not to consider CAPEX of Rs 4.95 crore out of 5.41 crore towards plant & machinery. Since the submission is not supported by adequate justification and requisite documentary evidence to establish necessity of the expenditure. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX for the purpose of tariff determination.
6. In respect of the water connection works, the Authority observes that the said expense pertains to infrastructure development required to supply water from existing booster station at Madhayanipatti of CWSS to Trichy Airport and other related works. AAI has submitted the extract of the agreement (executed between AAI and TAWD) produced as under.



"....TWAD Board shall supply 0.60 MLD of water from the existing booster station at Madhayanipatti of CWSS to 1766 habitations in Pudukkottai District and 125 habitations in Sivagangai District during the continuance of this agreement, for which administrative approval accorded, vide B.P.M.S.No.143 (O&M wing) dated 28.06.2023 for ₹15.10 crore as full deposit work.

The scope of the deposit work includes planning, designing, estimating and executing the Infrastructures, operation and maintenance of the project to supply a maximum of 0.60 MLD of water from the existing booster station of Madhayanipatti of CWSS to 1766 Habitations in Pudukkottai District and 125 Habitations in Sivagangai District to the existing 17 LL capacity sump at AAI, Tiruchirapalli Airport.

The Infrastructure inside AAI, TRZ premises, pump sets in the sump etc, will be maintained by AAI, trz.

The scheme consists of the following components:

- A. Pumping main from existing 2.45 LL booster sump at Madhayanipatti for a length of 24.05 km of 150 mm DI K7 pipes to AAI, Tiruchirapalli Airport.
- B. Supply and erection of 7.5 HP Open well submersible Pumpset of duty 478 lpm x 35 m head at Booster sump at Madhayanipatti.
- C. Supply, Delivery and fixing of AMR/ digital electromagnetic water meter at Madhayanipatti Booster Station and receiving Sump at AAI, Tiruchirapalli Airport.
- D. Inlet connection for the existing sump of 17 LL capacity at International Airport, Tiruchirapalli Campus, in Sembattu Village of Tiruchirapalli District.

The entire installation cost of ₹15,10,00,000/- (Rupees fifteen crore and ten lakh only) was remitted to TWAD Board by AAI, Tiruchirapalli Airport in one lump sum on 24.04.2023....."

Based on the above, it is observed that the said expenditure pertains to works done outside the airport boundary of Trichy Airport, and is not in the books of Airport Operator. Hence, the Authority decides to not to consider the same as part of CAPEX or OPEX.

- 4.5.55 The Authority notes that AAI had proposed CAPEX of ₹ 5.80 crore towards Tools and Equipment out of which ₹ 4.24 crore was allowed and balance Rs 1.56 crore were not supported and justified in the submission. Further, it is noted that AAI submitted for approval of ₹ 1.85 crore including ₹ 1.56 crore not allowed in Consultation Paper. But, the submission is not supported again by adequate justification and requisite documentary evidence to establish necessity of the expenditure. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX for the purpose of tariff determination.
- 4.5.56 The Authority notes that AAI had proposed CAPEX of ₹ 0.63 crore towards procurement of vehicles. However, the submission is not supported by adequate justification and requisite documentary evidence to establish the operational necessity and usage of such expenditure incurred for vehicle. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX for the purpose of tariff determination.
- 4.5.57 The Authority notes that AAI had proposed CAPEX of ₹ 1.75 crore towards Furniture and Fixtures (excluding Trolleys) out of which ₹ 2.25 crore was allowed. During stakeholder consultation AAI has

claimed the balance amount of ₹ 2.52 crore. It is observed that a substantial portion of these assets pertain to facilities such as CISF barracks and residential colonies.

The Authority further notes that AAI has not provided adequate justification and requisite documentary evidence to establish necessity of such capital expenditure and merely provided a list of items. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX for true up of First Control period for Trichy Airport.

4.5.58 The Authority notes that AAI has proposed CAPEX of ₹ 0.21 crore towards procurement and installation of a Dual View X-ray Baggage Inspection System in the pre-SHA of the old terminal building.

The Authority further observes that AAI has not provided adequate justification and requisite documentary evidence to establish necessity of the expenditure. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX for true up of First Control period for Trichy Airport.

4.5.59 The Authority notes that AAI during stakeholder consultation has claimed ₹ 0.01 crore towards CFT and Fire Fighting. The Authority based on the need and justification provided by AAI to meet the Safety norms as prescribed by DGCA guiding norms has allowed ₹ 0.01 crore for true up of First Control period for Trichy Airport.

4.5.60 The Authority notes that AAI during stakeholder consultation has claimed ₹ 0.38 crore towards Computer - End users. The Authority notes that AAI has not provided adequate justification and requisite documentary evidence to establish necessity of such expenditure. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX of ₹ 0.38 crore incurred for computers (end users) for true up of First Control period for Trichy Airport.

4.5.61 It is to be submitted that initially AAI claimed ₹ 30.25 crore towards Computers: servers and networks on which AERA has allowed ₹ 30.10 crore, during stakeholder consultation process, AAI has revised its claim by reducing the capex as ₹ 23.42 crore vide email dated April 17, 2026. Accordingly, the Authority allowed ₹ 23.42 crore which includes the impact of additional cost of items as stated by AAI in their submission.

4.5.62 The Authority notes that AAI has not provided adequate justification and requisite documentary evidence to establish necessity of the expenditure. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the proposed Capex. Accordingly, the Authority decides not to consider the said CAPEX of ₹ 0.09 crore incurred for other office equipment for true up of First Control period for Trichy Airport.

4.5.63 The Authority notes that AAI had not included the CAPEX pertaining to the Inline Baggage Handling System (IL-BHS) in the MYTP. Further, the entries relating to the said assets were available in the Fixed Asset Register, the same were not appropriately reflected in the totals considered by AAI in their Financial Model and consequently were not taken into account by the Authority in the Consultation Paper. AAI has submitted that the non-consideration of IL-BHS CAPEX was on account of a linking error in the financial model and has requested for its inclusion as part of approved CAPEX in the Tariff Order for First Control Period. The Authority has examined the submission and notes that IL-BHS forms an integral part of terminal operations and is directly linked to passenger facilitation.



In view of the above, considering that the omission was due to a technical/modelling issue, the Authority decides to allow CAPEX amounting to ₹ 86.85 crore towards ILBHS. Furthermore, this item is also part of the NITB cost of ₹ 951.28 crore already approved by PIB or is part of the approval accorded by MoCA for the excess cost beyond ₹ 951.28 crore earlier approved by PIB and included such additional items as well as the escalation due to Covid etc.

With respect to the additional CAPEX claimed towards XBIS amounting to ₹ 5.02 crore, the Authority notes that adequate documentary evidence and justification have not been provided by AAI. Accordingly, the same is not considered at this stage.

Based on the above inconsistency in the submissions of AAI, the Authority advised AAI to ensure consistency between submissions in MYTP, financial models, and Fixed Asset Registers (FAR) and to provide complete supporting documentation for all future submissions.

- 4.5.64 The Authority notes that AAI during stakeholder consultation has submitted a claim for additional costs amounting to ₹ 16.22 crore (refer para 4.5.40) in respect of certain works completed during FY 2023–24. As per prudent accounting practices, assets are required to be capitalised based on their final determined cost. It is noted that the MYTP was submitted by AAI on July 25, 2025, while the assets against which these additional amounts have now been claimed were already capitalised in FY 2023–24.

However, AAI has not provided any adequate justification for capitalising only a part of the project cost during FY 2023–24 and subsequently seeking inclusion of additional amounts at a later stage along with carrying costs etc. that reflects an unprofessional approach of making any submissions later and claiming the same as true up. In the absence of a clear rationale or supporting documentation explaining this partial capitalisation approach, the claim lacks sufficient merit.

Accordingly, the Authority has decided not to consider the additional CAPEX of ₹ 16.22 crore.

RECONFIGURATION WORKS FOR NITB INCLUDING BAGGAGE HANDLING SYSTEM RECONFIGURATION

- 4.5.65 The Authority notes that AAI has claimed CAPEX of ₹ 23.21 crore towards reconfiguration works (including the Baggage Handling System), along with an additional ₹ 1.77 crore specifically for the Baggage Handling System.

As per IMG norms, terminal buildings are required to be planned based on projected traffic for the 10th year from the planning year. In the present case, the terminal building was planned in FY 2019–20 with a design capacity of 3.63 MPPA, considering the projected traffic for FY 2029–30. As per AAI's own submission, the projected traffic for FY 2029–30 is 3.03 MPPA, which remains significantly below the originally envisaged design capacity.

The Authority further observes that the terminal building is already underutilized, and no proper justification has been provided to demonstrate the necessity of undertaking reconfiguration works. On the contrary, such reconfiguration has effectively resulted in the creation of additional excess capacity. Considering the existing underutilization and the absence of demand-driven requirements, the Authority is of the view that the capacity enhancement was unwarranted.

Moreover, the reconfiguration has led to an increase in terminal building costs, thereby inflating the Regulatory Asset Base (RAB) and, consequently, impacting the Aggregate Revenue Requirement (ARR) and Yield Per Passenger (YPP). This ultimately imposes an additional financial burden on airport users.



Given the above, the Authority decides that the expenditure reflects inefficient planning with huge implications for stakeholders. Accordingly, the Authority has decided not to consider the CAPEX amounting to ₹24.98 crore towards the reconfiguration of the NITB.

Furniture & Fixtures – Three-Seater chairs and other NITB

- Authority notes that AAI has submitted additional CAPEX towards Furniture and fixtures of ₹ 0.93 crore & decides not to consider the same as an amount of ₹ 2.25 crore has already been considered as part of the NITB and further AAI has not provided adequate justification and requisite documentary evidence to establish necessity of these additional items. Hence, in the absence of sufficient supporting information, the Authority is unable to validate the prudence of the additional Capex.

Fixed Link Bridge (FLB) and Node Building for NITB, Passenger Boarding Bridge (PBB) and Trolley

- Authority notes that AAI has proposed additional CAPEX towards Fixed Link Bridge of Rs 15.40 crore. This additional CAPEX of ₹ 15.40 crore towards FLB as claimed by AAI is for creating excess capacity to serve contact gates, whereas as per the annual ATM, the contact gates already approved is more than sufficient and hence, the Authority decides not to consider the capex towards FLB as part of RAB.
- The Authority also notes that AAI has proposed additional CAPEX towards 4 no. PBB amounting to ₹ 10.65 crore, which is in addition to 1 no. of PBB already allowed by AERA at CP stage, thus Authority decides to allow additional 4 no. of PBB amounting to ₹ 10.65 crore. Accordingly, total 5 no. of PBB has been allowed, which is in line with the provisions being made for the similar comparable airports such as Srinagar, Indore, Raipur, etc.
- The Authority further notes that capex towards 1184 no. of trolley amounting to ₹ 2.84 crore was not submitted in the MYTP by AAI, however as the same is required for passenger facilitation and smooth & efficient functioning of an airport and therefore the Authority decides to consider the same.

4.5.66 The Authority notes the submissions made by IATA and the response of AAI regarding enhancement in capacity of the NITB, the variance in CAPEX and the adequacy of stakeholder consultation. In this regard, the Authority has examined the comments of IATA and response of AAI therein in detail and present the following:

- With respect to terminal passenger handling capacity, the Authority observes that terminal planning is fundamentally anchored in Peak Hour Passenger (PHP) demand. This demand is derived from projected traffic forecasts and established design methodologies, in line with internationally accepted standards and guidelines prescribed by IATA, and ICAO including IMG norms. These standards ensure that adequate capacity is created to handle peak loads efficiently while maintaining prescribed service level benchmarks across all passenger processing areas.

Accordingly, the design capacity of the NITB has been determined with a view to ensuring operational resilience, minimizing congestion during peak periods, and providing sufficient headroom to accommodate long-term traffic growth. The objective is to strike a balance between current operational efficiency and future scalability, thereby safeguarding passenger experience and airport performance over the asset's lifecycle.

At the same time, the Authority has taken a prudent and measured view regarding the creation of excess or underutilized capacity. While adequate provisioning is essential, overcapacity can lead to an unwarranted increase in the Regulatory Asset Base (RAB), which in turn has a direct bearing on the computation of Aggregate Revenue Requirement (ARR) and ultimately the Yield Per Passenger



(YPP). Such increases would translate into higher airport charges, thereby imposing an additional burden on airport users.

In light of this, the Authority has adopted a calibrated approach by rationalizing airport charges and deferring the recovery of a portion of the Aggregate Aeronautical Revenue (AAR) to the subsequent Control Period. This carry forward is subject to specified caps on traffic achievement and regulatory considerations, as elaborated in the relevant paragraph, ensuring that tariff impacts are moderated while maintaining financial sustainability.

- ii. On the issue of CAPEX variation, the Authority observes that there is a significant increase between the initially approved CAPEX and the final incurred cost. AAI in their submissions have comprehensively given the reasons for these increases due to several factors including inter-alia COVID-19 pandemic causing nationwide lockdown of affecting the supply of manpower and materials, cyclone Nivar in Nov 2020, cyclone Burevi in Dec 2020 and cyclone Jawad in Nov-Dec 2021, non-availability of cargo vessels for imported items, non-availability of electronic chips etc. which were beyond their control and necessitated by special circumstances that emerged. The Authority has undertaken a detailed prudence check through its Independent Consultant and due diligence of the submitted CAPEX proposals, Covid impact on escalation factors etc. Based on this assessment, CAPEX has been rationalised and considered only in respect of that capital works that are essential for safe and smooth operations of the Airport and were found to be prudent, aligned with traffic and efficiently incurred.
- iii. Regarding concerns on under-utilisation of passenger handling capacity, the Authority notes that infrastructure development at airports is inherently forward-looking, and capacity creation typically precedes traffic realisation. While current utilisation levels may be lower than ultimate design capacity, the Authority considers such augmentation would later support future traffic growth and maintain service quality standards as has been explained in above paras. However, in the specific case of Trichy, the Authority has categorically commented on poor planning and design on the part of AAI resulting in over capacity and has wherever required dis-allowed concerned associated costs in Capex as well as OPEX. Only on fulfilment of certain conditionalities and trigger, would be allowing the AAI submission to align it with the utilisation of facilities in proportion to the traffic achieved.
- iv. On the matter of stakeholder consultation, the Authority acknowledges IATA's concerns regarding the adequacy of AUCC meeting. The Authority notes that AUCC meetings were conducted by AAI during planning stage of the NITB. However, the Authority emphasizes that robust and continuous stakeholder consultation is critical, particularly in cases involving significant scope changes or cost escalations. The airport operator is advised to strengthen AUCC processes in future to ensure transparency and alignment with user expectations.

With regards to IATA's suggestion to restrict RAB inclusion to a lower proportion of CAPEX based on current utilisation, the Authority is of the view that such an approach would not be in tune with the basic regulatory approach of timely recovery of incurred costs for maintaining financial sustainability of airport operations. Accordingly, the authority based on its prudence assessment decides to allow CAPEX in the specific case of Trichy as explained in earlier paras to the extent considered reasonable and justified based on certain conditionalities and triggers and does not find appropriate linking RAB inclusion solely to current utilization levels. In light of this, the Authority has adopted a calibrated approach by rationalizing airport charges by factoring specific conditionalities & triggers and deferring the recovery of a portion of the Aggregate Aeronautical Revenue (AAR) to the subsequent



Control Period. This carry-forward has also been subjected to specified conditions pertaining to traffic achievement and regulatory considerations, as elaborated in para 14.5.10 to 14.5.15 ensuring that tariff impacts are moderated while maintaining financial sustainability.

The Authority has considered the submissions made by IATA and the counter comments of AAI regarding the methodology adopted for depreciation and asset classification

- 4.5.67 The Authority has considered the submissions made by IATA and the counter comments of AAI regarding the methodology adopted for depreciation and asset classification.

With respect to depreciation, the Authority notes that AAI has applied the practice of recognizing 50% depreciation in the year of capitalization of asset. The Authority, in line with its established regulatory principles, has computed depreciation based on the actual date of capitalization of assets, ensuring that depreciation is charged only for the period during which the asset is put to use.

The Authority further observes that certain elements of claimed depreciation were linked to CAPEX not admitted or not yet capitalised during the First Control Period. All such amounts have not been considered for the purpose of depreciation, resulting in reduction of the allowable depreciation.

On asset classification, the Authority has examined the allocation between aeronautical and non-aeronautical and common assets and has made appropriate adjustments wherever required in accordance with applicable regulatory norms and past Tariff Orders.

The authority agrees that overstatement of depreciation has a direct impact on ARR and user tariffs and therefore emphasizes the need for accurate asset capitalization, classification and adherence to prescribed accounting and regulatory standards.

While noting IATA's concerns regarding asset management practices the Authority is of the view that these issues have been adequately addressed through the present true-up exercise and prudence checks in the Consultation Paper. However, the Authority advises the airport operator to strengthen internal control mechanism and ensure greater accuracy and transparency in future submissions to avoid recurrence of such discrepancies.

Accordingly, the Authority has allowed depreciations based on allowable CAPEX and actual capitalization timelines as per its regulatory methodology.

- 4.5.68 Based on the above, the summary of Authority's decision towards CAPEX are as follows:

- (i) To allow ₹ 88.66 crore (refer para 4.5.46 & 4.5.49) towards NITB which including escalations amounting to ₹ 81.71 crore, ₹ 3.54 crore towards Gopuram in forecourt of NITB, ₹ 3.77 crore towards construction of tensile membrane fabric, etc.
- (ii) To allow ₹ 86.85 crore towards Inline Baggage Handling System (refer para 4.5.63)
- (iii) To allow ₹ 10.65 crore towards Passenger Boarding Bridge and ₹ 2.84 crore towards trolley procurement (refer para 4.5.65)
- (iv) To reduce amount of ₹ 6.68 crore towards Computers; Servers & Networks (refer para 4.5.61)
- (v) To disallow water connection works amounting to ₹ 15.10 crore (refer para 4.5.54) not considered as part of CAPEX
- (vi) To allow additional CAPEX of ₹ 21.64 crore (refer para 4.5.48, 4.5.50 to 4.5.54), towards works such as wall to wall grading, Perimeter road, drainage works, boundary wall works, etc.

- 4.5.69 Accordingly, the Authority has decided the capital addition for true up of First Control Period, as presented in the table below:



Table 23: Capital additions decided by the Authority for true up of the First Control Period

(₹ crore)

S. No.	Asset category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
1.	Runways, taxiway & aprons	0.00	20.39	45.51	5.38	0.00	71.29
2.	Road, bridges & culverts	0.00	1.46	0.00	0.00	7.11	8.58
3.	Building- terminal	0.00	0.00	0.18	735.52	9.62	745.32
4.	Building - temporary	0.00	0.00	0.00	0.00	0.00	0.00
5.	Building – residential	0.27	0.00	63.23	0.00	0.00	63.49
6.	Boundary wall - operational	0.56	0.00	0.00	0.75	8.02	9.33
7.	Boundary wall – residential	0.00	0.00	0.00	0.00	0.00	0.00
8.	Other buildings- unclassified	0.00	0.00	0.00	0.00	0.00	0.00
9.	Computers: end users	0.00	0.00	0.00	0.00	0.00	0.00
10.	Computers: servers and networks	0.00	0.00	0.00	23.42	0.00	23.42
11.	Plant & machinery	2.16	0.26	4.15	156.40	14.13	177.11
12.	Tools & equipment	0.02	0.00	0.00	2.58	1.65	4.25
13.	Office furniture	0.00	0.00	0.00	2.25	0.00	2.25
14.	Vehicles	0.00	0.00	0.00	0.00	0.00	0.00
15.	Electrical installations	0.00	0.00	0.00	0.00	0.00	0.00
16.	Solar plant	0.00	0.00	0.00	0.00	0.00	0.00
17.	Other office equipment	0.00	0.00	0.00	0.00	0.00	0.00
18.	Furniture & fixtures-other than trolley	0.00	0.00	0.00	0.00	0.00	0.00
19.	Furniture & fixtures- trolley	2.84	0.00	0.00	0.00	0.00	2.84
20.	X ray baggage system	0.00	0.00	0.00	86.85	0.00	86.85
21.	CFT/fire fighting equipment	0.00	0.00	0.00	0.00	0.00	0.00
	Total	5.85	22.12	113.06	1013.16	40.53	1,194.72

4.5.70 In line with capital addition decided by the Authority for True up of First Control Period, there is a slight increase in the true up of transfer/disposal for the First Control Period. The Authority decided to exclude ₹ 5.31 crore from RAB pertaining to old terminal building, after considering the revised CAPEX and depreciation calculation subject to consideration of actual value of the old terminal building at the time of its monetization in the future. Based on the actual value realized, the corresponding amount shall be trued up in the relevant control period in accordance with applicable AERA guidelines.



Depreciation

4.5.71 The Authority based on the capital expenditure as discussed in the above paras and allowed in Table 23 has recomputed the depreciation for True up of First Control Period, which is presented in the table below:

Table 24: Depreciation decided by the Authority for true up of the First Control Period

(₹ crore)

S. No.	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
1.	Runways, Taxiway & Aprons	0.09	0.34	1.76	2.40	2.40	6.99
2.	Road, Bridges & Culverts	0.22	0.24	0.37	0.37	0.93	2.13
3.	Building- Terminal	1.76	1.75	1.06	0.29	24.80	29.65
4.	Building - Temporary	0.00	0.00	0.00	0.00	0.00	0.00
5.	Building - Residential	0.03	0.04	1.62	2.14	2.11	5.94
6.	Boundary Wall - Operational	0.21	0.22	0.22	0.19	0.64	1.48
7.	Boundary Wall - Residential	0.00	0.00	0.00	0.00	0.00	0.01
8.	Other Buildings- Unclassified	0.15	0.15	0.15	0.15	0.15	0.74
9.	Computers: End Users	0.05	0.00	0.00	0.00	0.00	0.05
10.	Computers: Servers and Networks	0.00	0.00	0.00	0.04	3.90	3.95
11.	Plant & Machinery	0.12	0.19	0.29	0.64	11.66	12.91
12.	Tools & Equipment	0.02	0.03	0.02	0.05	0.26	0.38
13.	Office Furniture	0.00	0.00	0.00	0.03	0.32	0.36
14.	Vehicles	0.04	0.04	0.03	0.02	0.01	0.14
15.	Electrical Installations	0.57	0.51	0.48	0.43	0.31	2.30
16.	Solar Plant	0.03	0.03	0.03	0.03	0.03	0.13
17.	Other Office Equipment	0.19	0.19	0.04	0.00	0.00	0.41
18.	Furniture & Fixtures- Other than Trolley	0.03	0.02	0.01	0.00	0.00	0.06
19.	Furniture & Fixtures- Trolley	0.64	0.95	0.95	0.31	0.00	2.84
20.	X Ray Baggage System	0.07	0.07	0.06	0.08	5.84	6.12
21.	CFT/Fire Fighting Equipment	0.02	0.02	0.02	0.02	0.02	0.08
	Total	4.24	4.76	7.08	7.20	53.37	76.66

4.5.72 Considering the capital additions & depreciation decided for true up of the First Control Period, the Authority decides the RAB for true up of First Control Period as per table given below:

Table 25: RAB decided by the Authority for true up of the First Control Period

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Opening RAB (A)	29.66	31.27	48.62	154.87	1160.82	
Additions (B) (Refer Table 23)	5.85	22.12	113.06	1013.16	40.53	1,194.72
Disposal/Transfer (C)	0.00	0.00	0.00	0.00	5.31	5.31
Depreciation (D) (Refer Table 24)	4.24	4.76	7.08	7.20	53.37	76.66
Closing RAB (E) = [(A) + (B) - (C) - (D)]	31.27	48.62	154.64	1160.56	1142.41	

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Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB = [(A) + (E)]/2	30.47	39.95	101.61	657.58	1151.48	

4.5.73 Based on the above factors, the Authority decides to consider CAPEX as per Table 23, Depreciation as per Table 24 and RAB as per Table 25, for true up of the First Control Period.

4.6 True up of Fair Rate of Return (FRoR)

4.6.1 The Authority noted that AAI has claimed 14% for FY 2020-21 to FY 2021-22 and 11.61% for FY 2022-23, FY 2023-24 and FY 2024-25 as FRoR as part of its submission for true up of the First Control Period.

4.6.2 As per the Tariff Order issued for First Control Period, FRoR as approved by Authority was as follows:

Table 26: FRoR as approved by Authority during First Control Period

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
FRoR	14%	14%	11.61%*	11.61%*	11.61%*

* The debt equity portion was considered as 60%:40% with cost of debt of 8.03% and cost of equity of 16%

4.6.3 AAI vide its e-mail dated December 2, 2025, has stated that it had availed debts for all its airports during FY 2020-21, FY 2021-22 and FY 2022-23 and had apportioned some debt to Tiruchirappalli International Airport. The details of the quantum of debt and the actual cost of debt shared by AAI is as below:

Table 27: Debt details for the First Control Period submitted by AAI

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
Axis Bank	100.89	15.48	-
SBI-RTL	-	34.28	60.58
SBI-ECB	-	5.91	1.55
Total availed during the year	100.89	55.68	62.13
Cumulative loan	100.89	156.57	218.70

(₹ crore)

4.6.4 AAI vide its e-mail dated February 18, 2026, had submitted that AAI had taken loan on PAN India basis during FY 2020-21, FY 2021-22 and FY 2022-23 only and funds were provided to the station as per their requirement. Further no loan has been raised by the station on stand-alone basis. AAI provided the details of average rate of interest for the FY 2022-23 to FY 2024-25. The details of the rate of interest shared by AAI are as below:

Table 28: Average rate of interest details for the First Control Period submitted by AAI

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	Average
SBI-RTL – ₹ 625 crore	8.35%	8.22%	8.39%	8.09%
SBI-RTL – ₹ 900 crore	8.10%	8.98%	8.33%	8.60%
Axis Bank – ₹ 2,100 crore	7.82%	-	-	8.36%
Average rate of interest				8.35%

4.6.5 The Authority proposed to retain FRoR at 14% for FY 2020-21 to FY 2021-22 and 11.61% for FY 2022-23, FY 2023-24 and FY 2024-25 as per Tariff Order for the First Control Period.



Stakeholders' comments regarding true up of Fair Rate of Return (FRoR) for the First Control Period

4.6.6 AAI's comment on the FRoR is as follows:

"As per Tariff order of 1st control period, Fair Rate of Return @ 11.61% was approved by AERA assuming debt equity portion as 60%:40% with cost of debt of 8.03% and cost of equity 16% w.e.f FY 2022-23 due to proposed operationalization date of new terminal Building.

However, the AAI has funded capex through debt of Rs.218.70 cr. (The details is as under)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23
Axis Bank	100.89	15.48	-
SBI-RTL	-	34.28	60.58
SBI-ECB	-	5.91	1.55
Total availed during the year	100.89	55.68	62.13
Cumulative loan	100.89	156.57	218.70

The calculation of Average rate of interest on debt is as under:-

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	Average
SBI-RTL – 625 crore	8.35%	8.22%	8.39%	8.09%
SBI-RTL – 900 crore	8.10%	8.98%	8.33%	8.60%
Axis Bank -2100 crore	7.82%	-	-	8.36%
Average rate of interest				8.35%

The AERA has worked out FRoR considering Average rate of Debt @7.75% however as per AAI actual average rate of debt is @ 8.35% which is already shared to AERA.

Calculation of FRoR(Revised) based on the actual cost of debt is as under:-

Parameter	Percentage (%)
Normative Debt Equity Ratio	48:52
Cost of Equity	15.18%
Cost of Actual Debt	8.35%
Fair Rate of Return for the Second Control Period	11.90%

Revised FRoR Proposed by AAI during First Control Period

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
FRoR	14%	14%	14%	14%	11.90%*

*Hence, we request AERA to considered FRoR@11.90% considering the actual cost of debt i.e. 8.35%. Further, it is worthwhile to mention here that the actual operationalization date of New Terminal Building i.e 11th June 2024(FY 2024-25) instead of FY 2022-23(Proposed date as per earlier tariff order) accordingly it is requested to consider FRoR @ 11.90% as explained above. "

Authority's analysis on Stakeholders' comments regarding true up of Fair Rate of Return (FRoR) for the First Control Period

4.6.7 The Authority has examined the submissions of AAI regarding the FRoR, including the claim for consideration of the actual cost of debt (8.35%) in place of cost of debt considered at the time of the Tariff Order for the First Control Period. The Authority had determined the FRoR for the First Control Period based on normative approach (FRoR of 14% for FY 2020-21 & FY 2021-22 and FRoR of 11.61% for the FY 2022-23 to FY 2024-25), including a pre-defined debt to equity ratio and cost parameters. The Tariff Order for the First Control Period allowed specified FRoR as elaborated above on normative basis and hence now the submitted revisions to FRoR based on variations in actual financing costs cannot be considered. If this basis is to be considered then even the normative gearing ratios of 48:52 (Debt: Equity) would be required to be revisited in line with the actual proportion of debt and equity in the overall Capex.

The Authority also notes that in the MYTP for Second Control period, AAI had proposed FRoR as per the decisions taken in First Control Period.

AAI has not provided Trichy airport specific actual cost of debt availed during different years. Instead, the submissions rely on aggregate cost of debt at the entity level, which cannot be directly attributed to the airport for regulatory determination.

In this regard, the Authority is of the view that allowing revisions to FRoR based on ex-post actual financing costs would be inconsistent with the normative regulatory approach adopted for the control period and may lead to regulatory uncertainty. With respect to the operationalisation of the new terminal building, the Authority notes the revised commissioning timeline. However, this does not warrant a revision in the FRoR framework determined for the First control period. Accordingly, the Authority does not find merit in the request of AAI to revise the FRoR based on actual cost of debt and decides to retain the FRoR as determined in the Tariff Order for the First Control period, consistent with the approach adopted in the Consultation stage.

4.6.8 Based on the above factors, the Authority decided to consider FRoR at 14% for FY 2020-21 to FY 2021-22 and 11.61% for FY 2022-23, FY 2023-24 and FY 2024-25

4.7 True up of non-aeronautical revenues

4.7.1 The Authority noted that the actual non-aeronautical revenue submitted by AAI for Tiruchirappalli International Airport for true up of the First Control Period is ₹ 102.51 crore and the same has been presented in the table below:

Table 29: Actual non-aeronautical revenue for the First Control Period submitted by AAI for Tiruchirappalli International Airport

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Restaurant / snack bars	0.94	0.70	1.93	2.27	2.48	8.32
T.R. stall	0.67	1.62	5.05	7.14	8.19	22.68
Hoarding & display	0.11	0.25	0.00	1.02	1.74	3.13
Land leases	0.32	0.33	0.47	0.22	0.16	1.50
Land leases - hanger	0.00	0.00	0.00	0.01	0.00	0.01
Building (residential)	0.02	0.01	0.02	0.03	0.04	0.12
Building (non-residential)	0.31	1.83	0.43	0.46	0.49	3.51
Car rentals	0.04	0.08	0.29	0.33	0.80	1.54
Car parking	0.44	0.70	2.79	0.00	3.15	7.05
Admission tickets	0.04	0.05	0.10	0.09	0.12	0.40

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Duty free shops	1.97	3.62	11.38	12.50	14.47	43.95
Other miscellaneous income	1.77	1.94	2.00	2.09	2.49	10.29
Total	6.61	11.13	24.46	26.18	34.12	102.51

- 4.7.2 The non-aeronautical revenue approved by the Authority in the Tariff Order for First Control Period was ₹ 128.79 crore. The component wise details of the non-aeronautical revenue approved by the Authority in the Tariff Order for the First Control Period are as follows:

Table 30: Non-aeronautical revenue approved in the Tariff Order by the Authority for the First Control Period

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Restaurant / snack bars	2.5	3.5	5	5.75	6.33	23.08
T.R. stall	2.37	3.32	4.74	5.46	6	21.89
Hoarding & display	0.45	0.63	0.9	1.03	1.13	4.14
Land leases	0.11	0.16	0.22	0.22	0.22	0.93
Building (residential)	0.02	0.02	0.02	0.02	0.02	0.10
Building (non-residential)	0.51	0.71	1.02	1.12	1.23	4.59
Car rentals	0.09	0.12	0.18	0.20	0.22	0.81
Car parking	1.30	1.81	2.59	2.98	3.28	11.96
Admission tickets	0.79	1.11	1.58	1.82	2	7.3
Duty free shops	4.77	6.67	9.53	10.97	12.06	44
Other miscellaneous income	1.81	1.90	1.99	2.09	2.2	9.99
Total	14.71	19.95	27.77	31.66	34.70	128.79

Authority's examination and proposal regarding true up of non-aeronautical revenues for the First Control Period at Consultation stage

- 4.7.3 The Authority noted that the actual non-aeronautical revenue (₹ 102.51 crore) submitted by AAI for Tiruchirappalli International Airport for the First Control Period is lower than that approved by AERA in the Tariff Order for the First Control Period (₹ 128.79 crore).
- 4.7.4 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. Further, concessionaire agreement was terminated during the COVID-19 period, leading to a significant decline in NAR. However, from FY 2022-23 onwards, non-aeronautical revenue has shown an upward trend.
- 4.7.5 Further, the Authority noted that there is an error in the calculation of revenue from car parking for the FY 2023-24. On examination, it is observed that revenue amounting to ₹ 3.18 crore was considered nil. Accordingly, the total revenue from car parking increased from ₹ 7.05 crore to ₹ 10.23 crore. Hence, the same has been considered by the Authority.
- 4.7.6 The Authority also noted that AAI had included the revenue amounting to ₹ 1.50 crore from land lease (hangar) as a part of non-aeronautical revenue. Since 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 to aeronautical revenue.



Table 31: Non-aeronautical revenue proposed by the Authority for the First Control Period at Consultation stage

(in ₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Restaurant / snack bars	0.94	0.70	1.93	2.27	2.48	8.32
T.R. stall	0.67	1.62	5.05	7.14	8.19	22.68
Hoarding & display	0.11	0.25	0.00	1.02	1.74	3.13
Land leases	0.32	0.33	0.47	0.22	0.16	1.50
Building (residential)	0.02	0.01	0.02	0.03	0.04	0.12
Building (non-residential)	0.31	1.83	0.43	0.46	0.49	3.51
Car rentals	0.04	0.08	0.29	0.33	0.80	1.54
Car parking	0.41	0.70	2.79	3.18	3.15	10.23
Admission tickets	0.04	0.05	0.10	0.09	0.12	0.40
Duty free shops	1.97	3.62	11.38	12.50	14.47	43.95
Other miscellaneous income	1.77	1.94	2.00	2.09	2.49	10.29
Total	6.61	11.13	24.46	29.36	34.12	105.68

4.7.7 The Authority proposed to consider the non-aeronautical revenue as per **Table 31** for true up of the First Control Period.

Stakeholders' comments regarding true up of Non-aeronautical Revenue for the First Control Period

4.7.8 No comments received from Stakeholders on the true up of Non-aeronautical Revenue for the First Control Period.

Authority's analysis on Stakeholders' comments regarding true up of Non-aeronautical Revenue for the First Control Period

4.7.9 The Authority noted that no comments have been received from the Stakeholders on the true up of Non-aeronautical Revenue for the First Control Period. Hence, the Authority decides to consider the Non-aeronautical Revenue consistent with the proposal made in the Consultation Paper No. 06/2025-26 dated February 27, 2026. The Non-aeronautical Revenue considered by the Authority for true up of the First Control Period has been shown in **Table 31**.

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

4.8.1 The Authority noted that the actual O&M expenses submitted by AAI for Tiruchirappalli International Airport for true up of the First Control Period is ₹ 311.49 crore and the same has been presented in the table below:

Table 32: Actual O&M expenses submitted by AAI for Tiruchirappalli International Airport for the First Control Period

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Payroll costs	14.86	14.14	17.18	21.36	24.93	92.47
Retirement benefits of employees of Tiruchirappalli International Airport	0.44	1.08	-0.05	1.24	1.35	4.07
Repair & maintenance expenses	9.70	7.88	9.99	13.12	14.53	55.22

TRUE UP OF THE FIRST CONTROL PERIOD

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Utilities & outsourcing expenses	4.30	3.65	7.90	25.15	17.51	58.51
Admin. & other expenses - non CHQ/RHQ	3.34	4.76	7.58	6.84	25.76	48.29
Admin. & other expenses - CHQ/RHQ	4.83	10.50	13.40	11.46	12.03	52.22
Other outflows	0.03	0.05	0.17	0.21	0.25	0.71
Total O&M expenditure	37.51	42.07	56.16	79.39	96.36	311.49

- 4.8.2 The O&M expenses approved by the Authority in the Tariff Order for First Control Period was ₹ 452.87 crore. 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 33: O&M expenses as per 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
Payroll costs	16.07	16.87	19.55	20.53	21.56	94.58
Retirement benefits of employees of Tiruchirappalli International Airport	5.73	6.02	6.92	7.27	7.63	33.57
Repair & maintenance expenses	12.63	13.32	51.92	52.90	53.92	184.69
Utilities & outsourcing expenses	4.58	5.18	9.91	9.97	10.03	39.67
Admin. & other expenses – non CHQ/RHQ	3.80	4.15	10.31	11.31	12.41	41.98
Admin. & other expenses - CHQ/RHQ	10.15	10.66	11.19	11.75	12.34	56.09
Other outflows	0.27	0.39	0.47	0.52	0.64	2.29
Total O&M expenditure	53.23	56.59	110.27	114.25	118.53	452.87

(₹ crore)

Authority's examination and proposal regarding true up of O&M expenses for the First Control Period at Consultation Stage

- 4.8.3 The Authority noted that, the actual O&M expenses are lower than the O&M expenses approved by the Authority for the First Control Period. There is a variance ₹ 141.38 crore (31.22%) between the actual O&M expenses incurred by the Tiruchirappalli International Airport and approved by the Authority in the Tariff Order for the First Control Period. The Authority had examined through its Independent Consultant the variances and the same has been explained below:

- 4.8.4 **Payroll expense:** The Authority noted that the total payroll expenses & retirement benefit submitted by AAI for true up of First Control Period for Tiruchirappalli International Airport amounting to ₹ 96.54 crore is lower than the total payroll expense approved by the Authority in the Tariff Order of the First Control Period, amounting to ₹ 128.15 crore. 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 variations on Y-o-Y basis. The Authority noted the following:

- 10% one-time extra increase in payroll cost was considered in the Tariff Order for First Control Period in the FY 2022-23 subject to completion of NITB, but actual completion happened in 2024-25. Hence due to delay, the overall expenditure decreased.
- 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 was revised in the later years.



- c) Medical expenditure also rose in FY 2021-22, on account of the lifting of the austerity measures earlier adopted by AAI during the pandemic period.
- d) 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.
- e) Employees ratio was not applied in the FY2024-25 and the same has been corrected.

Based on the above, the Authority proposed to consider the actual payroll expenses submitted by AAI, after considering correction with regards to application of Employee ratio for the FY 2024-25, for true up of the First Control Period.

4.8.5 Apportionment of administration & general expenditure of CHQ/RHQ

AAI had allocated ₹ 52.22 crore towards CHQ/RHQ (administrative and general) expenses for Tiruchirappalli International 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.

The Authority reviewed the basis adopted by AAI for allocation of CHQ and RHQ expenses for FY 2020-21 to Tiruchirappalli International Airport and other airports of AAI and noted the following:

- a) 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.
- b) 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.

a. Allocation of pay and allowances of CHQ and RHQ to airports

- i. AAI had considered pay and allowances of commercial department at CHQ and RHQ as aeronautical expenses, whereas such expenses were non-aeronautical in nature.
- ii. 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).
- iii. 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:

- a) Support services provided by CHQ/ RHQs to ANS, cargo and commercial departments at various airports.
- b) 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:



- i. 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.
- ii. AAI had paid interest/penalties to GoI at both CHQ and RHQ levels. The Authority is of the view that the stakeholders should not be burdened with interest/penalties paid to GoI, due to various lapses/delays on the part of the airport operator. Hence, the Authority proposed not to consider interest/penalties appearing in AAI's submission.

Based on the above principles, the Authority had analysed the CHQ/ RHQ expenses to be allocated to Tiruchirappalli International Airport for FY 2020-21.

The Authority had 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 34** below:

Table 34: Re-allocation of CHQ/ RHQ – admin and gen expenses proposed by the Authority for the FY 2020-21

Particulars	₹ in crore)	
	FY2020-21	
CHQ/ RHQ – admin & general expenses (allocation done by AAI) = A		4.83
Revised allocation of CHQ/ RHQ derived =B		4.15
Allocation of CHQ/ RHQ expenses proposed by the Authority		4.15

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 ICAI 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, engineering

In response to the AERA's letter dated April 9, 2025, AAI had submitted a revised ICAI 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 noted the following:



- a) 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 35: Weightage assignment for CHQ/ RHQ expense allocation to airports by AAI

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 35*, 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.

- b) As part of the Study, the following have been excluded, while allocating the CHQ/ RHQ expenses to the airports:
- i. Any interest paid on the delayed payments, fines & penalties incurred for violating the laws of the land or due to delays, have been considered as abnormal in nature and have been excluded from the allocation to the airports.
 - ii. 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.
 - iii. Bad debts and provision for bad and doubtful debts have been excluded from the allocation to the airports.
 - iv. Prior period adjustments comprising of prior period incomes and expenses have not been considered, while allocating expenses to the airports.
 - v. 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.
 - vi. 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 MoCA.
- c) 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 ICAI MRF on the AAI's CHQ/RHQ cost allocations to airports, the Authority proposed to consider the recommendations of the revised study report of ICAI submitted by AAI on May 7, 2025, for allocation of CHQ and RHQ expenses to AAI airports.



Table 36: Allocation of CHQ/ RHQ – admin and gen expenses proposed by the Authority for the First Control Period

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	4.15	10.50	13.40	11.46	12.03	51.54

Administration expenses (other than CHQ/ RHQ)

4.8.6 The administration expenses (other than CHQ/ RHQ) claimed by AAI is ₹ 48.29 crore as against approved expenditure in the Tariff Order of ₹ 41.98 crore of the First Control Period. The major components of the actual administration expenses (other than CHQ/ RHQ), include:

- Upkeep expenses amounting to ₹ 15.33 crore,
- Outsourced manpower expenses amounting to ₹ 8.24 crore
- Watch & ward expenses amounting to ₹ 4.34 crore and,
- 'May I Help You' counter expenses amounting to ₹ 0.49 crore.

Upon detailed analysis of the above variances in Y-o-Y expenses, the Authority noted the following:

In true up, AAI has included ₹ 12.25 crore 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).

450% one-time extra increase in upkeep expense was considered in First Control Period in the FY 2022-23 subject to completion of new terminal building but actual completion happened in 2024-25. Hence due to delay, the overall expenditure decreased. Therefore, the actual expenditure on upkeep expense has been considered.

Balance cost incurred by AAI on Admin & General Expenses is reasonable based on review of similar cost incurred at other airports. Therefore, the Authority proposed to consider administration expenses (other than CHQ/ RHQ) claimed by AAI for the true up of the First Control Period amounting to ₹ 36.03 crore after excluding interest on borrowing of ₹ 12.25 crore.

Repair and Maintenance expenses (R&M)

4.8.7 The Authority noted that the repair and maintenance cost for the First Control Period submitted by AAI amounting to ₹ 55.22 crore as against ₹ 184.69 crore approved by AERA in the Tariff Order for the First Control Period.

Upon detailed analysis of the above the variances of ₹ 129.47 crore, the Authority noted the following:

- Interest on borrowings of ₹ 116.36 was part of Repair & Maintenance expense in the approved cost in the Tariff Order of First Control Period. AAI in its submission has included interest in admin & general expense, resulting in reduction in the approved R&M expense by ₹ 116.36 crore.



- b) ₹ 18.97 crore was projected in R&M expense during First Control Period towards recarpeting of runway. However, the work has been capitalized by AAI in FY 2021-22 due to the change in PCN value from 45 to 64, which resulted in reduction of R&M expense by ₹ 18.97 crore.
- c) During FY 2022-23, a reduction of 75% in R&M civil expense was considered by Authority in the Tariff Order for the First Control Period, however the same did not materialize resulting in increase in actual R&M expenses.

The Authority noted that the said repairs & maintenance have been incurred by Tiruchirappalli International Airport to cater to various operational requirements, which is explained as follows:

R&M civil (₹ 19.02 crore)

Expenditure towards R&M -civil mainly pertains to AMC relating to airport infrastructure, including air-side areas, etc. It also includes expenses relating to special civil repairs for operational/ non-operational area. The Authority proposed to consider the above expenditure of ₹19.02 crore under R&M (civil) expenses, as part of the true-up for the First Control Period.

R&M electrical (₹ 22.19 crore)

It majorly accounts for Annual Maintenance Contract (AMC) of PBB, AVDGS, annual operation contract of apron drive glass wall, supply of electrical spares for day-to-day maintenance charges and LED light fittings. The Authority proposed to consider the above expenditure of ₹ 22.19 crore under R&M (electrical) expenses, as part of the true-up for the First Control Period.

R&M – other (₹ 14 crore)

The other R&M expenses submitted by AAI amounting to ₹ 14 crore includes R&M towards Vehicle, Furniture & Fixtures, Computers & Hardware, Bird Chaser, AOCC, etc. The Authority proposed to consider the above expenditure of ₹ 14 crore under R&M expenses, as part of the true-up for the First Control Period.

Based on the above factors, the Authority proposed to consider the actual R&M expenses as ₹ 55.22 crore for true up of the First Control Period of Tiruchirappalli International Airport.

Utilities & outsourcing expenses

- 4.8.8 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 ₹ 58.51 crore during First Control Period as against the expense of ₹ 39.67 crore 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 ₹ 41.73 crore during the First Control Period, out of which ₹ 2.74 crore had been recovered from the concessionaires and had claimed the net power charges of ₹ 38.99 crore (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 below:



Table 37: Details of power costs incurred and recoveries made from concessionaires by AAI during First Control Period

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Electricity consumed (in 000')	3,262	3,467	7,334	9,785	16,904	
Rate per unit	10.24	10.24	10.24	10.24	10.24	
Total power costs (A)	3.34	3.55	7.51	10.02	17.31	41.73
Recoveries from concessionaires (B)	0.40	0.39	0.52	0.70	0.73	2.74
Recoveries (%) = (B/A%)	11.98%	10.99%	6.92%	6.99%	4.22%	
Net power costs (A-B)	2.94	3.15	6.99	9.32	16.59	38.99

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

Consumption of stores and spares and other charges

The Authority noted that AAI had claimed the expenses amounting to ₹ 1.37 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 have not been separately approved in the Tariff Order for the First Control Period. However, the Authority noted the actual expenses towards consumption of stores and spares to be reasonable and therefore proposed to consider the same for true up of the First Control Period.

Other charges

The Authority noted that AAI had claimed the expenses amounting to ₹ 18.13 crore for other charges. The other charges include consultancy/ advisory fees paid for the consultancy services availed for land/ terminal management services, conducting ASQ surveys, water charges and hire charges-car/jeep incurred by AAI for Tiruchirappalli International Airport.

The Authority noted that AAI had included water connection charges of ₹ 15.10 crore in operational expense. The said expense pertains to infrastructure required to supply water from existing booster station at Madhayanipatti of CWSS and other related works from Tiruchirappalli International Airport, hence the same had been removed from operational expenses. Authority noted that the said expense towards infrastructure should have been part of CAPEX for True-up, however this expense is an additional work undertaken by AAI and was not part of Tariff Order during First Control Period. Hence the same had not been considered under CAPEX as well.

The Authority further noted that water charges for FY 2020-21 are ₹ 0.88 crore, which are substantially high in one particular year. On further examination it was found that the same are related to arrears of past 5 years. Accordingly, the Authority proposed to consider one fifth of the expenses for FY 2020-21.

Therefore, the Authority proposed to allow ₹ 2.34 crore towards other charges.

Therefore, based on the above analysis and nature and essentiality of services, the Authority proposed to consider ₹ 42.7 (₹ 38.99 plus ₹ 1.37 crore plus ₹ 2.34 crore) crore expenses towards Utilities & outsourcing expenses for true up of the First Control Period.

Other Outflows

These expenses pertain to collection charges on PSF and UDF amounting to ₹ 0.71 crore as against the ₹ 2.29 crore approved by the Authority in the Tariff Order for the First Control Period. Therefore, the Authority proposed to consider the above expenses for true up of the First Control Period.

Based on the above review and analysis, the operation and maintenance expenses proposed to be considered by the Authority for the First Control Period are provided in the **Table 38** below.

Table 38: O&M expenses as proposed by the Authority for true up of the First Control Period at Consultation Stage

Particulars	(₹ crore)					Total
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	
Payroll costs	14.86	14.14	17.18	21.36	24.22	91.77
Retirement benefits of employees of Tiruchirappalli International Airport	0.44	1.08	-0.05	1.24	1.31	4.03
Repair & maintenance expenses	9.70	7.88	9.99	13.12	14.53	55.22
Utilities & outsourcing expenses	3.60	3.65	7.90	10.05	17.51	42.71
Admin. & other expenses – non CHQ/RHQ	3.24	4.40	5.19	6.16	17.04	36.03
Admin. & other expenses - CHQ/RHQ	4.15	10.50	13.40	11.46	12.03	51.54
Other outflows	0.03	0.05	0.17	0.21	0.25	0.71
Total O&M expenditure	36.71	41.71	53.77	63.61	86.89	282.01

The Variance in O&M expenses as per AAI's proposal and Authority's is ₹ 29.47 crore due to the following reasons:

- Exclusion of interest on borrowing from administration expenses (other than CHQ/RHQ expenses) for an amount of ₹ 12.26 crore
- Exclusion of water connection from utilities and outsourcing expense for an amount of ₹ 15.10 crore and arrears of water charges in FY 2020-21 for an amount of ₹ 0.70 crore.
- Employees ratio applied on payroll expense for the FY 2024-25 resulting in reduction by ₹ 0.74 crore.
- Rationalisation of allocation of CHQ/RHQ expense amounting to ₹ 0.68 crore.

Stakeholders' comments regarding true up of O&M expenses for the First Control Period

4.8.9 AAI's comment regarding the Administration expenses (other than CHQ/ RHQ)- Interest on Borrowings is as follows:

"It is submitted that Rs.12.25 crores, interest on borrowings is the actual cost of servicing the debt involves cash outflow as well and the same is post capitalization and accordingly has been charged off in books of accounts under head Administrative and general expenses. It has no relevance with calculation of FRoR.

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



Authority's analysis on Stakeholders' comments regarding true up of O&M expenses for the First Control Period

4.8.10 The Authority has examined the submission of AAI seeking inclusion of ₹ 12.25 crore towards interest on borrowings. The Authority notes that the interest on borrowings represent the cost of financing capital assets, which has been considered while determining the FRoR. Further, as per established regulatory practice, interest incurred during construction is capitalised as part of Interest During Construction (IDC).

The Authority is of the view that permitting recovery of such interest again under OPEX would lead to double counting of financing costs. Accordingly, the Authority does not find merit in the request of AAI to include interest on borrowings under Administration Expenses and decides to retain its position as taken at the Consultation stage for excluding such expenses from OPEX. This is the stand of AERA at all airports. Considering interest on term loan at Amritsar airport maybe an oversight which will be set right during True up.

4.8.11 Based on the above, the Authority decides to consider the O&M expenses as per Table 38 for true up of the First Control Period.

4.9 True up of taxation

4.9.1 AAI had submitted taxation for the First Control Period as follows:

Table 39: Taxation submitted by AAI for Tiruchirappalli International Airport

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Revenue						
Aeronautical revenue	6.55	29.10	88.69	101.32	110.82	336.48
Total revenue (A)	6.55	29.10	88.69	101.32	110.82	336.48
Expenses						
O&M expense	37.51	42.07	56.16	79.39	96.36	311.49
Depreciation as per income tax	6.27	7.22	12.23	70.79	117.26	213.76
Total expense (B)	43.77	49.29	68.39	150.18	213.62	525.25
Profit/Loss (C=A-B)	(37.22)	(20.19)	20.30	(48.86)	(102.80)	(188.77)
Balance of C/F losses	(37.52)	(57.72)	(37.42)	(86.27)	(189.07)	
Set off of losses	0.00	0.00	(20.30)	0.00	0.00	(20.30)
PBT after set off of losses	(37.22)	(20.19)	0.00	(48.86)	(102.80)	(209.07)
Tax rates (D)	25.17%	25.17%	25.17%	25.17%	25.17%	
TAX (C*D)	0.00	0.00	0.00	0.00	0.00	0.00

4.9.2 The Authority had re-computed aeronautical taxation based on regulatory building blocks as discussed in the previous sections and the same is as follows:

Table 40: Taxation proposed to be considered by the Authority at Consultation Stage

(in ₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Revenue						
Aeronautical revenue	6.55	29.10	88.69	101.33	110.82	336.49
Total revenue (A)	6.55	29.10	88.69	101.33	110.82	336.49
Expenses						



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O&M expense	36.03	41.71	53.77	63.61	86.89	282.01
Depreciation as per income tax	4.22	4.92	9.37	64.36	107.04	189.91
Total expense (B)	40.25	46.63	63.14	127.97	193.93	471.92
Profit/Loss (C=A-B)	(33.70)	(17.53)	25.55	(26.64)	(83.11)	(135.43)
Set off of losses	0.00	0.00	(25.55)	0.00	0.00	
PBT after set-off of losses	(33.70)	(17.53)	0.00	(26.64)	(83.11)	
Balance of C/F losses	(33.70)	(51.24)	(25.68)	(52.32)	(135.43)	
Tax rates (D)	25.17%	25.17%	25.17%	25.17%	25.17%	
TAX (C*D)	0.00	0.00	0.00	0.00	0.00	0.00

4.9.3 The Authority noted that AAI had incurred losses during the First Control Period i.e., during FY 2020-21 and FY 2021-22 and the same had been set off against the profit earned in FY 2022-23, thereafter AAI had incurred losses in FY 2023-24 and FY 2024-25. Therefore, The Authority proposed to consider, nil aeronautical tax for true up of the First Control Period, as shown in Table 40.

Stakeholders' comments regarding true up of Taxation for the First Control Period

4.9.4 No comments received from Stakeholders on the true up of taxation for the First Control Period.

Authority's analysis on Stakeholders' comments regarding true up of Taxation for the First Control Period

4.9.5 The Authority noted that no comments have been received from the Stakeholders on the true up of taxation for the First Control Period.

4.9.6 Based on the revised building blocks determined by the Authority as part of true up of the First Control Period for Tiruchirappalli International Airport, the Authority has recomputed the Aeronautical Taxation for the First Control Period. The same has been detailed as follows:

Table 41: Taxation decided by the Authority for the First Control Period

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Revenue						
Aeronautical revenue	6.55	29.10	88.69	101.33	110.82	336.49
Total revenue (A)	6.55	29.10	88.69	101.33	110.82	336.49
Expenses						
O&M expense	36.03	41.71	53.77	63.61	86.89	282.01
Depreciation as per income tax	4.37	5.30	9.98	73.47	125.45	218.57
Total expense (B)	40.40	47.01	63.75	137.08	212.35	500.59
Profit/Loss (C=A-B)	(33.85)	(17.91)	24.94	(35.75)	(101.53)	(164.10)
Set off of losses	0.00	0.00	(24.94)	0.00	0.00	
PBT after set-off of losses	(33.85)	(17.91)	0.00	(35.75)	(101.53)	
Balance of C/F losses	(33.85)	(51.76)	(26.82)	(62.57)	(164.10)	
Tax rates (D)	25.17%	25.17%	25.17%	25.17%	25.17%	
TAX (C*D)	0.00	0.00	0.00	0.00	0.00	0.00

4.10 True up of aeronautical revenue

4.10.1 AAI had submitted the actual aeronautical revenue for the First Control Period for Tiruchirappalli International Airport. The details are as follows:



Table 42: Aeronautical revenue submitted by AAI for Tiruchirappalli International Airport(*₹ crore*)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Landing						
Landing (domestic)	0.69	0.49	1.01	2.31	2.51	7.00
Landing (international)	2.50	8.32	18.98	21.30	25.29	76.38
Parking						
Parking & housing (domestic)	0.06	0.01	0.00	0.01	0.04	0.12
Parking & housing (international)	0.54	0.30	0.11	0.15	0.37	1.47
PSF (Passenger Service Fee)						
PSF (facilitation) - domestic	1.13	0.00	0.00	0.00	0.00	1.13
PSF (facilitation) - international	0.01	0.00	0.00	0.00	0.00	0.01
UDF						
UDF international	0.03	13.54	47.10	53.29	56.45	170.40
UDF domestic	0.02	4.36	10.63	12.56	15.19	42.76
Other revenue						
Oil throughput charges	0.00	0.00	0.00	0.00	0.00	0.00
Land lease-oil companies	0.12	0.12	0.25	0.27	0.10	0.86
Land lease- ground handling	0.13	0.09	0.05	0.05	0.37	0.68
Ground handling charges	0.45	0.26	6.70	7.67	6.36	21.43
Royalty from cute charges	0.28	0.53	1.77	2.12	2.39	7.10
Cargo revenue share from AAICLAS (30%)	0.15	0.35	1.35	1.10	1.09	4.05
Space rent Fr. airlines	0.31	0.25	0.39	0.48	0.66	2.08
Extn. of watch hours	0.16	0.48	0.35	0.03	0.00	1.01
Total revenue	6.55	29.10	88.69	101.32	110.82	336.48

4.10.2 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 43: Comparison of aeronautical revenue as submitted by AAI for true up with Tariff Order of the First Control Period(*₹ crore*)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
As per Tariff Order	26.90	69.51	85.81	95.45	106.43	384.09
As per true up of AAI	6.55	29.10	88.69	101.32	110.82	336.48
Difference	(20.35)	(40.41)	2.88	5.87	4.39	(47.61)
Change %	-75.65%	-58.14%	3.36%	6.15%	4.12%	-12.40%

4.10.3 The Authority noted that there is a significant variance between actual aeronautical revenues and aeronautical revenues approved by the Authority in the Tariff Order. The same is attributable to lower passenger traffic and ATMs, due to the adverse impact of the COVID-19 pandemic on the aviation sector.

4.10.4 The Authority reviewed the aeronautical revenue submitted by AAI and proposed to consider the aeronautical revenue as per Table 44 for true up of the First Control Period.

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 had been excluded from Non-aeronautical Revenue and added under the Aeronautical Revenue.

Table 44: Aeronautical revenue proposed by the Authority for the First Control Period at Consultation Stage

(in ₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Landing						
Landing (domestic)	0.69	0.49	1.01	2.31	2.51	7.00
Landing (international)	2.50	8.32	18.98	21.30	25.29	76.38
Parking						
Parking & housing (domestic)	0.06	0.01	0.00	0.01	0.04	0.12
Parking & housing (International)	0.54	0.30	0.11	0.15	0.37	1.47
PSF						
PSF (facilitation) - domestic	1.13	0.00	0.00	0.00	0.00	1.13
PSF (facilitation) - international	0.01	0.00	0.00	0.00	0.00	0.01
UDF						
UDF international	0.03	13.54	47.10	53.29	56.45	170.40
UDF domestic	0.02	4.36	10.63	12.56	15.19	42.76
Other revenue						
Oil throughput charges	0.00	0.00	0.00	0.00	0.00	0.00
Land lease-oil companies	0.12	0.12	0.25	0.27	0.10	0.86
Land lease- ground handling	0.13	0.09	0.05	0.05	0.37	0.68
Ground handling charges	0.45	0.26	6.70	7.67	6.36	21.43
Royalty from cuto charges	0.28	0.53	1.77	2.12	2.39	7.10
Cargo revenue share from AAICLAS (30%)	0.15	0.35	1.35	1.10	1.09	4.05
Space rent Fr. airlines	0.31	0.25	0.39	0.48	0.66	2.08
Extn. of watch hours	0.16	0.48	0.35	0.03	0.00	1.01
Land leases - hanger	0.00	0.00	0.00	0.01	0.00	0.01
Total revenue	6.55	29.10	88.69	101.33	110.82	336.49

Stakeholders' comments regarding true up of Aeronautical revenue for the First Control Period

- 4.10.5 No comments have been received from the Stakeholders on Aeronautical revenue for the First Control Period.

Authority's analysis on Stakeholders' comments regarding true up of Aeronautical revenue for the First Control Period

- 4.10.6 The Authority notes that no comments were received from the Stakeholders on Aeronautical revenue for the First Control Period. Hence, the Authority decides to consider the Aeronautical revenue as per Table 44 for true up of the First Control Period, consistent with the proposal made Consultation Paper No. 06/2025-26 dated February 27, 2026

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

- 4.11.1 Based on the above factors and the regulatory building blocks discussed under the above sections, the Authority derived the ARR for true up of the First Control Period which is enumerated in the Table 45 below:

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Table 45: ARR proposed by the Authority for true up of the First Control Period at Consultation Stage

(₹ crore)

Particulars	Ref.	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB (Table 22)	(a)	29.23	37.10	97.72	576.93	984.49	
FRoR (Table 26)	(b)	0.14	0.14	0.12	0.12	0.12	
Return on average RAB	c = (a) * (b)	4.09	5.19	11.35	66.98	114.30	201.91
Depreciation (Table 21)	(d)	3.61	3.79	5.91	7.42	44.71	65.44
O&M expense (Table 38)	(e)	36.03	41.71	53.77	63.61	86.89	282.01
Tax (Table 40)	(f)	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working capital	(g)	0.69	1.18	0.00	0.00	0.00	1.87
Gross ARR	(h)= (c+d+e+f+g)	44.42	51.88	71.03	138.01	245.90	551.24
NAR (Table 31)		6.61	11.13	24.46	29.35	34.12	105.69
Less 30% NAR	(i)	1.98	3.34	7.34	8.81	10.24	31.71
Net ARR	(j)= (h-i)	42.43	48.54	63.69	129.20	235.67	519.53
Add: shortfall of regulated year FY 2019-20	(k)	0.08	0.00	0.00	0.00	0.00	0.08
ARR after considering shortfall for FY 2019-20	(l) = (j+k)	42.51	48.54	63.69	129.20	235.67	519.61
Actual aeronautical revenue (Table 44)	(m)	6.55	29.10	88.69	101.33	110.82	336.49
Under/ (over) recovery of first control period	n = (l-m)	35.96	19.44	(25.00)	27.87	124.85	183.12
Discount factor (@14%/11.61%)	(o)	1.81	1.58	1.39	1.25	1.12	
Under/ (over) recovery of first control period as on March 31, 2026	(n*o)	64.98	30.81	(34.76)	34.72	139.34	235.09
True up of under recovery of First Control Period as on March 31, 2026							235.09

4.11.2 The Authority had re-computed the ARR for the First Control Period and noted that the under recovery works out to ₹ 235.09 crore, as against ₹ 357.39 crore claimed by AAI. Accordingly, the Authority proposed to readjust the said amount in the computation of ARR for the Second Control Period.



4.11.3 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 Payroll expenses for ₹ 0.74 crore and interest on borrowing for ₹12.26 crore for administration expenses (other than CHQ/RHQ), CHQ/RHQ Expenses for FY 2019-20 & FY 2020-21 for ₹ 0.68 crore and rationalisation of Utilities & Outsourcing expense for ₹ 15.80 crore.
- Rationalisation of CAPEX resulting in reduction of RAB thereby leading to reduction in Return on RAB by ₹ 22.76 crore and depreciation by ₹ 37.54 crore
- Reclassification of lease land for hangar from non-aeronautical to aeronautical revenue.

Stakeholders' comments regarding true up of Aggregate revenue requirement (ARR) for the First Control Period

4.11.4 No comments received from Stakeholders on the true up of Aggregate revenue requirement (ARR) for the First Control Period.

Authority's analysis on Stakeholders' comments regarding true up of Aggregate revenue requirement (ARR) for the First Control Period

4.11.5 The Authority noted that no comments have been received from the Stakeholders on the true up of Aggregate revenue requirement (ARR) for the First Control Period

4.11.6 Based on the revised building blocks determined by the Authority as part of true up of the First Control Period for Tiruchirappalli International Airport, the Authority has recomputed the Aggregate revenue requirement (ARR) for the First Control Period. The same has been detailed as follows:

Table 46: ARR decided by the Authority for true up of the First Control Period

Particulars	Ref.	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB (Table 25)	(a)	30.47	39.95	101.61	657.58	1151.48	
FRoR (Table 26)	(b)	14%	14%	11.61%	11.61%	11.61%	
Return on average RAB	c = (a) * (b)	4.27	5.59	11.80	76.35	133.69	231.69
Depreciation (Table 24)	(d)	4.24	4.76	7.08	7.20	53.37	76.66
O&M expense (Table 38)	(e)	36.03	41.71	53.77	63.61	86.89	282.01
Tax (Table 41)	(f)	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working capital	(g)	0.69	1.18	0.00	0.00	0.00	1.87
Gross ARR	(h)= (c+d+e+f+g)	45.23	53.25	72.65	147.16	273.96	592.24
NAR (Table 31)		6.61	11.13	24.46	29.35	34.12	105.69
Less 30% NAR	(i)	1.98	3.34	7.34	8.81	10.24	31.71
Net ARR	(j)= (h-i)	43.24	49.91	65.31	138.35	263.72	560.53
Add: shortfall of regulated year FY 2019-20	(k)	0.08	0.00	0.00	0.00	0.00	0.08



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Particulars	Ref.	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
ARR after considering shortfall for FY 2019-20	(l) = (j+k)	43.32	49.91	65.31	138.35	263.72	560.61
Actual aeronautical revenue (Table 44)	(m)	6.55	29.10	88.69	101.33	110.82	336.49
Under/ (over) recovery of first control period	n = (l-m)	36.77	20.81	(23.38)	37.03	152.90	224.12
Discount factor (@14%/11.61%)	(o)	1.81	1.58	1.39	1.25	1.12	
Under/ (over) recovery of first control period as on March 31, 2026	(n*o)	66.44	32.98	(32.51)	46.12	170.65	283.68
True up of under recovery of First Control Period as on March 31, 2026							283.68

4.12 Authority's decisions regarding true up of the First Control Period

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

- 4.12.1 To consider the traffic for the true up of the First Control Period as detailed in Table 6
- 4.12.2 To consider capital additions as detailed in Table 23 for true up of the First Control Period.
- 4.12.3 To consider aeronautical depreciation as mentioned in Table 24 for true up of the First Control Period.
- 4.12.4 To consider RAB as per Table 25 for true up for the First Control Period.
- 4.12.5 To consider FRoR at 14% for FY 2020-21 to FY 2021-22 and 11.61% for FY 2022-23, FY 2023-24 and FY 2024-25 for true up of the First Control Period
- 4.12.6 To consider the non-aeronautical revenues as presented in Table 31 for true up of the First Control Period.
- 4.12.7 To consider the O&M expenses as detailed in Table 38 for true up of the First Control Period.
- 4.12.8 To consider actual aeronautical revenue as per Table 44 for true up of the First Control Period for Tiruchirappalli International Airport.
- 4.12.9 To consider ARR and the under-recovery as detailed in Table 46 for true up of the First Control Period for Tiruchirappalli International Airport and adjust the under-recovery of the First-Control Period in the ARR for the Second Control Period.



5. TRAFFIC FOR THE SECOND CONTROL PERIOD

5.1 AAI's Submission on traffic for the Second Control Period for Tiruchirappalli International Airport

5.1.1 The historical passenger traffic and ATM at the Airport had been shown in the Table 47 below:

Table 47: Historical passenger and ATM traffic for Tiruchirappalli International Airport

Year	Domestic Pax	International Pax	Total Pax	Domestic ATM	International ATM	Total ATM
2019-20	2,96,073	13,16,419	16,12,492	5,364	8,896	14,260
2020-21	1,64,828	1,91,075	3,55,903	2,978	1,667	4,645
2021-22	1,49,277	4,07,430	5,56,707	3,083	3,795	6,878
2022-23	3,80,227	11,34,033	15,14,260	5,394	7,828	13,222
2023-24	4,58,756	13,05,186	17,63,942	6,088	8,226	14,314
2024-25	5,58,221	13,98,630	19,56,851	8,161	9,237	17,398

Table 48: Historical Pax & ATM growth rates for Tiruchirappalli International Airport

Year	Domestic Pax	International Pax	Total Pax	Domestic ATM	International ATM	Total ATM
2020-21	-44.3%	-85.5%	-77.9%	-44.5%	-81.3%	-67.4%
2021-22	-9.4%	113.2%	56.4%	3.5%	127.7%	48.1%
2022-23	154.7%	178.3%	172.0%	75.0%	106.3%	92.2%
2023-24	20.7%	15.1%	16.5%	12.9%	5.1%	8.3%
2024-25	21.7%	7.2%	10.9%	34.1%	12.3%	21.5%

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

Table 49: Passenger and ATM traffic for Tiruchirappalli International Airport proposed by AAI for Second Control Period

Year	Domestic Pax	International Pax	Total Pax	Domestic ATM	International ATM	Total ATM
2025-26	6,25,208	15,24,507	21,49,715	8,895	10,715	19,610
2026-27	7,00,232	16,61,712	23,61,944	9,696	12,429	22,125
2027-28	7,70,256	17,94,649	25,64,905	10,472	13,921	24,393
2028-29	8,47,281	19,38,221	27,85,502	11,310	15,591	26,901
2029-30	9,32,009	20,93,279	30,25,288	12,214	17,462	29,676

Table 50: Passenger and ATM traffic growth rates for Tiruchirappalli International Airport proposed by AAI for Second Control Period

Year	Domestic Pax	International Pax	Total Pax	Domestic ATM	International ATM	Total ATM
2025-26	12%	9%	9.9%	9%	16%	12.7%
2026-27	12%	9%	9.9%	9%	16%	12.8%
2027-28	10%	8%	8.6%	8%	12%	10.3%
2028-29	10%	8%	8.6%	8%	12%	10.3%
2029-30	10%	8%	8.6%	8%	12%	10.3%



5.1.3 AAI had projected a growth of 12% in domestic passenger traffic and 9% in international traffic in FY 2025-26. Similarly, it had projected a growth rate of 9% in domestic ATMs and 16% in international ATMs in FY 2025-26. AAI had also projected a growth rate ranging from 10% to 12% for domestic passengers and from 8% to 9% for international passengers from FY 2026-27 onwards. Likewise, it had projected a growth rate in range of 8% to 9% for domestic ATMs and 12% to 16% for international ATMs for the above-mentioned period.

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

5.2 Authority’s examination regarding traffic for the Second Control Period of Tiruchirappalli International Airport at Consultation Stage

5.2.1 As part of its examination of AAI’s forecast of traffic at Tiruchirappalli International 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).

The CAGR details have been provided in the Table 51 below:

Table 51: CAGR for passenger traffic and ATM at Consultation Stage

Particulars	5-year CAGR	3-year CAGR
Passengers		
Domestic	35.66%	21.17%
International	64.48%	11.06%
ATM		
Domestic	28.66%	23.00%
International	53.43%	8.63%

5.2.2 The Authority observes that the CAGR for passenger traffic and ATM, as presented in Table 51, exhibit significant variations across 5- year and 3- year assessment periods owing to the impact of COVID-19 pandemic. During the 5-year period from FY 2020-21 to FY 2024-25, passenger traffic CAGRs are observed at 35.66% and 64.48% for domestic and international segments respectively while corresponding ATM CAGRs stand at 28.66% and 53.43%. These elevated growth rates are primarily attributable to the low, pandemic-impacted base during FY 2020-21 and subsequent recovery in traffic levels, particularly in the international segment. However, for the 3-year period from FY 2022-23 to FY 2024-25, which represents a relatively stabilized phase of operations, passenger traffic CAGRs moderate to 21.17% for domestic and 11.06% for international traffic, while ATM CAGRs moderate to 23.00% and 8.63% respectively.

5.2.3 The Authority further noted that passenger growth outpacing ATM growth across both periods indicates improvement in aircraft load factors and capacity optimization by airlines. In view of the volatility observed during the pandemic and the resultant skew in long-term growth rates, the Authority is of the view that the CAGR is not an appropriate measure for estimation of future traffic growth.

5.2.4 The Authority had analysed the actual passenger and ATM traffic for FY 2025-26 based on data available on AAI website for the first eight months of FY 2025-26 and compared the same with projections submitted by AAI as well as the actual traffic recorded for corresponding period of FY 2024-25.



Analysis of Domestic Traffic

5.2.5 The Authority had examined through its Independent Consultant the year-on-year (YoY) change in passenger traffic for FY 2024-25 and FY 2025-26, as presented in Table 52. The analysis indicates a significant increase in domestic passenger traffic during FY 2025-26 as compared to FY 2024-25. Monthly Y-o-Y growth ranges between 46.49% and 69.25% during the first eight months from April to November with an average Y-o-Y growth of 56.82% over this period. The total domestic passenger traffic for the first eight months increased from 366,140 passengers in FY 2024-25 to 573,317 passengers in FY 2025-26. Further, the Authority noted that passenger traffic during the last four months (December to March) of FY 2024-25, which accounts for approximately 0.52 times of the traffic recorded during the first eight months.

Table 52: Y-O-Y change in passenger traffic for FY 2024-25 & 2025-26 at Consultation Stage

(Pax in Nos.)

Month	Domestic Pax- FY 2024-25	Domestic Pax -FY 2025-26	% YoY Change
April	43,920	66,433	51.26%
May	50,748	74,343	46.49%
June	46,375	76,035	63.96%
July	45,529	73,964	62.45%
August	49,583	77,354	56.01%
September	45,743	70,558	54.25%
October	40,965	69,333	69.25%
November	43,277	65,297	50.88%
Total (A)	3,66,140	5,73,317	Avg: 56.82%
Actual traffic from December to March (B)	1,92,081	-	-
Ratio of pax in last four months w.r.t. first eight months- (B)/(A)	0.52	-	-

5.2.6 Further, the Authority had analysed the year-on-year (YoY) change in Aircraft Traffic Movements (ATM) for FY 2024-25 and FY 2025-26, as presented in Table 51.

5.2.7 The analysis indicates a robust increase in domestic ATMs during FY 2025-26 as compared to FY 2024-25, with monthly YoY growth during the first eight months ranging from 18.42% to 36.54%. Domestic ATMs during the first eight months increased from 5,468 movements in FY 2024-25 to 6,811 movements in FY 2025-26, reflecting a sustained improvement in operational activity. The Authority also noted that in FY 2024-25 ATMs during the last four months (December to March) account for approximately 0.49 times of the traffic recorded during the first eight months, indicating a relatively balanced distribution of movements across the year.

Table 53: Y-O-Y change in Aircraft Traffic Movements for FY 2024-25 & 2025-26 at Consultation Stage

(ATM in Nos.)

Month	Domestic ATM- FY 2024-25	Domestic ATM -FY 2025-26	% YoY Change
April	701	859	22.54%
May	673	866	28.68%
June	699	899	28.61%
July	722	855	18.42%
August	772	885	22.92%

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Month	Domestic ATM- FY 2024-25	Domestic ATM -FY 2025-26	% YoY Change
September	691	843	22.00%
October	602	822	36.54%
November	660	782	18.48%
Total (A)	5,468	6,811	Avg: 24.77%
Actual ATMs from December to March (B)	2,693	-	
Ratio of ATM in last four months w.r.t. first eight months-(B)/(A)	0.49		

5.2.8 Therefore, considering the above, the pax and ATM of first eight months have been extrapolated for entire FY 2025-26. The analysis is as below:

Table 54: Traffic analysis as per actual number for first eight months of FY 2025-26 at Consultation Stage

Year/ Month	Domestic Pax	Domestic ATM
Traffic proposed by AAI for FY 2025-26 (A)	6,25,208	8,895
Actual traffic for first eight months of FY 2025-26		
Apr-25	66,433	859
May-25	74,343	866
Jun-25	76,035	899
Jul-25	73,964	855
Aug-25	77,354	885
Sep-25	70,558	843
Oct-25	69,333	822
Nov-25	65,297	782
Total eight months traffic in FY 2025-26 (B)	5,73,317	6,811
Traffic in last four months (C) = (B* 0.5)	2,86,659	3,406
Projected traffic in FY 2025-26 (D) = (B + C)	8,59,976	10,217

Analysis of International Traffic

Authority noted that international passenger traffic and ATMs projected by AAI in **Table 49** are reasonable and considered by Authority as per **Table 57**.

5.2.9 International Air Transport Association (IATA)

IATA in its report on January 8, 2026, had enumerated that:

- a) Total global passenger demand, measured in revenue passenger-kilometres (RPK), increased by 5.7% in November 2025 compared to November 2024, while total capacity, measured in available seat-kilometers (ASK), rose 5.4% year-on-year. The overall passenger load factor



- reached 83.7%, marking the highest load factor recorded for November*
- b) International passenger demand increased by 7.7% year-on-year, with capacity up by 7.1%, resulting in a load factor of 84.0%*
 - c) Domestic passenger demand grew by 2.7% year-on-year, with domestic capacity also up 2.7%, and the domestic load factor unchanged at 83.2% compared to November 2024.*
 - d) Regionally, Asia-Pacific carriers achieved strong growth in demand with a 7.8% increase in RPK, while Africa recorded the highest year-on-year demand growth at 12.6% among all regions (November 2025)*
 - e) Asia-Pacific airlines achieved a 9.3% year-on-year increase in demand. Capacity increased 8.7% year-on-year, and the load factor was 85.8% in international passenger market*
 - f) According to IATA, capacity constraints driven by aerospace supply chain challenges continued to support elevated load factors, and the industry's backlog of aircraft orders remained a key concern for matching capacity with rising demand*
 - g) Based on the above, global air travel demand continued its positive trajectory in late 2025, with international markets driving growth and load factors at record levels, underscoring the resilience of passenger traffic amid capacity limitations and supply chain pressures*

Conclusion on traffic forecasts based on the above analysis and assumptions

5.2.10 The Authority had taken into consideration the global and regional air traffic trends published by the International Air Transport Association (IATA), as discussed in the paragraphs above, which indicate a sustained growth in passenger demand, with international traffic continuing to outperform domestic traffic in terms of growth momentum. Further, the Indian aviation sector had demonstrated stable domestic passenger growth, supported by sustained economic activity and increasing air travel propensity. In this context, the Authority had also taken note of the traffic profile of Tiruchirappalli International Airport, which is characterized by a significant share of international passenger traffic, particularly to the Middle East and South-East Asia, and had witnessed steady growth in the post-COVID period. In view of the above, the Authority had considered the aforesaid traffic outlook as an appropriate basis for determining the traffic projections for Tiruchirappalli International Airport for the relevant control period.

5.2.11 The Authority noted that AAI had projected the following growth rates in traffic:

- a) 10%-12% growth for domestic passenger traffic
- b) 8%-9% growth for international passenger traffic
- c) 8%-9% growth for domestic ATM
- d) 12%-16% growth for international ATM

5.2.12 In view of the detailed analysis set out in the foregoing paragraphs, including the assessment of actual passenger and Aircraft Traffic Movement (ATM) data for the first eight months of FY 2025-26, the comparison with AAI's projections, the observed year-on-year trends, and the seasonal distribution of traffic, the Authority is of the view that the traffic numbers derived on the basis of a combination of extrapolated actuals and projections represent a reasonable and prudent estimate of traffic for FY 2025-26. Accordingly, the Authority proposed to consider the passenger traffic and ATM levels as analysed and discussed above for the purpose of tariff determination for the Second Control Period. Further, considering the historical traffic growth trend witnessed at Tiruchirappalli International Airport and the anticipated increase in traffic, the Authority proposed to consider the traffic projections for Second Control Period as below:



Table 55: Growth rates for Passenger Traffic and ATM proposed by the Authority for the Second Control Period at Consultation Stage

Year	Domestic Pax	International Pax	Total Pax	Domestic ATM	International ATM	Total ATM
2025-26	54%	9%	21.9%	25%	16%	20.3%
2026-27	12%	9%	10.1%	9%	16%	12.5%
2027-28	10%	8%	8.7%	8%	12%	10.1%
2028-29	10%	8%	8.7%	8%	12%	10.1%
2029-30	10%	8%	8.8%	8%	12%	10.1%

Table 56: Traffic and ATM Projection proposed by the Authority for the Second Control Period at Consultation Stage

Year	Domestic Pax	International Pax	Total Pax	Domestic ATM	International ATM	Total ATM
2025-26	8,59,976	15,24,507	23,84,483	10,217	10,715	20,932
2026-27	9,63,173	16,61,712	26,24,885	11,136	12,429	23,565
2027-28	10,59,490	17,94,649	28,54,139	12,027	13,921	25,948
2028-29	11,65,439	19,38,221	31,03,660	12,989	15,591	28,580
2029-30	12,81,983	20,93,279	33,75,262	14,028	17,462	31,491

5.2.13 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 57** below:

Table 57: Traffic proposed to be considered by the Authority for the Second Control Period at Consultation Stage

Domestic passenger (in Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI for Tiruchirappalli International Airport	6,25,208	7,00,232	7,70,256	8,47,281	9,32,009	38,74,986
As proposed by the Authority	8,59,976	9,63,173	10,59,490	11,65,439	12,81,983	53,30,059
Y-o-Y growth of domestic PAX submitted by AAI for Tiruchirappalli International Airport	12%	12%	10%	10%	10%	
Y-o-Y growth of domestic PAX proposed by the Authority	54%	12%	10%	10%	10%	
International passengers (Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI for Tiruchirappalli International Airport	15,24,507	16,61,712	17,94,649	19,38,221	20,93,279	90,12,368
As proposed by the Authority	15,24,507	16,61,712	17,94,649	19,38,221	20,93,279	90,12,368
Y-o-Y growth of international PAX submitted by AAI for Tiruchirappalli International Airport	9%	9%	8%	8%	8%	

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Domestic passenger (in Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Y-o-Y growth of International PAX proposed by the Authority	9%	9%	8%	8%	8%	
Total passengers (Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI for Tiruchirappalli International Airport	21,49,715	23,61,944	25,64,905	27,85,502	30,25,288	1,28,87,354
As proposed by the Authority	23,84,483	26,24,885	28,54,139	31,03,660	33,75,262	1,43,42,429
Y-o-Y growth of total PAX submitted by AAI for Tiruchirappalli International Airport	9.9%	9.9%	8.6%	8.6%	8.6%	
Y-o-Y growth of total PAX proposed by the Authority	21.9%	10.1%	8.7%	8.7%	8.8%	
Domestic ATM (Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Domestic ATM submitted by AAI for Tiruchirappalli International Airport	8,895	9,696	10,472	11,310	12,214	52,587
Domestic ATM proposed by the Authority	10,217	11,136	12,027	12,989	14,028	60,396
Y-o-Y growth of domestic ATM submitted by AAI for Tiruchirappalli International Airport	9%	9%	8%	8%	8%	
Y-o-Y growth of domestic ATM proposed by the Authority	25%	9%	8%	8%	8%	
International ATM (Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
International ATM submitted by AAI for Tiruchirappalli International Airport	10,715	12,429	13,921	15,591	17,462	70,119
International ATM proposed by the Authority	10,715	12,429	13,921	15,591	17,462	70,119
Y-o-Y growth of international ATM submitted by AAI for Tiruchirappalli International Airport	16%	16%	12%	12%	12%	
Y-o-Y growth of international ATM proposed by the Authority	16%	16%	12%	12%	12%	
Total ATM (Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Total ATM submitted by AAI for Tiruchirappalli International Airport	19,610	22,125	24,393	26,901	29,676	1,22,706
Total ATM proposed by the Authority	20,932	23,565	25,948	28,580	31,491	1,30,515



TRAFFIC FOR THE SECOND CONTROL PERIOD

Domestic passenger (in Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Y-o-Y growth of total ATM submitted by AAI for Tiruchirappalli International Airport	12.71%	12.83%	10.25%	10.28%	10.32%	
Y-o-Y growth of total ATM proposed by the Authority	20.31%	12.58%	10.11%	10.14%	10.18%	

5.3 Stakeholders' comments regarding Traffic for the Second Control Period

5.3.1 AAI's comments regarding traffic for the Second Control Period are as follows:

"It is requested to AERA to considered the revised passenger and traffic growth based on the actual upto Jan 2026 as under:-

Considered	Revised-Passenger (Based on Actual Upto Jan-2026)					Revised-ATM (Based on Actual Upto Jan-2026)				
	Dom	%	INTL	%	Com	Dom	%	INTL	%	Com
2024-25	558221		1398630		1956851	8161		9237		17398
2025-26*	851212	52%	1425326	2%	2276538	9846	21%	9647	4%	19493
2026-27	953357	12%	1553605	9%	2506963	10732	9%	11191	16%	21923
2027-28	1048693	10%	1677894	8%	2726587	11591	8%	12533	12%	24124
2028-29	1153563	10%	1812125	8%	2965688	12518	8%	14037	12%	26555
2029-30	1268919	10%	1957096	8%	3226014	13519	8%	15722	12%	29241

Hence, it is requested AERA to consider the revised growth based on the Upto Jan 2026(Actual) and accordingly projection may be done based on FY 2025-26."

5.3.2 IATA's comments regarding traffic is as follows:

"The Consultation Paper assumes a sharp increase in domestic passenger traffic over a short period, driven largely by a step change in deployment by a single carrier. While recovery momentum is acknowledged, extrapolating such a step change across the control period risks overstating sustainable demand.

In recent times, international traffic growth at TRZ has moderated and reflects a more stable, normalized pattern. Airline entry and exit dynamics, as well as modest capacity increases by domestic carriers, suggest steady rather than accelerated expansion. Therefore, applying regional or national growth benchmarks uniformly to TRZ may not adequately reflect airport specific market characteristics."

5.3.3 Indigo's comments regarding traffic is as follows:

Traffic Projections — Domestic for FY2027 (+54%) needs calibration.

For FY 2026, AERA proposes a +54% domestic growth based on recent year actual trends and recovery momentum (CP, Table set 49–51). This appears to be too aggressive, and it is requested to AERA that the proposed 54% growth in domestic traffic for FY2027 needs to be reviewed and adjusted in line with Indian carrier's plan for Tiruchirappalli which all airlines would have shared with AAI from time to time.

Traffic Projections — International FY2027 (+9%) Need Calibration



AERA is requested to direct AAI to review international traffic growth assumptions by validating them against actual international slot filings for the Summer 2027 schedule and adjust the projected growth figures accordingly. Additionally, relying on IATA's regional-level growth forecasts and directly applying those numbers to Tiruchirappalli Airport is not an appropriate method for projecting demand or seeking direction. It is pertinent to mention that growth in India is uneven and is concentrated mainly at metro airports and select high-growth tier-2 airports, while many other airports do not experience the same pace of expansion.

The Government has a vision of developing international aviation hubs at the six Indian metro cities of Bengaluru, Hyderabad, Chennai, Delhi, Kolkata and Mumbai. These airports are envisaged to serve as the primary gateways for long-haul and high-density international operations. We therefore do not anticipate significant international operations being developed at non-metro airports such as Tiruchirappalli. Passenger demand, airline interest, and connectivity requirements at such airports are predominantly domestic in nature.

Para 5.2.3 and 5.3

We acknowledge AERA's evaluation of the traffic projections submitted by AAI and note that AERA has largely adopted the same. However, AERA has itself observed that the traffic projections for the Second Control Period, showcase robust growth, particularly during the first eight months of FY 2025-26, at Tiruchirappalli International Airport ("TRZ").

In view of the same, we request AERA to reassess long-term traffic projections through an independent study that considers key influencing factors, including observed traffic growth, the terminal capacity at TRZ, post-COVID-19 traffic recovery patterns, and other relevant demand-side developments. Further, we suggest that AERA may adopt a flexible mechanism for periodic review to ensure that aeronautical charges remain fair, reasonable, and aligned with actual demand, without imposing undue financial burdens on airlines and passengers.

5.4 AAI's response to Stakeholders' comments regarding Traffic for Second Control Period

5.4.1 AAI's response of IATA's comment is as follows:

"AAI has forecast traffic for the second control period considering the forecast methodology and assumptions as under:

Methodology adopted for traffic forecast

- i. For making the forecast, trend analysis of the airport's historical traffic is done*
- ii. Econometric Analysis is undertaken with GDP as predictor variable.*
- iii. The traffic growth rates derived from regression analysis is further adjusted based on other macroeconomic factors and inputs from the stakeholders.*
- iv. Airport specific factors are also taken into consideration.*

The above methodology is used for passengers traffic forecast, whereas the aircraft movements is projected based on the trends in passengers and aircraft movements ratios.

Assumptions involved in Traffic Forecast

The following assumptions have been made while preparing the forecast:



- i. *Favourable economic growth will continue at the national and the regional level. There will be no major economic disruptions, worldwide or in India.*
- ii. *There will be no major disruption in the operation of air services, globally or within India, due to terrorist activities natural disasters or global / regional health issues.*
- iii. *There will be no major hike in the price of aviation fuel.*
- iv. *There will be no major shift in policies that would have a negative impact on the growth of air transport.*
- v. *Adequate infrastructure will be created, and capacity constraints will not be allowed to operate.*
- vi. *It is assumed that government will actively promote Port Blair as an International tourist destination.*

5.4.2 AAI's response of Indigo's comment is as follows:

Regarding Traffic Projections — Domestic for FY2027 (+54%) needs calibration

"AAI has submitted Traffic projection for FY 2025-26 based on actual data up to Jan 2006 at the time of submission of comments on CP and requested AERA to consider the same."

Regarding Traffic Projections — International FY2027 (+9%) Need Calibration

"AAI has submitted Traffic figure based on actual up to Jan 2026 and also request AERA to consider the projection based on figure submitted."

Regarding Para 5.2.3 and 5.3

"We request AERA to offer its comment."

5.5 Authority's analysis of Stakeholders' comments regarding Traffic for the Second Control Period

5.5.1 The Authority has examined the revised traffic estimates submitted by AAI based on actual traffic observed up to January 2026. The Authority notes that the revised traffic estimates reflect a small variation in domestic passenger growth and a higher variation in international passenger traffic, when compared to projections in the Consultation Paper.

In this regard, the Authority is of the view that traffic trends observed over a partial year period may not fully capture the underlying demand dynamics across the control period. Short-term fluctuations, including those arising from seasonality and external factors, may not warrant a revision of long-term projections.

The traffic projections in the Consultation Paper were derived using a robust methodology, including analysis of historical trends, econometric assessment and consideration of airport-specific factors.

Accordingly, the Authority does not find adequate justification to revise the traffic projection based solely on partial year actuals and decides to retain the traffic projections as determined in the Consultation Paper for the purpose of tariff determination in r/o Trichy Airport. However, any material deviations would be addressed during the true-up in accordance with the applicable regulatory framework.

5.5.2 The Authority notes the comments of IATA and AAI's response therein regarding the assumptions of traffic growth, particularly the concerns relating to steep increases in domestic traffic and sustainability of growth over the control period. Also, the AAI's response giving the assumptions in traffic forecast



has actually undergone significant deviation as being seen since the last few months triggered by West Asis crisis.

The Authority notes that while recent trends may indicate moderation in growth and evolving market dynamics, traffic projections cannot be based solely on short-term movements or carrier-specific developments.

The Authority is of the view that the projections considered in the Consultation Paper are based on comprehensive and balanced assessment, including analysis of historical regional and national air traffic trends, econometric assessment and consideration of airport-specific considerations.

Accordingly, the Authority does not find sufficient grounds to revise the traffic projections. The Authority therefore decides to retain the traffic projections as determined in the Consultation Paper for the purpose of tariff determination in r/o Trichy Airport.

The deviations in traffic projections, if any, will be trued up during the tariff determination of next Control Period.

- 5.5.3 The Authority notes the submission of Indigo regarding the Government's vision of developing international aviation hubs at major metro airports and the implication that non-metro airports such as Tiruchirappalli may continue to exhibit predominantly domestic traffic characteristics.

The Authority notes the request for reassessment of long-term traffic projections considering factors such as recent traffic growth trends, post COVID recovery patterns, terminal capacity, and broader demand-side developments. The suggestion for a flexible review mechanism to periodically align tariffs with actual traffic outcomes has also been examined.

The Authority observes that the traffic projections considered for the Second Control Period are based on historical traffic data, recent economic trends, and inputs provided by AAI, and are consistent with the standard regulatory approach followed in tariff determination of other similar airports. The Authority is of the view that mid-course corrections to traffic assumptions are already addressed through the true-up mechanism embedded in the regulatory framework, which ensures that deviations between projected and actual performance are appropriately accounted for.

- 5.5.4 Accordingly, the Authority does not find it necessary to undertake a separate independent reassessment at this stage and decides to retain the approach adopted for traffic projections in the Consultation Paper for the purpose of tariff determination in r/o Trichy Airport.

5.6 Authority's decisions regarding traffic for the Second Control Period

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

- 5.6.1 To consider the passenger and ATM traffic for the Second Control Period for Tiruchirappalli International Airport as per **Table 57**
- 5.6.2 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 analysing the aeronautical expenditure proposed by AAI for the Second Control Period, had appropriately rationalised the proposed CAPEX taking into cognizance essentiality and necessity of the CAPEX which is required to cater current and future traffic demand for the smooth operations of the airport, as explained in the following paragraphs.

The Independent Consultant and its aviation expert engaged by the Authority have performed an analysis of the submissions made by AAI for Tiruchirappalli International Airport, towards aeronautical capital additions, depreciation and RAB. In this respect, the Independent Consultant had performed the following functions:

- a) Reviewed CAPEX plan submitted by AAI for Tiruchirappalli International Airport in view of various technical details, airport master plans, LoA, Work Orders etc. of new projects. The Independent Consultant also considered the responses of AAI to the clarification sought in relation to CAPEX plan from time to time.
- b) 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.
- c) The consultants also made a site visit to Tiruchirappalli International Airport on Aug 17 & 18, 2025, focusing specifically on review of current airport operations and proposed airport development plans.

The Authority through its Independent Consultant had carefully reviewed and rationalised the CAPEX 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 fair aeronautical charges for the airport users.

AAI's Submission on capital expenditure (CAPEX), depreciation and RAB for the Second Control Period

6.2 CAPEX for the Second Control Period

6.2.1 AAI had proposed CAPEX of ₹ 123.75 crore for the Second Control Period for Tiruchirappalli International Airport through its MYTP submission to AERA vide letter dated July 25, 2025. Further, AAI vide its letter dated November 28, 2025, had proposed an additional CAPEX amounting to ₹ 43.91 crore, which sums up to ₹ 167.66 crore. The details have been summarized below:



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Table 58: Asset-wise CAPEX submitted by AAI for Tiruchirappalli International Airport for Second Control Period

(₹ crore)

S. No.	Asset category	Financial year of capitalisation	Project cost (includes design, pre-operative expenses etc.) in crore
1	Building- terminal		
1.1	Construction of departure level tensile canopy and balance work	FY 2025-26	0.72
	Sub - total (i)		0.72
2	Plant & machinery		
2.1	SITC of hydraulic boom lift	FY 2025-26	1.25
2.2	SITC of Airfield Lighting Control & Monitoring System (ALCMS)	FY 2025-26	80.17
2.3	Providing Online Continuous Effluent Monitoring System (OCEMS)for 1050 KLD STP	FY 2025-26	0.41
	Sub - total (ii)		81.83
3	Tools & equipment		
3.1	Additional 5nos.PBB (Elect. Work)	FY 2025-26	0.11
3.2	Additional 5nos.PBB (cost of item)	FY 2025-26	15.17
	Sub - total (iii)		15.28
4	CFT/Fire Fighting Equipments		
4.1	Procurement of 03 Nos of ACFTs 10KL WT Capacity	FY 2025-26	25.92
	Sub - total (iv)		25.92
5	Additional CAPEX		
5.1	Construction of precast boundary wall at newly acquired land at Trichy Airport	FY 2026-27	24.99
5.2	Construction of RCC drain, RCC box culvert and allied works in area between PTT and new apron	FY 2026-27	13.92
5.3	Solar power plant 1 MW	FY 2026-27	5.00
	Sub - total (v)		43.91
	Total (i)+ (ii)+ (iii)+ (iv)+ (v)		167.66

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6.3 Authority's examination of CAPEX for the Second Control Period at Consultation Stage

6.3.1 The Authority noted that AAI convened an Airport Users Consultative Committee (AUCC) meeting with regards to conducting AUCC meetings in timely manner, the Authority in its various tariff orders had emphasized the importance of conducting AUCC meetings by the airport operators, in accordance with the AERA Guidelines. Airport operators are required to follow the laid down user consultation protocol and obtain the input from the stakeholders concerned, with respect to major CAPEX/major revisions in the CAPEX proposals of the airports, for the applicable Control Period and its impact on tariffs.

6.3.2 Further, in line with the consultative framework prescribed under the regulatory guidelines and the principles of transparency and stakeholder engagement emphasized by AERA in its tariff guideline, 2011, clause A1.3.1 "The Airport Operator shall undertake user consultation with AUCC on major capital projects planned at the airport. The major capital projects shall be defined as capital investment projects that may represent more than 5% of the value of the RAB at the beginning of the control period or 50 crore rupees, whichever is the lower amount", the Authority noted that, since the proposed expenditure is less than 5% of the value of the RAB at the beginning of the control period or 50 crore rupees, therefore AUCC meeting for proposed CAPEX for Second Control Period is not required and AAI had also not conducted AUCC meeting for the Second Control Period.

6.3.3 The Authority had examined through its Independent Consultant the CAPEX projects submitted by AAI, which are as follows:

1. Building terminal (₹ 0.72 crore)

1.1 Construction of departure level tensile canopy and balance work (₹ 0.72 crore)

AAI had proposed the CAPEX towards construction of departure level tensile canopy and balance work amounting to ₹ 0.72 crore for capitalization in FY 2025-26.

Present Status: Completed in FY 2025-26

Need: The installation of a canopy is required to facilitate passenger movement and to prevent rainwater ingress at departure entry area. The scope of work pertains to remaining electrical works for eight departure level tensile canopies and associated balance works, including LT cabling, wall-mounted fans, cable trays and medium-sized LED light fixtures.

Cost Justification: The contract was awarded through a competitive tendering process, ensuring price competitiveness

The Authority, through its Independent Consultant, had examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works by the airport operator. Upon review, it was found that the actual award of work was ₹0.45 crore. Based on the reasonableness of cost, in line with CPWD norms and operational requirement, the Authority proposed to consider capitalization of ₹ 0.45 crore (100% aeronautical as the said work for passenger facilitation) in FY 2025-26 as per capitalisation schedule submitted by AAI.

2. Plant & machinery (₹ 81.83 crore)

2.1 SITC of hydraulic boom lift (₹ 1.25 crore)

AAI had proposed the CAPEX towards SITC of hydraulic boom lift amounting to ₹ 1.25 crore in FY 2025-26



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Present status: Work completed in FY 2025-26

Need: The height of the departure area of the new NITB is approximately 18 m from the finished floor level. All MEP installations-including high-bay light fixtures, firefighting pipelines, air-conditioning ducts, cable trays and PFMS sensors are installed at ceiling level. In addition, façade lighting had been installed at a height of approximately 20 m. Accordingly, a hydraulic boom lift is required for safe access, installation, inspection and maintenance of these systems.

Cost justification: The contract was awarded through a competitive tendering process, ensuring price competitiveness.

The Authority, through its Independent Consultant, had examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works by the airport operator. Further, based on the reasonableness of cost, in line with prevailing market rates and operational requirement, the Authority proposed to consider capitalization of ₹1.07 crore (100% aeronautical) in FY 2025-26 after adjustment of GST input credit ₹ 0.18 crore.

2.2 SITC of Airfield Lighting Control & Monitoring System (ALCMS) (₹ 80.17 crore)

AAI had proposed the CAPEX towards SITC of Airfield Lighting Control & Monitoring System (ALCMS) amounting to ₹ 80.17 crore in FY 2025-26.

Present status: Work completed in FY 2025-26

Need of the requirement: The Airfield Lighting Control and Monitoring System is a critical safety & operational system required at airport. The installation of an ALCMS is essential to ensure safe aircraft movements under all visibility conditions and to support uninterrupted airport operations. The work pertains to enabling the GLF installations feed from existing ALCMS display to new ALCMS display at proposed new ATC tower for parallel operations.

Cost justification: Upon examination, it is noted that the expenditure pertains to SITC of ALCMS, but the amount had been inadvertently linked to some other cost head. The actual award amount is ₹ 0.41 crore for the proposed work, instead of ₹ 80.17 crore

The contract was awarded through a competitive tendering process, ensuring price competitiveness

The Authority, through its Independent Consultant, had examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works by the airport operator. Further, based on the reasonableness of cost, and operational requirement, the Authority proposed to consider capitalization of ₹ 0.35 crore (net of Input Tax Credit (ITC) of 0.06 crore, duly adjusted) (100% aeronautical) in FY 2025-26, instead of ₹ 80.17 crore as per capitalisation schedule submitted by AAI.

2.3 Providing Online Continuous Effluent Monitoring System (OCEMS) for 1,050 KLD STP (₹ 0.41 crore)

AAI had proposed the CAPEX towards providing Online Continuous Effluent Monitoring System (OCEMS) for 1050 KLD STP amounting to ₹ 0.41 crore in FY 2025-26.

Present status: Work completed in FY 2025-26

Need: OCEMS is provided for existing STP to meet the statutory requirement of CPCB/TNPCB.

Cost justification: The contract was awarded through a competitive tendering process, ensuring price competitiveness



CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE
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The Authority, through its Independent Consultant, had examined the proposed CAPEX, including review of award letters, and verified the tendering for the above works by the airport operator.

Authority noted that the proposed amount of ₹ 0.41 crore was inclusive of CAMS for 5 years. The actual capitalization is ₹ 0.15 crore (net of ITC of 0.03 crore, duly adjusted) after excluding CAMS cost. Hence, based on the reasonableness of cost, the Authority proposed to consider capitalization of ₹0.14 crore based on TBR allocation of 90:10 in FY 2025-26.

3. Tools & equipment (₹ 15.28 crore)

3.1 Additional 5 nos. PBB (elect. work) (₹ 0.11 crore)

AAI had proposed the CAPEX towards additional 5nos.PBB (elect. work) amounting to ₹ 0.11 crore in FY 2025-26.

The Authority, through its Independent Consultant, had examined the proposed CAPEX, and found that the work is already a part of additional 5 PBBs (refer par 3.2) to be installed in Phase 2, amounting ₹15.17 crore as submitted by AAI.

Hence, the Authority proposed to exclude the capitalization of ₹0.11 crore in FY 2025-26.

3.2 Additional 5 nos. PBB (cost of item) (₹ 15.17 crore)

AAI had proposed the CAPEX towards additional 5 nos. PBB (cost of item) amounting to ₹ 15.17 crore in FY 2025-26

Present Status: Work in progress

Need: Buildings have been designed basis 5 node, for installation of two PBBs at each apron, to cater for a total of 10 nos. contact bays. Out of which 5 were installed earlier in First Control Period, whereas balance 5 PBBs are being provided in Second Control Period to utilize all the bays.

Cost justification: The contract was awarded through a competitive tendering process, ensuring price competitiveness. However, the cost was also examined based on market rates and similar works at other Airports

The Authority, through its Independent Consultant, had examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works by the airport operator. Upon seeking clarification, it was found that actual award value is ₹ 14.88 crore instead of ₹ 15.17 crore. The entire work is expected to be capitalized in FY 2025-26. Hence, the Authority proposed to consider capitalization of ₹ 14.88 crore in Second Control Period.

4. CFT/Firefighting equipment (₹ 25.92 crore)

4.1 Procurement of 03 nos. of ACFTs 10KL WT capacity (₹ 25.92 crore)

AAI had proposed the CAPEX towards procurement of 03 nos. of ACFTs (10KL Capacity each) amounting to ₹ 25.92 crore for capitalization in FY 2025-26.

Present Status: Tendering in progress, expected PDC in FY 2027-28

Need: The existing ACFTs at Tiruchirappalli International Airport have been outlived (useful life) and hence there was a requirement to replace the old ACTs with new ACFTs.

Cost justification: Global e-tender had been floated in March 28, 2025, by CHQ for the supply of 38 nos. ACFTs each having capacity of 10 KL, having Trichy Airport as one of the consignee airports.



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The Authority, through its Independent Consultant, had examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works by the airport operator. Further, based on the market survey and cost as per other similar Airports, the cost is found to be reasonable. Therefore, the Authority proposed to consider capitalization of ₹ 25.92 crore (100% aeronautical) in FY 2027-28 as per capitalisation schedule submitted by AAI.

5 Additional Capex

5.1 Construction of precast boundary wall at newly acquired land at Trichy Airport (₹ 24.99 crore)

AAI had proposed the CAPEX towards construction of precast boundary wall at newly acquired land at Trichy Airport amounting to ₹ 24.99 crore for capitalization in FY 2026-27.

Present Status: Tender is in progress

The Authority, through its Independent Consultant, had examined the proposed CAPEX. The work had not been awarded yet and is also not part of MYTP submitted. Therefore, the Authority proposed to disallow the CAPEX amounting ₹ 24.99 crore from FY 2026-27.

5.2 Construction of RCC drain, RCC box culvert and allied works in area between PTT and new apron (₹ 13.92 crore)

AAI had proposed the CAPEX towards construction of RCC drain, RCC box culvert and allied works in area between Parallel Taxi Track and new apron, at Trichy Airport amounting to ₹ 13.92 crore for capitalization in FY 2026-27.

Present Status: Tender is in progress

The Authority, through its Independent Consultant, had examined the proposed CAPEX, and found the work had not been awarded yet and is also not part of MYTP submitted. Therefore, the Authority proposed to disallow the CAPEX amounting (₹ 13.92 crore) from FY 2026-27.

5.3 Construction of solar power plant (1MW) (₹ 5 crore)

AAI had proposed the CAPEX towards construction of solar power plant (1MW) (ground mounted) at Trichy Airport amounting to ₹ 5 crore for capitalization in FY 2026-27.

Present Status: Under cost estimation stage

Need: The solar plant had been proposed 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.

Cost justification: Based on prevailing market rates and similar installations at other Airports

The Authority, through its Independent Consultant had examined the proposed CAPEX, and found the work had not been awarded yet and are also not part of MYTP submitted, but in order to promote green energy initiatives, the same had been considered by the Authority. The Authority, through its Independent Consultant had examined the cost of the proposed CAPEX, as compared to similar installations at other airports. Therefore, the Authority proposed to consider the CAPEX of ₹ 5 crore towards solar power in FY 2026-27.



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- 6.3.4 The Authority noted that AAI had submitted the TBR of 98.1%: 1.9% (aeronautical: non-aeronautical) for apportionment of common assets within the terminal building at Tiruchirappalli International Airport for the Second Control Period. The Authority proposed to consider the TBR of 90%:10% (aeronautical: non-aeronautical) as reasonable. The above ratio of 90%:10% is in line with the optimum non-aeronautical area allocation of 8% to 12% as recommended by IMG norms (for airports having passenger traffic of less than 10 MPPA) and the approach followed by the Authority for other similar airports like Amritsar and Varanasi International Airports.
- 6.3.5 The Authority is aware that AAI would be eligible to claim GST input credit on procurement of certain movable property. Therefore, the Authority expects airport operator to properly account for such credit, in accordance with Chapter V of Central Goods and Services Tax, 2017 and capitalize assets net of GST ITC, wherever applicable. The Authority may examine the accounting of ITC and make necessary adjustments in this regard, at the time of determination of tariffs for the Third Control Period.
- 6.3.6 The Authority proposed to readjust (reduce) 1% of the uncapitalized project cost from the ARR / target 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 capitalisation 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 proposed in the interest of the stakeholders who are paying for services provided by Tiruchirappalli International Airport and also to encourage the airport operator to commission/ capitalize the proposed assets as per the approved CAPEX plan/schedule.
- 6.3.7 In accordance with above, the Authority proposed CAPEX for the Second Control Period as per the Table 59 below:

Table 59: CAPEX (project-wise) proposed by the Authority for Second Control Period at Consultation Stage

(*₹ crore*)

S. No	Description of the Projects	FY of Capitalisation		Capitalisation amount			Remarks
		Submitted by AAI	Proposed by the Authority	Submitted by AAI (1)	Proposed by Authority (2)	Difference (3) = (2)-(1)	
1	Building - terminal						
1.1	Construction of departure level tensile canopy and balance work	FY 2025-26	FY 2025-26	0.72	0.45	-0.27	<i>As per actual award value</i>
	Sub - Total (i)			0.72	0.45	-0.27	
2	Plant & machinery						
2.1	SITC of hydraulic boom lift	FY 2025-26	FY 2025-26	1.25	1.07	-0.18	<i>ITC adjusted</i>
2.2	SITC of Airfield	FY 2025-26	FY 2025-26	80	0.35	-79.82	Rationalised based on error



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

S. No	Description of the Projects	FY of Capitalisation		Capitalisation amount			Remarks
		Submitted by AAI	Proposed by the Authority	Submitted by AAI (1)	Proposed by Authority (2)	Difference (3) = (2)-(1)	
	Lighting Control & Monitoring System (ALCMS)						in project value, linked with the project.
2.3	Providing Online Continuous Effluent Monitoring System (OCEMS) for 1050 KLD STP	FY 2025-26	FY 2025-26	0.41	0.14	-0.27	The actual capitalization had been taken and applied TBR Allocation
	Sub Total (ii)			81.83	1.56	-80.27	
3	Tools & equipment						
3.1	Additional 5nos.PBB (elect. work)	FY 2025-26	-	0.11	-	-0.11	Refer para 3.1
3.2	Additional 5nos.PBB (cost of item)	FY 2025-26	FY 2025-26	15.17	14.88	-0.29	Actual capitalization communicated by AAI
	Sub - Total (iii)			15.28	14.88	-0.40	
4	CFT/firefighting equipment						
4.1	Procurement of 03 Nos of ACFTs 10KL WT Capacity	FY 2025-26	FY 2027-28	25.92	25.92	-	As per AAI submission
	Sub - Total (iv)			25.92	25.92	-	
	Total (i) to (iv)			123.75	42.99	80.76	
5	Additional CAPEX						
5.1	Construction of precast boundary wall at newly acquired land at Trichy Airport	FY 2026-27	-	24.99	0	-24.99	The work had not been awarded yet and the same is not part of MYTP, hence disallowed
5.2	Construction of RCC drain, RCC box culvert and allied works in area between	FY 2026-27	-	13.92	0	-13.92	The work had not been awarded yet and the same is not part of MYTP, hence disallowed



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S. No	Description of the Projects	FY of Capitalisation		Capitalisation amount			Remarks
		Submitted by AAI	Proposed by the Authority	Submitted by AAI (1)	Proposed by Authority (2)	Difference (3) = (2)-(1)	
	PTT and new apron						
5.3	Construction of solar power plant -1 MW	FY 2026-27	FY 2026-27	5.00	5.00	-	Additional CAPEX proposed by AAI and same had been considered as part of green energy initiative
	Sub - Total (v)			43.91	5.00	38.91	
	CAPEX proposed	Total (i) to (v)		167.66	47.81	119.85	

Table 60: Year wise capitalization of assets proposed by Authority for Second Control Period at Consultation Stage

(₹ crore)

FY	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Proposed CAPEX after rationalisation	16.89	5.00	25.92	0.00	0.00	47.81

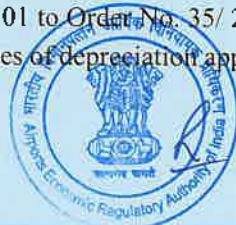
Note: The Authority proposed considering capitalisation schedule of aeronautical expenditure for Tiruchirappalli International Airport for the Second Control Period as ₹ 47.81 crore, against ₹ 167.66 crore proposed by AAI. The rationalization of CAPEX for Second Control Period majorly pertains to:

- Application of TBR of 90%:10% as against the proposed TBR allocation by AAI i.e. 98.1%: 1.9%
- Rationalisation based on error in project value given by AAI for an amount of ₹ 80.17 crore instead of ₹ 0.35 crore resulting in reduction by ₹ 79.82 crore.
- Exclusion of additional CAPEX proposed by AAI, except for solar power project amounting to ₹ 38.91 crore

6.4 Depreciation for the Second Control Period

AAI's Submission on depreciation for the Second Control Period for Tiruchirappalli International Airport

- In the Multi-Year Tariff Proposal for the Second Control Period for Tiruchirappalli International Airport, AAI had taken cognizance of the rates of depreciation approved by the Authority (Order No. 35 dt. 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



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by Tiruchirappalli International Airport from FY 2019-20 onwards.

6.4.2 Depreciation had been computed separately on opening block of assets and on the proposed additions.

6.4.3 The depreciation amount proposed by Tiruchirappalli International Airport for the second Control Period had been presented in the Table 61 below:

Table 61: Depreciation proposed by AAI for the Second Control Period

(₹ crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Land lease	0.00	0.00	0.00	0.00	0.00	0.00
Runways/taxiway	2.41	2.40	2.40	2.40	2.40	12.01
Roads bridges & culverts	1.22	1.20	1.20	1.20	1.20	6.02
Terminal building	24.90	24.92	24.92	24.92	24.92	124.57
Temporary building	0.00	0.00	0.00	0.00	0.00	0.00
Residential building	2.51	2.51	2.51	2.51	2.51	12.54
Security fencing	0.00	0.00	0.00	0.00	0.00	0.00
Boundary wall (operational)	1.02	1.02	1.02	1.02	1.02	5.11
Boundary wall (Residential)	0.00	0.00	0.00	0.00	0.00	0.00
Other buildings	0.13	0.12	0.11	0.10	0.10	0.55
Computers: end user devices	0.00	0.00	0.00	0.00	0.00	0.00
Computers: servers & networks	5.05	5.05	5.05	5.05	2.48	22.67
Computer software: intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Plant & machinery	14.99	17.72	17.72	17.72	17.71	85.86
Tools & plant	1.05	1.56	1.56	1.56	1.56	7.30
Furniture-office	0.75	0.75	0.75	0.75	0.34	3.34
Furniture: trolley	0.22	0.22	0.22	0.13	0.00	0.78
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00
Vehicles: cars/jeeps	0.30	0.13	0.02	0.00	0.00	0.45
Elect. installations	0.03	0.03	0.03	0.03	0.03	0.15
Solar power plant	0.04	0.00	0.00	0.00	0.00	0.04
Office equipment & appliances	0.00	0.00	0.00	0.00	0.00	0.00
Furniture: other than trolley	0.00	0.00	0.00	0.00	0.00	0.00
X-ray Baggage Inspection System (X-BIS)	0.16	0.16	0.16	0.16	0.14	0.79
CFT & fire fighting equipment	0.37	0.36	1.23	2.09	2.09	6.14
Total	55.16	58.16	58.90	59.63	56.49	288.34

Authority's examination of depreciation for the First Control Period

6.4.4 The Authority noted that the AAI had calculated the depreciation for the Second Control Period based on the useful life of the asset as per Order No. 35/2017-18 dt. January 12, 2018, and had reviewed the depreciation submitted by AAI for the Second Control Period.

6.4.5 Based on changes in the proposed CAPEX, the Authority proposed the following depreciation for the



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Table 62: Depreciation proposed by the Authority for the Second Control Period at Consultation Stage

(` crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Runways/taxiway	2.34	2.33	2.33	2.33	2.33	11.66
Roads bridges & culverts	0.02	0.00	0.00	0.00	0.00	0.02
Terminal building	21.87	21.88	21.88	21.88	21.88	109.40
Temporary building	0.00	0.00	0.00	0.00	0.00	0.00
Residential building	2.11	2.11	2.11	2.11	2.11	10.53
Boundary wall (operational)	0.06	0.06	0.06	0.06	0.06	0.28
Boundary wall (residential)	0.00	0.00	0.00	0.00	0.00	0.00
Other buildings	0.08	0.08	0.06	0.05	0.05	0.32
Computers: end user devices	0.00	0.00	0.00	0.00	0.00	0.00
Computers: servers & networks	5.02	5.02	5.02	5.02	4.96	25.03
Computer software: intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Plant & machinery	12.05	12.07	12.07	12.07	12.06	60.31
Tools & Equipment	0.29	1.28	1.28	1.28	1.28	5.40
Furniture-office	0.32	0.32	0.32	0.32	0.32	1.61
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00
Elect. installations	0.22	0.05	0.00	0.00	0.00	0.28
Solar power plant	0.03	0.13	0.23	0.23	0.23	0.83
Office equipment & appliances	0.00	0.00	0.00	0.00	0.00	0.00
Furniture: other than trolley	0.00	0.00	0.00	0.00	0.00	0.00
Furniture: trolley	0.00	0.00	0.00	0.00	0.00	0.00
X-ray Baggage Inspection System (X-BIS)	0.05	0.05	0.05	0.05	0.02	0.20
CFT & firefighting equipment	0.02	0.01	0.88	1.74	1.74	4.38
Total	44.47	45.37	46.27	47.12	47.02	230.25

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

AAI submission on RAB for Tiruchirappalli International Airport for Second Control Period

6.5.1 Based on the information provided by AAI, the RAB submitted by AAI is presented in the table below:



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Table 63: RAB submitted by AAI for the Second Control Period

(₹ crore)

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Opening RAB	1059.20	1101.86	1043.70	1010.72	951.09	
Addition	97.82	0.00	25.92	0.00	0.00	123.74
Disposal/ Transfer	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	55.16	58.16	58.90	59.63	56.49	288.34
Closing RAB	1101.86	1043.70	1010.72	951.09	894.60	
Average RAB	1080.53	1072.78	1027.21	980.91	922.84	

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

6.5.2 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 64: RAB proposed to be considered by the Authority for the Second Control Period at Consultation Stage

(₹ crore)

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Opening RAB (A)	965.17	937.59	897.22	876.87	829.75	
Additions (B) (Table 64)	16.89	5.00	25.92	0.00	0.00	47.81
Disposal/ Transfer (C)	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation (D) (Table 62)	44.47	45.37	46.27	47.12	47.02	230.25
Closing RAB (E=A+B-C-D)	937.59	897.22	876.87	829.75	782.73	
Average RAB (F=[A+E]/2)	951.38	917.40	887.04	853.31	806.24	

The Authority proposed to consider average RAB for the Tiruchirappalli International Airport for the Second Control Period as detailed in Table 64.

6.6 Stakeholders' comments regarding Capital Expenditure (CAPEX), depreciation and Regulatory Asset Base (RAB) for the Second Control Period

6.6.1 AAI's comment regarding additional CAPEX for Second Control Period are as follows:

"Construction of precast boundary wall at newly acquired land at Trichy Airport (₹ 24.99 crore)

The proposed CAPEX for the construction of an operational boundary wall to facilitate further runway extension and CAT-I approach lighting at the Runway 23 side has been tendered and Letter of Intent (LOI) issued with quoted cost of 17.52 crores (incl. GST)



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The work is being undertaken to extend the existing basic strip, which is currently only 85 meters, up to the required 140 meters in accordance with ICAO Annex 14 and DGCA CAR norms, thereby ensuring safe operating conditions for aircraft and passengers.

The project has been carried out with the approval of all relevant stakeholders were involved during the concept, design, execution, wherein the scope of work was reviewed in detail.

In view of the above, it is requested that the CAPEX incurred towards the said work may kindly be considered for inclusion.

Construction of RCC drain, RCC box culvert and allied works in area between PTT and new apron (₹ 13.92 crore)

The proposed CAPEX for the construction of an RCC drain, RCC box culvert, and allied works in the area between the Parallel Taxi Track and the new apron has been tendered with estimate cost for Rs. 13.92 Crores incl. GST and is proposed to be executed to enhance the airport's drainage and airside infrastructure

The work is necessary to mitigate water stagnation at the new apron and to prevent surface runoff and mud sedimentation on Taxiway F, which, if not addressed, could compromise the safety of aircraft and passengers.

Stagnation of water in these areas may also attract birds and result in flooding of the taxiway F and the new apron, thereby endangering passenger safety, aircraft safety, and overall airport operations.

The project has been carried out with the approval of DGCA, and all relevant stakeholders were involved during the concept, design, execution, wherein the scope of work was reviewed in detail

The proposed drainage works will ensure proper water disposal, prevent waterlogging, and maintain the structural integrity of the taxi track and apron areas. Efficient drainage is critical for safe aircraft operations, minimizing operational disruptions, and maintaining compliance with airside safety standards prescribed by the Directorate General of Civil Aviation.

In view of the above, it is requested that the CAPEX incurred towards the said works may kindly be considered for inclusion."

6.6.2 IATA's comment regarding Capacity Planning and Demand Alignment for Second Control Period are as follows:

"IATA notes that even under the Authority's own projections, terminal capacity utilization remains well below optimal levels for a substantial part of the Second Control Period. This underscores the need for continued prudence in approving further capital expenditure and in determining the pace of cost recovery from users."

6.6.3 Indigo's comment regarding AUCC for CAPEX of Second Control Period are as follows:

"AERA is requested to commission a formal assessment of the AUCC consultation gaps and reinforce strict adherence to AUCC processes, as the absence of consultation during major scope changes and cost escalations has led to significant increases in the aeronautical tariff. Under current market conditions, such tariff escalation poses a risk of negatively affecting traffic projections and the airport's growth trajectory."

6.7 AAI's response to Stakeholders' comments regarding Capital Expenditure (CAPEX),



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depreciation and Regulatory Asset Base (RAB) for Second Control Period

6.7.1 AAI's response of IATA's comment regarding Capacity Planning and Demand Alignment is as follows:

The planning of terminal buildings is primarily based on Peak Hour Passenger (PHP) demand, while the annual passenger handling capacity is derived from the peak hour capacity, considering the number of peak traffic hours an airport can accommodate in a day. Therefore, from a planning perspective, terminal buildings are designed to avoid capacity constraints during peak hours.

The current New Integrated Terminal Building was conceptualized in 2015, based on the traffic forecast derived from actual traffic data of the year 2014–15. At that time, the traffic distribution between domestic and international passengers was 8% (96,944) and 92% (10,92,274), respectively. The forecast on which the building was planned showed that in 2025-26, the domestic passengers would be 5% (1,80,641) & Int'l passengers would be 95% (33,48,181). Considering, it to be a majorly international terminal using the traffic ratio for International passengers as per IMG Norms. The Total designed peak hour was calculated as 2900 Pax.

TRAFFIC FORECAST-TRICHY AIRPORT			
YEAR	PASSENGERS (In Nos.)		
	INTL	DOM	Total
2014-15(Base Year)	1092274	96944	1189218
Growth Rate	8.0%	20.0%	9.0%
2015-16	1179656	116333	1295989
Growth Rate	12.00%	4.00%	11.40%
2016-17	1321215	120986	1442201
2017-18	1479760	125826	1605586
2018-19	1657332	130859	1788190
2019-20	1856211	136093	1992304
2020-21	2078957	141537	2220493
Growth Rate	10.0%	5.0%	9.7%
2021-22	2286852	148613	2435466
2022-23	2515538	156044	2671582
2023-24	2767092	163846	2930938
2024-25	3043801	172039	3215839
2025-26	3348181	180641	3528821

Accordingly, the terminal, with an area of 75,000 sqm, was designed to handle a peak hour capacity of 2,900 passengers with providing facilities for domestic passengers to a bare minimum resulting in designed peak hour of 2,300 international + 600 domestic.

The work was awarded in 2018, completed in 2023, and the terminal building was inaugurated in January 2024. However, during the course of construction in 2022, it was observed that the actual traffic distribution for the year 2019–20 had shifted significantly to 20% (2,96,073) domestic and 80% (13,16,419) international traffic. Since the building footprint could not be altered, the increase in the share of domestic traffic posed a significant challenge. It was envisaged that the originally planned domestic peak hour capacity of 600 passengers would lead to saturation of domestic processing areas, even though the terminal would not have reached its overall planned annual capacity



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POST-COVID TRAFFIC FORECAST - TRICHY AIRPORT			
YEAR	PASSENGERS (in Nos.)		
	International	Domestic	Total
2019-20	1316419	296073	1612492
2020-21	191075	164828	355903
2021-22	407430	149277	556707
2022-23 ESTIMATED	1200000	373193	1573193
FORECAST			
2023-24	1380000	447831	1827831
2024-25	1573200	528441	2101641
2025-26	1761984	591853	2353837
2026-27	1973422	662876	2636298
2027-28	2170764	729163	2899928
2028-29	2387841	802080	3189921
2029-30	2626625	882288	3508913
2030-31	2836755	961694	3798448
2031-32	3063695	1048246	4111941
2032-33	3308791	1142588	4451379
2033-34	3573494	1245421	4818915

Therefore, to enhance the domestic peak hour capacity and extend the terminal's saturation year, a reconfiguration of the terminal building was planned and implemented. This resulted in an increase in the planned peak hour capacity to 3,480 passengers (2,400 international and 1,080 domestic). The annual capacity of the reconfigured terminal has been estimated at 4.45 million passengers per annum, based on traffic ratios in accordance with IMG norms.

The modifications were limited to internal adjustments within the existing building footprint. These included removal of partition walls, addition of check-in counters, augmentation of conveyor systems to support increased check-in capacity, and installation of additional X-BIS machines. These changes were aimed at improving space utilization, enhancing passenger flow efficiency, eliminating bottlenecks, and increasing overall peak hour handling capacity.

6.7.2 Only modification inside the building like removal of partition wall, providing additional counters, augmentation of conveyor due to increase in Check-in counters, providing additional XBIS in SHA was undertaken to meet the passenger peak hour capacity (PHP) mainly of domestic which was 600 (300 departure + 300 arrival)(in view of increase in domestic passengers from 20% to 40% and minimum two domestic flights in one hour as per slot allotment) for better space efficiency, increased passenger capacity, efficient flow of passengers, removal of bottlenecks and to increase the peak hour capacity of Terminal Building. Moreover, the modification work in conveyor cannot be carried out in the operational Airport.

6.7.3 Reconfiguration works for NITB incurred to meet the increased PAX handling capacity of the building without increasing the build-up area i.e. 75,000 sq.mt.

6.7.4 AAI's response of Indigo's comment regarding AUCC for CAPEX of Second Control Period is as follows:



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headroom to accommodate long-term traffic growth. The objective is to strike a balance between current operational efficiency and future scalability, thereby safeguarding passenger experience and airport performance over the asset's lifecycle.

The Authority, upon detailed examination of submissions by Airports Authority of India, observes inconsistencies in terminal capacity planning vis-à-vis established IATA / IMG benchmarks and underlying traffic trends.

At the conceptual stage, the terminal building was planned assuming a traffic mix of 95% international and 5% domestic passengers, resulting in a design peak hour capacity of 2,900 passengers (2,300 international and 600 domestic). On what basis the peak hour capacity of 2300 international passenger was arrived at has not been explained by AAI in their submission. Later, during construction in 2022, AAI based on the revised traffic mix of 80% domestic and 20% international, enhanced the peak hour capacity to 3,480 passengers (2,400 international and 1,080 domestic). Again, on what basis AAI arrived at enhanced peak hour of 2,400 international and 1080 domestic has not been clarified by AAI.

Actually, such mid-course reconfiguration without proper justification and data basis does not withstand regulatory or technical scrutiny. As per IMG Norms, terminal planning should be based on traffic projections for the 10th year from the planning baseline (i.e., FY 2025–26 in the present case). The projected domestic traffic of 5,91,853 (i.e. 1,621 per day passenger) in 2025-26 does not operationally justify the provisioning for 6 aircraft movements in a peak hour to accommodate the enhanced domestic peak hour capacity of 1080 when the basis/justification of arriving at this enhanced domestic peak hour of 1080 itself is not explained by AAI. Further, this would imply that for the rest of the day (other than peak hour) only 540 passengers (1,621-1,080=541) would be handled that itself shows that there is something seriously wrong in the projection of AAI. Further, with a decline in international traffic share, there was no need to increase international peak hour capacity. From a terminal design point of view, IATA norms advocate capacity alignment based on the 30th/40th peak hour to ensure optimal asset utilization and avoid creation of overcapacity. This principle does not appear to have been followed in the instant matter. Moreover, it is an accepted practice that any temporary congestion, if any, is to be managed through operational measures such as better flight scheduling and slot staggering, rather than straight way going in for capital-intensive expansion. This issue is also visible in the terminal size. A built-up area of about 75,000 sq. m. for handling 3.63 or 4.45 MPPA is again a classic example of excessively higher built-up area since as per IATA norms 75,000 sq. meter would actually be the area to cater to an airport of 8 MPPA capacity.

Overall, the Authority notes that the reconfiguration over and above the original design capacity of 3.63 MPPA has resulted in creation of excess capacity, indicating inefficient planning and avoidable capital expenditure. Such inefficiencies have a direct bearing on aeronautical tariff determination, as they inflate the Regulatory Asset Base (RAB) without commensurate traffic justification, thereby imposing an undue burden on users.

- 6.8.3 At the same time, the Authority has taken a prudent and measured view regarding the creation of excess or underutilized capacity. While adequate provisioning is essential, overcapacity can lead to an unwarranted increase in the Regulatory Asset Base (RAB), which in turn has a direct bearing on the computation of Aggregate Revenue Requirement (ARR) and ultimately the Yield Per Passenger (YPP). Such increases would translate into higher airport charges, thereby imposing an additional burden on airport users. In light of this, the Authority has adopted a calibrated approach by rationalizing airport charges and deferring the recovery of a portion of the Aggregate Revenue Requirement (ARR) to the



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subsequent Control Period. This carry-forward is subject to specified conditions on traffic achievement and regulatory considerations, as elaborated in the paras 14.5.10 to 14.5.15 for ensuring that tariff impacts are moderated while maintaining financial sustainability.

- 6.8.4 The Authority has carefully considered the stakeholder submission regarding AUCC consultation. The Authority notes that the AUCC consultation for the NITB and associated works was conducted prior to the commencement of the Control Period in line with AERA tariff guidelines.

However, the Authority emphasizes that robust and continuous stakeholder consultation is critical, particularly in cases involving significant scope changes or cost escalations. AAI is advised to ensure timely and comprehensive AUCC consultations in cases of material scope changes or cost escalations during the Control Period, to maintain transparency and stakeholder alignment.

- 6.8.5 The Authority notes that AAI, in its stakeholder comments, has indicated omission of four Passenger Boarding Bridges (PBBs) pertaining to the First Control Period, amounting to ₹10.65 crore, which were not included earlier. The Authority further notes that one PBB amounting to ₹2.66 crore had already been considered in the true-up of the First Control Period, and five PBBs amounting to ₹15.28 crore were proposed for the Second Control Period in the Consultation Paper.

Upon examination, the Authority observes that the terminal building continues to remain significantly underutilized, with actual and projected traffic levels being materially lower than the originally envisaged design capacity. In such circumstances, it is expected that the capacity augmentation is aligned with demonstrated demand, in accordance with established planning norms. However, in the present case, the existing infrastructure itself is not being optimally utilized. The Authority is therefore of the view that creation of additional capacity, in the absence of commensurate demand, would constitute inefficient capital deployment, leading to unwarranted inflation of the Regulatory Asset Base (RAB) and a consequent increase in Aggregate Revenue Requirement (ARR) and passenger tariffs. Such an approach would be inconsistent with the principles of prudence, efficiency, and protection of user interest.

Accordingly, while the Authority has decided to consider the additional four PBBs amounting to ₹ 10.65 crore in the true up for First Control Period, it has decided not to allow the five PBBs proposed amounting to ₹ 15.28 crore for the Second Control Period. This approach ensures that only necessary and demand-aligned capacity is recognized, while avoiding undue burden on airport users arising from premature or underutilized infrastructure creation.

- 6.8.6 Based on the above, the Authority decided the CAPEX for the Second Control Period as per the Table below:

Table 65: CAPEX (project-wise) decided by the Authority for Second Control Period

(₹ crore)

S. No	Description of the Projects	FY of Capitalisation		Capitalisation amount			Remarks
		Submitted by AAI	Decided by the Authority	Submitted by AAI (1)	Decided by Authority (2)	Difference (3) = (2)-(1)	
1	Building - terminal						
1.1	Construction of departure level tensile canopy	FY 2025-26	FY 2025-26	0.72	0.45	-0.27	As per actual award value



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S. No	Description of the Projects	FY of Capitalisation		Capitalisation amount			Remarks
		Submitted by AAI	Decided by the Authority	Submitted by AAI (1)	Decided by Authority (2)	Difference (3) = (2)-(1)	
	and balance work						
	Sub - Total (i)			0.72	0.45	-0.27	
2	Plant & machinery						
2.1	SITC of hydraulic boom lift	FY 2025-26	FY 2025-26	1.25	1.07	-0.18	<i>ITC adjusted</i>
2.2	SITC of Airfield Lighting Control & Monitoring System (ALCMS)	FY 2025-26	FY 2025-26	80.17	0.35	-79.82	Rationalised based on error in project value, linked with the project.
2.3	Providing Online Continuous Effluent Monitoring System (OCEMS) for 1050 KLD STP	FY 2025-26	FY 2025-26	0.41	0.14	-0.27	The actual capitalization had been taken and applied TBR Allocation
	Sub Total (ii)			81.83	1.56	-80.27	
3	Tools & equipment						
3.1	Additional 5nos.PBB (elect. work)	FY 2025-26	-	0.11	-	-0.11	Refer para 6.8.5
3.2	Additional 5nos.PBB (cost of item)	FY 2025-26	-	15.17	-	-15.17	
	Sub - Total (iii)			15.28	0.00	-15.28	
4	CFT/firefighting equipment						
4.1	Procurement of 03 Nos of ACFTs 10KL WT Capacity	FY 2025-26	FY 2027-28	25.92	25.92	-	<i>As per AAI submission</i>
	Sub - Total (iv)			25.92	25.92	-	
	Total (i) to (iv)			123.75	42.99	80.76	
5	Additional CAPEX						
5.1	Construction of precast boundary wall at newly acquired land at Trichy Airport	FY 2026-27	-	24.99	0	-24.99	The work had not been awarded yet and the same is not part of MYTP, hence disallowed



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S. No	Description of the Projects	FY of Capitalisation		Capitalisation amount			Remarks
		Submitted by AAI	Decided by the Authority	Submitted by AAI (1)	Decided by Authority (2)	Difference (3) = (2)-(1)	
5.2	Construction of RCC drain, RCC box culvert and allied works in area between PTT and new apron	FY 2026-27	-	13.92	0	-13.92	The work had not been awarded yet and the same is not part of MYTP, hence disallowed
5.3	Construction of solar power plant -1 MW	FY 2026-27	FY 2026-27	5.00	5.00	-	Additional CAPEX proposed by AAI and same had been considered as part of green energy initiative
Sub - Total (v)				43.91	5.00	38.91	
CAPEX proposed		Total (i) to (v)		167.66	32.93	134.73	

Table 66: Year wise capitalization of assets decided by Authority for Second Control Period

FY	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Proposed CAPEX after rationalisation	2.01	5.00	25.92	0.00	0.00	32.93

Note: The variance of ₹ 14.88 crore between the CAPEX decided by the Authority (₹ 32.93 crore) and the CAPEX proposed at the Consultation Stage (₹ 47.81 crore) is due to non-consideration of additional 5 nos. of PBB in the Second Control Period (Refer para 6.8.5).

6.8.7 Based on the revised building blocks determined by the Authority as part of true up of the First Control Period for Tiruchirappalli International Airport and capital additions decided by the Authority for Second Control Period, the Authority has recomputed the Depreciation for the Second Control Period as given in table below:

Table 67: Depreciation decided by the Authority for the Second Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Runways/taxiway	2.39	2.38	2.38	2.38	2.38	11.90
Roads bridges & culverts	0.88	0.86	0.86	0.86	0.86	4.31
Terminal building	24.83	24.83	24.83	24.83	24.83	124.16
Temporary building	0.00	0.00	0.00	0.00	0.00	0.00
Residential building	2.11	2.11	2.11	2.11	2.11	10.57



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Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Boundary wall (operational)	0.93	0.93	0.93	0.93	0.93	4.66
Boundary wall (residential)	0.00	0.00	0.00	0.00	0.00	0.00
Other buildings	0.09	0.09	0.07	0.06	0.06	0.36
Computers: end user devices	0.00	0.00	0.00	0.00	0.00	0.00
Computers: servers & networks	3.90	3.90	3.90	3.90	3.86	19.47
Plant & machinery	11.92	11.95	11.95	11.95	11.94	59.70
Tools & Equipment	0.29	0.29	0.29	0.28	0.28	1.43
Furniture-office	0.32	0.32	0.32	0.32	0.32	1.61
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00
Elect. installations	0.22	0.05	0.00	0.00	0.00	0.28
Solar power plant	0.03	0.13	0.23	0.23	0.23	0.83
Office equipment & appliances	0.00	0.00	0.00	0.00	0.00	0.00
Furniture: other than trolley	0.00	0.00	0.00	0.00	0.00	0.00
Furniture: trolley	0.00	0.00	0.00	0.00	0.00	0.00
X-ray Baggage Inspection System (X-BIS)	5.84	5.84	5.84	5.84	5.81	29.17
CFT & firefighting equipment	0.02	0.01	0.88	1.74	1.74	4.38
Total	53.77	53.69	54.59	55.43	55.35	272.83

6.8.8 The Authority decides the RAB for Second Control Period as per table given below:

Table 68: RAB decided to be considered by the Authority for the Second Control Period

(₹ crore)

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Opening RAB (A)	1,142.41	1,090.65	1,041.97	1,013.31	957.89	
Capital Additions (B) (Table 66)	2.01	5.00	25.92	0.00	0.00	32.93
Depreciation (C) (Table 67)	53.77	53.68	54.58	55.42	55.34	272.83
Closing RAB (D=A+B-C)	1,090.65	1,041.97	1,013.31	957.89	902.55	
Average RAB (E=[A+D]/2)	1,116.53	1,066.31	1,027.64	985.60	930.22	

6.9 Authority's decisions regarding Capital Expenditure (CAPEX), depreciation and Regulatory Asset Base (RAB) for the Second Control Period

Based on the material before it and based on its analysis, the Authority decides the following with regard to CAPEX, depreciation and RAB for the Second Control Period:

- 6.9.1 To adopt the capitalisation of aeronautical CAPEX for the Second Control Period in accordance with Table 65.
- 6.9.2 To true up the CAPEX based on reasonability of rates and efficiency (cost & operational), at the time of determination of tariff for Third Control Period.
- 6.9.3 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 capitalisation schedule. Further, if the delay in



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completion of the project is due to any reason beyond the control of AAI or its contracting agency and is properly justified, the same would be considered by the Authority while trueing up the actual cost at the time of determination of tariff for the Third Control Period.

- 6.9.4 To consider depreciation as per **Table 67** for the Second Control Period.
- 6.9.5 To true up depreciation for the Second Control Period based on the actual asset additions and actual date of capitalisation during the tariff determination of the Third Control Period.
- 6.9.6 To consider GST input tax credit in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 at the time of true up of the RAB for the Second Control Period. The Authority will examine the accounting of input tax credits and make necessary adjustments in this regard at the time of determination of tariffs for the next Control Period.
- 6.9.7 To consider average RAB for the Second Control Period for Tiruchirappalli International Airport as per **Table 68**.
- 6.9.8 To true up the RAB based on actuals at the time of tariff determination for the Third Control Period.



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

7.1 AAI's submission on FRoR for the Second Control Period for Tiruchirappalli International Airport

7.1.1 AAI had considered FRoR as 11.61% for the Second Control Period.

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

7.2.1 The Authority noted that AAI had submitted that the CAPEX 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 also noted 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 had 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.

7.2.4 Considering the above 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 finalising the tariffs for Indore and Varanasi Airports, that the Authority will apply Notional Gearing Ratio of 48:52 (Debt: Equity) for determining the FRoR for AAI Airports. The Cost of Debt and Cost of Equity considered by the Authority for determination of FRoR for Tiruchirappalli International Airport had been explained as follows:

Cost of Debt

7.2.5 AAI had availed loans at varying interest rates over time. Given the fluctuations in interest rates and the specific financial circumstances of AAI, it would be more prudent to consider an average cost of debt for the calculation of the FRoR. Based on this, the Authority proposed to adopt an average cost of debt of 7.75% for the FRoR calculation.

Cost of Equity

7.2.6 The Authority proposed to consider the Cost of Equity for Tiruchirappalli International Airport at 15.18%. The same had been 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.

7.2.7 The above study reports apply 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 Tiruchirappalli International 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 Tiruchirappalli International



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

Airport.

- 7.2.8 Based on the above reports, the Authority proposed to consider the Cost of Equity as 15.18% for Tiruchirappalli International Airport for the Second Control Period.

Fair Rate of Return (FRoR)

- 7.2.9 Based on the above, the Authority proposed to consider FRoR as per table below for Tiruchirappalli International Airport for the Second Control Period:

Table 69: Fair Rate of Return calculated by the Authority for the Second Control Period at Consultation Stage

Parameter	Percentage (%)
Normative Debt Equity Ratio	48:52
Cost of Equity	15.18%
Cost of Notional Debt	7.75%
Fair Rate of Return for the Second Control Period	11.61%

7.3 Stakeholders' comments regarding FRoR for Second Control Period

- 7.3.1 AAI's comment on the FRoR for Second Control Period is as follows:

"The AERA has worked out FRoR considering Average rate of Debt @7.75% considering notional debt equity ratio of 48:52, however AAI has not proposed any loan for future capex. Hence it is requested AERA to provide return on RAB in line with the earlier Tariff order of AAI's airports issued by AERA considering MCLR Rate of SBI which is 8.8% as on 15.01.2026.

Calculation of FRoR(Revised) based on the above is as under:-

Parameter	Percentage (%)
Normative Debt Equity Ratio	48:52
Cost of Equity	15.18%
Cost of Actual Debt	8.8%
Fair Rate of Return for the Second Control Period	12.12%

Hence, we request AERA to consider FRoR @12.12% considering the MCLR i.e. 8.8%."

7.4 Authority's analysis of Stakeholders' comments regarding FRoR for Second Control Period

- 7.4.1 The Authority notes that AAI, in its MYTP submission for the Second Control Period had proposed an FRoR of 11.61%. Upon examination of proposal, AERA had accepted proposed FRoR of 11.61% for the Second Control Period, as sought by AAI. The Authority notes the revised submission by AAI with proposal of an FRoR of 12.12% linking cost of debt with MCLR may not be relevant.

- 7.4.2 AAI has not furnished adequate documentary evidence to substantiate the cost of debt at the proposed rate. In the absence of verifiable supporting evidence, the Authority is of the view that originally proposed FRoR of 11.61% at Consultation stage remains appropriate and decides to retain the same.

7.5 Authority's decisions regarding FRoR for the Second Control Period

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

- 7.5.1 To consider FRoR of 11.61 % for Tiruchirappalli International Airport for the Second Control Period as per **Table 69**.



8. INFLATION FOR THE SECOND CONTROL PERIOD**8.1 AAI's submission on inflation for the Second Control Period for Tiruchirappalli International Airport**

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

8.2 Authority's examination of inflation for the Second Control Period at Consultation Stage

8.2.1 The Authority proposed to consider the recent "Results of the Survey of Professional Forecasters on Macroeconomic Indicators" published by the Reserve Bank of India (RBI). Accordingly, the Authority proposed to consider the mean of WPI inflation forecasts (all commodities) for FY 2025-26 and FY 2026-27 as given in the 99th Round of Survey of Professional Forecasters on macroeconomic indicators (February 6, 2026) of RBI.

8.2.2 The Authority had assumed that the inflation rate would be stable and remain constant from FY 2026-27 till FY 2029-30. Accordingly, the following **Table 70** shows the inflation rates proposed by the Authority for the Second Control Period.

Table 70: Inflation rates proposed by the Authority for the Second Control Period for Tiruchirappalli International Airport at Consultation Stage

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
WPI inflation	0.50%	3.00%	3.00%	3.00%	3.00%

8.3 Stakeholders' comments regarding Inflation for Second Control Period

8.3.1 No comments received from Stakeholders regarding Inflation for Second Control Period.

8.4 Authority's analysis of Stakeholders' comments regarding Inflation for Second Control Period

8.4.1 Authority notes that no comments have been received from Stakeholders regarding Inflation for Second Control Period. Therefore, the Authority decides to consider the mean of WPI inflation forecasts (all commodities) for FY 2025-26, FY 2026-27 and FY 2027-28 as given in the 99th Round of Survey of Professional Forecasters on macroeconomic indicators (April 8, 2026) of RBI. The same is presented in the table below:

Table 71: Inflation rates decided by the Authority for the Second Control Period for Tiruchirappalli International Airport

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
WPI inflation	0.90%	4.70%	3.60%	3.60%	3.60%

8.5 Authority's decisions regarding inflation for the Second Control Period

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

8.5.1 To consider inflation for the Second Control Period for Tiruchirappalli International Airport as detailed in **Table 71**.



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 Tiruchirappalli International Airport

9.1.1 Operation and Maintenance (O&M) expenses submitted by AAI are segregated, as below:

- 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 had 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 The summary of aeronautical O&M expenses proposed by AAI for Tiruchirappalli International Airport for the Second Control Period had been presented in the Table 72 below:

Table 72: Operation and Maintenance (O&M) expenditure submitted by AAI for Tiruchirappalli International Airport

(₹ crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Payroll costs	26.77	28.64	35.80	38.31	40.99	170.52
Retirement benefits of employees of Tiruchirappalli International Airport	1.47	1.58	1.97	2.11	2.26	9.40
Total Payroll Costs	28.24	30.22	37.78	40.42	43.25	179.91
Admin. & other expenses - excluding CHQ/RHQ and upkeep	18.37	18.01	17.74	17.57	17.51	89.20
Upkeep expense	7.15	7.37	7.59	7.82	8.05	37.97
Admin. & other expenses - CHQ/RHQ	12.63	13.27	13.93	14.63	15.36	69.81
Total Admin & General Expenses	38.16	38.65	39.26	40.01	40.91	196.99
Repair & maintenance expenses	16.05	17.65	19.41	21.34	23.47	97.92
Utilities & outsourcing expenses	17.61	17.72	17.84	17.97	18.11	89.24
Other outflows	0.27	0.30	0.33	0.36	0.39	1.64
Total O&M expenditure	100.34	104.54	114.61	120.10	126.13	565.71

9.1.5 The summary of growth rates assumed by AAI for the O&M expenses had been presented in the Table

73 below:

Table 73: Growth rates in O&M expenditure submitted by AAI for Tiruchirappalli International Airport

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Payroll costs	7.40%	7.00%	25.00%	7.00%	7.00%
Retirement benefits of employees of Tiruchirappalli International Airport	9.00%	7.00%	25.00%	7.00%	7.00%
Admin. & other expenses - excluding CHQ/RHQ and upkeep	-2.00%	-2.00%	-1.00%	-1.00%	0.00%
Upkeep expenses	3.00%	3.00%	3.00%	3.00%	3.00%
Admin. & other expenses - CHQ/RHQ	5.00%	5.00%	5.00%	5.00%	5.00%
Repair & maintenance expenses	10.00%	10.00%	10.00%	10.00%	10.00%
Utilities & outsourcing expenses	1.00%	1.00%	1.00%	1.00%	1.00%
Other outflows	15.00%	11.00%	11.00%	11.00%	11.00%

9.2 Authority's examination of operation and maintenance expenses for the Second Control Period at Consultation Stage

9.2.1 AAI had proposed ₹ 565.71 crore towards operation and maintenance expenses for the Second Control Period.

Allocation of O&M expenses to aeronautical and non-aeronautical activities

The Authority had examined through its Independent Consultant the allocation of operations and maintenance expenses submitted by AAI between aeronautical and non-aeronautical activities for Tiruchirappalli International Airport. The same had been reviewed and explained below:

9.2.2 The Authority noted that AAI had derived apportionment ratio(s) for various cost heads based on the functional usage of the respective facilities. AAI had computed these ratios without accounting for ANS-related staff and activities

9.2.3 AAI had segregated the payroll expenses excluding CHQ/RHQ between aeronautical and non-aeronautical in the employee head-count ratio of 97.03%: 2.97% 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.

9.2.4 AAI had segregated the expenses towards utilities 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.

9.2.5 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 98.07:1.93. However, the Authority proposed to re-allocate the above expenses in the terminal building ratio of 90:10, as followed in other similar airports.

9.2.6 Repair and maintenance (civil) expenses pertaining to terminal building have been apportioned by AAI, by applying terminal building ratio of 100%. However, the Authority proposed to reallocate the above expenses in the Terminal Building Ratio of 90:10, as followed in other similar airports.

9.2.7 Repair and maintenance expenses pertaining to electronics and computer, IT & hardware (surveillance

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equipment & security equipment), had been considered as 100% aeronautical by AAI. The Authority's analysis shows that these expenses pertain to passenger facilitation. As most of these equipment are located in the terminal building, the Authority proposed to re-allocate the above expenses in the TBR of 90%:10%.

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

Table 74: Allocation of O&M expenses proposed to be considered by Authority for Tiruchirappalli International Airport at Consultation Stage

Particulars	Allocation proposed by AAI	Allocation considered by the Authority
Payroll costs	97.03%: 2.97%	97.03%: 2.97%
Retirement benefits of employees at Tiruchirappalli International Airport	97.03%: 2.97%	97.03%: 2.97%
Repair & maintenance – civil	100.00%	90%:10%
Repair & maintenance – electrical works	98.07%:1.93%	90%:10%
Repair & maintenance – electronics	100.00%	90%:10%
Utilities and outsourcing expenses	100.00%	100.00%
Upkeep expenses	98.07%:1.93%	90.00%:10.00%
Admin. & other expenses – CHQ/RHQ	100.00%	100.00%
Other outflows	100.00%	100.00%

I. Payroll expenses

9.2.9 AAI had considered a growth rate of 7.40% in payroll expenses for the FY 2026-27 and 7% for the period FY 2027-28 to FY 2029-30. Further, AAI had 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 proposed to consider a growth rate of 6% Y-o-Y from FY 2025-26 to FY 2029-30 in the payroll expenses and retirement benefits of employees of Tiruchirappalli International Airport. Growth rate of 6% Y-o-Y in payroll expenses is uniformly followed by the Authority in all AAI airports. Further, the Authority proposed not to consider the additional increase of 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 Tiruchirappalli International Airport and proposed to consider the same on actual incurrence basis, at the time of tariff determination for the next Control Period.

9.2.10 Also, AAI had not considered any increase in employee headcount for the Second Control Period as submitted in Form 11(a) "Details of Employee Staff Strength" of the MYTP submission. The Authority while examining the total manpower strength from FY 2020-21 till FY 2025-26, found that there is no substantial increase in manpower count at the airport in Second Control Period w.r.t. First Control Period. A total of 155 manpower count had been submitted by AAI for each year of the Second Control Period is given below:

Table 75: Manpower count submitted by AAI for Second Control Period at Consultation Stage

Year	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Aero Manpower	113	100	100	109	98	100	100	100	100	100



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Year	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	FY 2024- 25	FY 2025- 26	FY 2026- 27	FY 2027- 28	FY 2028- 29	FY 2029- 30
ANS Manpower	46	47	40	46	43	53	53	53	53	53
Non-Aero Manpower	2	2	2	2	3	2	2	2	2	2
Total Manpower	161	150	142	157	144	155	155	155	155	155

9.2.11 AAI had factored in a provision for Performance Related Pay (PRP) expenses amounting to ₹ 31.42 crore during the Second Control Period. However, the Authority observes that PRP expenses are inherently dynamic and contingent upon profitability of AAI and employees' performance. This dynamic nature is also observed in the First Control Period where the PRP expenses were incurred only in the last three years of the First Control Period. Hence, the Authority noted that there is an uncertainty regarding the actual incurrence of these expenses. Accordingly, the Authority proposed to consider PRP expenses on an actual incurrence basis, at the time of true up of the Second Control Period while determining the tariff for the Third Control Period.

Accordingly, the payroll expenses proposed by the Authority for the Second Control Period are as below:

Table 76: Payroll Expenses as submitted by AAI and as proposed by the Authority for the Second Control Period at Consultation Stage

(in crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI (A)	28.24	30.22	37.78	40.42	43.25	179.91
Less: PRP Expenses (B)	4.93	5.28	6.60	7.06	7.55	31.42
Balance Amount (C = A-B)	23.31	24.94	31.18	33.36	35.70	148.49
As proposed by the Authority (D)	22.23	23.57	24.98	26.48	28.07	125.34
Variance (D-A)	(6.01)	(6.65)	(12.79)	(13.94)	(15.18)	(54.58)

II. Administration and general expenses

Administration and general expenses (other than CHQ/ RHQ and upkeep expenses)

9.2.12 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, advertising and publicity expenses etc.

9.2.13 The Authority noted that AAI had projected 10% Y-o-Y increase in administration and general expenses (other than CHQ/RHQ and upkeep expenses) for the Second Control Period.

It is further noted that AAI had included interest on borrowed funds, which had not been considered by Authority, as it had already been factored in while calculating return on the RAB. Therefore, the Authority proposed not to consider the same for the Second Control Period, in line with the practice followed in other similar airports.

9.2.14 The Authority also noted that AAI had proposed advertising and publicity expenses of ₹ 4.29 crore as part of its Admin and General expenses (excluding CHQ/RHQ and upkeep expenses). However, the Authority noted that there was a significant increase in this expense for FY 2024-25 which amounted



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to ₹ 0.64 crore. Upon examination, it was found that out of this expense of ₹ 0.64 crore, the recurring component was only ₹ 0.03 crore. Accordingly, the Authority proposed to exclude the non-recurring expense of ₹ 0.61 crore from the projection for the Second Control Period. The recurring component had been considered as the base for determining the advertising and publicity expenses with a 10% year-on-year (Y-o-Y) increase for the projection of Second Control Period.

Accordingly, Administration and general expenses (other than CHQ/ RHQ and upkeep expenses) proposed by the Authority for the Second Control Period are as under:

Table 77: Administration and general expenses (other than CHQ/ RHQ and upkeep expenses) as submitted by AAI and as proposed by the Authority for the Second Control Period at Consultation Stage

(in crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI (A)	18.37	18.01	17.74	17.57	17.51	89.20
Advertisement & Publicity Expense (B)	0.67	0.74	0.82	0.90	0.99	4.12
Interest on loan (C)	7.48	6.23	4.99	3.74	2.49	24.93
As proposed by the Authority (D=A-B-C)	10.22	11.04	11.94	12.93	14.02	60.15
Variance (D-A)	(8.15)	(6.98)	(5.80)	(4.64)	(3.48)	(29.05)

III. Upkeep expenses

9.2.15 The Authority observes that for upkeep expenses, AAI had proposed 3% increase year-on-year for Tiruchirappalli International Airport, for the Second Control Period. The Authority noted that these are contractual expenses, wherein the rates have been finalized for the entire contract period (which is 3 years), and it also 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 proposed to consider a 3% year-on-year increase towards upkeep expenses across the Second Control Period, for Tiruchirappalli International Airport.

9.2.16 The Authority noted that upkeep expenses relate to the entire terminal building. However, it is observed that the utilization of designed capacity of the NITB will reach maximum of 80% during the Second Control Period (based on traffic projection as per Table 57). Hence, the Authority is of the view that allowing full upkeep expenses to be passed on to passengers and airlines would not be fair or reasonable, when the terminal is not fully utilized. Accordingly, based on the projected traffic for the Second Control Period, the Authority proposed to consider the upkeep expenses in proportion to the capacity utilization of the NITB in the respective year during the Second Control Period, which are set out below:

Table 78: Upkeep Expenses as submitted by AAI and proposed by Authority at Consultation Stage

(₹ in crore)

Particulars	FY 2025-	FY 2026-	FY 2027-	FY 2028-	FY 2029-	Total
As submitted by AAI (A)	7.15	7.37	7.59	7.82	8.05	37.97
Passenger traffic (B)	2.38	2.62	2.85	3.10	3.38	
Total Capacity (C)	4.45	4.45	4.45	4.45	4.45	
Capacity Utilisation based on pax (D=B/C)	54%	59%	64%	70%	76%	

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Particulars	FY 2025-	FY 2026-	FY 2027-	FY 2028-	FY 2029-	Total
Capacity Utilisation considered by Authority (E)	60%	65%	70%	75%	80%	
Upkeep Expenses proposed by Authority (F=A*E)	4.29	4.79	5.31	5.86	6.44	26.69

IV. Administration and general expenses (CHQ/ RHQ)

- 9.2.17 AAI had claimed for Tiruchirappalli Airport, CHQ/RHQ expenses of ₹12.63 crore for FY 2025–26, being the first tariff year of the Second Control Period, with a proposed annual escalation of 5%. On this basis, the cumulative allocation to Tiruchirappalli International Airport over the five-year Control Period aggregates to ₹69.81 crore. This represents corporate overhead loading on the airport’s revenue requirement.
- 9.2.18 The CHQ and RHQ establishments of AAI provide centralized technical, engineering, financial, planning, HR and policy-level support across the entire airport network. While the stated objective is to ensure based on certain parameters an equitable distribution of corporate costs across all airports irrespective of the size and scale of the concerned airport operations, these expenses predominantly relate to centralized administrative and strategic functions and are not directly attributable to day-to-day aeronautical services delivered at the individual airport level.
- 9.2.19 In the specific case of Tiruchirappalli International Airport, the Authority observes that despite centralized technical oversight and corporate-level planning inputs, the airport had created terminal capacity of approximately 4.45 MPPA, whereas actual passenger throughput stood at 1.95 MPPA in FY 2024–25 and is projected to reach only around 3.03 MPPA by FY 2029–30 (as per AAI) in the last tariff year of the Second Control Period thereby clearly showing unplanned excess capacity which would now be loaded on the current present day users including passengers and also users and passengers of upcoming control periods (2025-30) as even at the end year (2030) of the upcoming control period (2025-30) there is an excess capacity of 1.42 MPPA that would remain unutilized. The created capacity thus significantly exceeds both current and projected traffic demand during the Second Control Period (2025-30). Actually, even the projected traffic remains below the 3.5 MPPA threshold prescribed under Section 2(i) of the AERA, Act, 2008 for classification as a major airport. This shows that the airport had built excessively an over capacity than the traffic demand expected, leading to a big gap between capacity and actual passengers.
- 9.2.20 In such circumstances, apportioning substantial CHQ/RHQ overhead allocations on top of underutilized capacity immensely inflates the per-passenger cost base. As per the cost-relatedness principle prescribed by the International Civil Aviation Organization (ICAO), airport charges must reflect only those costs that are directly and reasonably attributable to the services provided at the concerned airport. This principle mandates a clear link between cost incurred and the services provided at the airport. Any allocation lacking such demonstrable linkage risks distorting the cost base used for tariff determination. Given that aeronautical tariffs are determined on a cost-plus framework, any disproportionate corporate allocation directly translates into upward burden on User Development Fee (UDF), landing charges, parking charges and other aeronautical tariffs, ultimately impacting airlines and passengers.
- 9.2.21 In the light of the above, the Authority is therefore of the considered view that the full allocation of CHQ/RHQ expenses, as proposed, is not commensurate with the airport’s scale of operations, traffic profile, or revenue-generating capacity. Allowing the entire claim would be inconsistent with the ICAO



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cost-relatedness principle and would compromise tariff affordability. Accordingly, for ensuring cost reflectivity, traffic demand alignment and protection of user interests, the Authority proposed to allow only 25% of the claimed CHQ/RHQ expenses for the Second Control Period of Tiruchirappalli Airport. This calibrated regulatory intervention balances the need to ensure that only efficient, justified and proportionate overheads are passed through in tariff determination, thereby promoting economic sustainability of airport operations and safeguarding passenger's interest.

Accordingly, Administration and general expenses (CHQ/ RHQ) proposed by the Authority for the Second Control Period is as below:

Table 79: Administration and general expenses (CHQ/ RHQ) as submitted by AAI and as proposed by the Authority for the Second Control Period at Consultation Stage

(in crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI (A)	12.63	13.27	13.93	14.63	15.36	69.81
% of expense	25%	25%	25%	25%	25%	
As proposed by the Authority (B)	3.16	3.32	3.48	3.66	3.84	17.45
Variance (B-A)	(9.48)	(9.95)	(10.45)	(10.97)	(11.52)	(52.36)

V. Repairs and Maintenance (R&M) expenses

9.2.22 AAI had proposed an increase of 10% towards repair and maintenance from FY 2025-26 to FY 2029-30, for the Second Control Period.

9.2.23 The Authority noted that R&M expenses proposed by AAI for the Second Control Period amounts to ₹ 97.92 crore. The Authority also noted that R&M expenses proposed by AAI for the Second Control Period are within the limit of 6% of the opening RAB (net block of respective tariff year), generally considered by the Authority, for capping of R&M expenses of other airports. Accordingly, the Authority proposed to consider the R&M expenses as projected by AAI for the Second Control Period after applying the revised allocation rates.

Accordingly, Repair and Maintenance expenses proposed by the Authority for the Second Control Period are as under:

Table 80: Repair and Maintenance expenses as submitted by AAI and as proposed by the Authority for the Second Control Period at Consultation Stage

(in crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI	16.05	17.65	19.41	21.34	23.47	97.92
As proposed by the Authority	14.83*	16.30	17.93	19.71	21.68	90.45
% of Opening RAB	1.5%	1.7%	2.0%	2.2%	2.6%	

*Change pertains to application of allocation ratio of 90%

VI. Expenses regarding utilities and outsourcing

9.2.24 The Authority examined the expenses towards utilities and outsourcing and noted the following:

Power expenses

AAI had projected power expenses after netting off the recoveries made from the concessionaires. The Authority noted that AAI had not proposed any increase in the net power costs for the Second Control Period. The Authority proposed to consider the as submitted by AAI.



Utility and outsourcing expenses (other than power expenses)

This head consists of water charges, consumption of stores & spares and hire charges.

The Authority noted that AAI had projected utility and outsourcing expenses (other than power expenses) towards consumption of stores and spares, fees paid towards consultancy/advisory and hire charges (car/jeep), by considering a 10% Y-o-Y increase on the actual expenses incurred in FY 2024-25. AAI had considered ₹ 0.01 crore for FY 2025-26 and increase of ₹ 0.01 crore thereafter.

The Authority is of the view that, all utility and outsourcing expenses (other than power expense) may not increase by 10%, as proposed by AAI Y-o-Y. Therefore, the Authority proposed to consider a 5% increase Y-o-Y as done in other similar airports for consumption of stores and spares, water charges, and hire charges (car/jeep).

The Authority further noted that expenses towards consultancy/advisory fee are inherently dynamic and subject to necessity. Accordingly, considering the uncertainty surrounding the actual incurrence of these expenses, the Authority proposed to consider the same on an actual incurrence basis, at the time of true up of the Second Control Period while determining the tariff for the Third Control Period.

Accordingly, Utility and outsourcing expenses proposed by the Authority for the Second Control Period are as under:

Table 81: Utility and outsourcing expense as submitted by AAI and as proposed by the Authority for the Second Control Period at Consultation Stage

(in crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
As submitted by AAI (A)	17.61	17.72	17.84	17.97	18.11	89.24
As proposed by the Authority (B)	17.20	17.23	17.26	17.29	17.33	86.31
Variance (B-A)	(0.41)	(0.49)	(0.58)	(0.68)	(0.78)	(2.93)

VII. Other outflows- collection charges on UDF

9.2.25 For other outflows, i.e., collection charges on UDF, AAI had considered the growth rate to be the same as that of passenger traffic. The Authority proposed to use the same approach, as it is a reasonable cost driver.

9.2.26 Based on the above observation, the Authority had determined the O&M expenses, which it proposed to consider in the Second Control Period. The same had been presented as follows:

Table 82: Operation and Maintenance (O&M) expenses proposed to be considered by the Authority for the Second Control Period at Consultation Stage

(₹ crore)

Particulars	Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Payroll costs (A)		20.84	22.09	23.42	24.82	26.31	117.48
Retirement benefits of employees of Tiruchirappalli International Airport (B)		1.39	1.48	1.57	1.66	1.76	7.86

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Particulars	Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Total payroll costs (C = A+B)	Table 76	22.23	23.57	24.98	26.48	28.07	125.34
Admin. & other expenses - excluding CHQ/RHQ and upkeep expenses (D)	Table 77	10.22	11.04	11.94	12.93	14.02	60.15
Upkeep expenses (E)	Table 78	4.29	4.79	5.31	5.86	6.44	26.69
Admin. & other expenses - CHQ/RHQ (F)	Table 79	3.16	3.32	3.48	3.66	3.84	17.45
Total Admin & General Expenses (G=D+E+F)		17.67	19.14	20.73	22.45	24.30	104.30
Repair & maintenance Expenses	Table 80	14.83	16.30	17.93	19.71	21.68	90.45
Utilities & outsourcing expenses (includes power & outsourcing)	Table 81	17.20	17.23	17.26	17.29	17.33	86.31
Other outflows		0.30	0.33	0.36	0.40	0.43	1.83
Total O&M expenditure		72.23	76.58	81.27	86.33	91.81	408.22

Note: The variance between O&M expenses proposed by the Authority for the Second Control Period (₹ 408.22 crore) and that claimed by AAI (₹ 565.71 crore) pertains to the following reasons:

- Rationalisation of payroll expenses amounting to ₹ 54.58 crore
- Rationalisation of admin & other expenses (excluding CHQ/RHQ and upkeep expenses) amounting to ₹ 29.05 crore
- Rationalisation of upkeep expenses amounting to ₹ 11.28 crore
- Rationalisation of allocation of CHQ/ RHQ expenses amounting to ₹ 52.36 crore
- Rationalisation of repair and maintenance expenses amounting to ₹ 7.47 crore
- Rationalisation of utilities & outsourcing expenses amounting to ₹ 2.93 crore
- Increase in collection charges on UDF amounting to ₹ 0.19 crore

The Authority expects AAI to bring in efficiency in the operating expenses, so as to provide aeronautical services to users in a cost-effective manner benefitting all stakeholders

9.3 Stakeholders' comments regarding operation and maintenance expenses for Second Control Period

9.3.1 AAI's comment regarding payroll expenses is as follows:

Payroll expenses (Para 9.2.9)

7% is the average increase in the payroll due to annual increment of 3% in salary, increase in HRA, quarterly increase in DA and Employer contribution to PF. In the recent past orders of AAI Major



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Airports, AERA has considered 7% increase.

The following illustration clearly shows that there is an average 7.71% increase in the Payroll expenditure. AAI requests AERA to consider the figures for the SCP as submitted by AAI.

Calculation of incremental increase in salary (in % Terms)											
Particulars (Rs.)	Year 1				Year 2				Total		Difference
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Year1	Year 2	
BASIC	30000	30000	30000	30000	30900	30900	30900	30900	120000	123600	3600
DA	5520	6960	8160	8820	9270	10043	10753	11495	29460	41560	12100
HRA	8100	8100	8100	8100	8343	8343	8343	8343	32400	33372	972
PERKS	10500	10500	10500	10500	10815	10815	10815	10815	42000	43260	1260
EPF	3600	3600	3600	3600	3708	3708	3708	3708	14400	14832	432
Total									238260	256624	18364
DA	18.40%	23.20%	27.20%	29.40%	30.00%	32.50%	34.80%	37.20%			
HRA	27%	27%	27%	27%	27%	27%	27%	27%			
PERKS	35%	35%	35%	35%	35%	35%	35%	35%			
EPF	12%	12%	12%	12%	12%	12%	12%	12%			
Total Increase (in Rs.)	18364										
% increase	7.71										

Assumptions :

Year 1 Means Previous Year

Year 2 Means Current Year

Basic Pay – 3% yearly increase considered.

Dearness Allowance- Quarterly increase considered.

HRA, Perks & EPF – Considered Constant

In the abovementioned example, the Salary expenditure for Year 1 shown as Rs. 238260/- per employee. Whereas, in the year 2 the salary expenditure is shown as Rs. 256624/- per employee. On the basis of above assumptions, the incremental expenditure on the head of salary is Rs. 18364/- per employee which comes out to 7.71% on Year on Year basis.

Also, AERA has proposed to reduce growth rate of Payroll expenses from 7% y-o-y to 6% y-o-y for the second control period resulting lower tariff rate, lower recovery of payroll.

Additional 18% increase proposed by AAI in FY 2027-28 considering the implementation of 8th Pay commission may also considered by AERA to avoid carry forward of shortfall to the Third control period resulting steep hike in tariff for the next control period.

Performance Related Pay (PRP) (Para 9.2.11)

Performance Related Pay (PRP) is part of pay & Allowance and also governed by DPE guidelines. Further it is also dynamic and contingent upon profitability of AAI and employees' performance. Being Impact of Covid-19 AAI had incurred loss in FY 2020-21 & FY 2021-22 resulting no expenses were incurred in FY 2020-21 to FY 2021-22. Thereafter, AAI has been continuously in profit and the PRP expense has been appearing in the books of accounts.

Hence, AERA is requested to consider the proposed PRP for the 2nd control period in line with the



earlier tariff orders of AAI's major airports issued by AERA.

AERA requested to allow PRP to avoid carry forward of shortfall to the Third control period resulting steep hike in tariff for the next control period.

AAI's comment regarding Admn. and general expenses (Other than CHQ/ RHQ)-Interest on Borrowings is as follows:

"It is submitted that Rs.24.93 crores, interest on borrowings is the actual cost of servicing the debt involves cash outflow as well and the same is post capitalization and accordingly has been charged off in books of accounts under head Administrative and general expenses. It has no relevance with calculation of FRoR.

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

9.3.2 AAI's comment regarding Administration and general expenses (CHQ/ RHQ) is as follows:

"As per the direction of AERA, AAI had carried out 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 ICAI 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 to 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 ICAI 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:

- a) 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

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allocation of CHQ and RHQ expenses to the airports:

Weightage assignment for CHQ/ RHQ expense allocation to airports by AAI

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,

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 venue.

- b) 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 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.
- a) 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 MoCA.
- b) 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 ICAI MRF on the AAI's CHQ/RHQ cost allocations to airports, the Authority proposes to consider the recommendations of the revised study report of ICAI submitted by AAI on May 7, 2025, for allocation of CHQ and RHQ expenses to AAI airports.

Conclusion: -

AERA has allowed CHQ and RHQ expenses 25% only for the 2nd Control Period based on the



unutilization of excess capacity of Terminal Building. However, it can be seen from the above study report, the utilization factor is not part of the study of CHQ and RHQ and it may not be restricted based on the utilization as Terminal building has been constructed for next 10 years to cater the future growth and already put to use.

Hence, it is requested AERA to allow the entire cost of CHQ/RHQ expense as proposed by AAI in line with the earlier tariff order of AAI's Major airports (Port Blair, Raipur, Varanasi, Amritsar etc.) issued by AERA."

9.3.3 AAI's comment regarding upkeep expenses is as follows:

"As the Terminal Building is put to use and the major component of MESS contract is Machinery and manpower which will not be reduced due to less PAX as all the toilets and other areas are to be cleaned and Machinery and manpower are deployed in full scale.

The terminal building is planned for the period of 10 years to cater future growth and comparing with the actual utilization with planned utilization for next 10 years is not justified. Since there is no reduction due to less PAX, AERA is requested to allow all the Upkeep expenses."

9.3.4 Indigo's comment regarding operation and maintenance expenses is as follows:

"Para 9.2 of the CP

We submit that Operations and Maintenance (O&M) expenses constitute as one of the major building blocks in the determination of efficient airport tariffs and, therefore, warrant closer scrutiny. In this regard, we note that while the Independent Consultant has reviewed the allocation of O&M expenses proposed by AAI, and AERA has made certain adjustments thereto, a more granular and forward-looking assessment remains necessary. We submit that an independent study focused on efficiency benchmarking, optimal resource planning, and rational allocation of assets would better serve the interests of all users.

Such an independent assessment would provide meaningful insights into cost optimisation opportunities, prudent asset deployment, and efficient O&M expenditure levels, thereby ensuring that only efficient and justifiable costs are allowed for tariff determination, consistent with the principles underlying the AERA Act and the AERA Tariff Guidelines, 2011, thereby minimizing the risk of avoidable O&M costs being passed through to airlines and other airport users."

AAI's response on Stakeholders' comments regarding operation and maintenance expenses for Second Control Period

9.3.5 AAI's response of Indigo's comment is as follows:

"O&M expenses are incurred for operational requirements, regular maintenance of the airport infrastructure and equipment at the airport.

The cost captured by the airports are based on the actual expenditure incurred. To determine the costs, there are detailed tendering mechanisms for every contract and approving authorities as per delegation of powers approved by Board. Further the accounts of airports are subject to C&AG audit on yearly basis."

9.4 Authority's analysis of Stakeholders' comments regarding operation and maintenance expenses for Second Control Period

9.4.1 The Authority notes that AAI has proposed an average increase of 7% in payroll expenses, primarily on



account of annual increments, increase in DA, HRA and statutory contributions.

However, from the illustration provided by AAI, it is observed that there is a sharp increase in DA within a short period, which does not align with the long-term trend. Historical data indicates that DA has increased at an average rate of ~ 5% per annum over the past decade. Accordingly, the Authority considers a more appropriate and realistic growth rate of 6% y-o-y in payroll expenses, in line with the approach adopted for comparable AAI and PPP airports. Hence, the Authority decides to retain the 6% y-o-y increase in payroll expenses in line with proposal at consultation stage.

9.4.2 With respect to AAI's submission regarding one-time increase of ~18% in the payroll expenses in FY 2027-28 on account of 8th Pay Commission, the Authority notes that the Pay Commission has recently been constituted and its recommendations, timing, implementation and impact remains unknown as on date. Hence, such an increase cannot be considered at this stage. The Authority will examine the actual impact, if any, at the time of true up of the Second Control Period, while determining tariff for the next Control Period, subject to reasonableness and efficiency.

9.4.3 Regarding Performance Related Pay (PRP), the Authority notes that such expenses are variable in nature and contingent upon profitability and performance of AAI. This variability is also evidenced in the First Control Period where PRP was incurred only in the select years of the First Control Period. In view of this uncertainty, the Authority decides to consider PRP expenses on actual incurrence basis, at the time of true up of the Second Control Period while determining the tariff for the 3rd Control Period subject to prudence check.

9.4.4 The Authority notes that interest on borrowings has been factored while determining the FRoR. Further, interest incurred during the construction phase is treated as Interest During Construction (IDC) and capitalised as part of the asset base. सत्यमेव जयते

Accordingly, allowing recovery of such interest under Administration and General Expenses post-capitalisation would result in double recovery of financing costs and is therefore not admissible.

The Authority also notes that the reliance placed by AAI on the Amritsar Airport order is context specific and does not warrant a deviation from established regulatory approach, and if so done, will be revisited for any corrective measures at the time of true up exercise. Any adjustment if required, may be examined at the time of true up.

In view of the above, the Authority decides to exclude interest on borrowings amounting to ₹ 24.93 crore from Administration and General Expenses (other than CHQ/RHQ) and retain its stand as taken at the consultation stage.

9.4.5 Regarding Administration and general expenses (CHQ/ RHQ), AAI has claimed CHQ/RHQ expenses of ₹ 12.63 crore for FY 2025-26, being the first tariff year of the Second Control Period, with a proposed annual escalation of 5%. On this basis, the cumulative allocation to Tiruchirappalli International Airport over the five-year Control Period aggregates to ₹ 69.81 crore. This represents corporate overhead loading on the airport's revenue requirement.

The CHQ / RHQ establishments of AAI provide centralized technical, engineering, financial, planning, HR and policy-level support across the entire airport network. While the stated objective is to ensure based on certain parameters an equitable distribution of corporate costs across all airports irrespective of the size and scale of the concerned airport operations, these expenses predominantly relate to centralized administrative and strategic functions and are not directly attributable to day-to-day



aeronautical services delivered at the individual airport level.

In the specific case of Tiruchirappalli International Airport, the Authority observes that despite centralized technical oversight and corporate-level planning inputs, the airport has created excessively high terminal capacity of approximately 4.45 MPPA, whereas actual passenger throughput stood at 1.95 MPPA in FY 2024–25 and is projected to reach only around 3.03 MPPA (as per AAI) (approx. 68% of reconfigured capacity of 4.45 MPPA for the terminal building) by FY 2029–30 i.e. the last tariff year of the Second Control Period thereby clearly showing unplanned excess capacity which would be loaded on the current, present day airport users including passengers and even the users and passengers of the 5 year control periods (2025-30) as even at the end year (2030) of the upcoming control period (2025-30) assuming the projected 3.03 MPPA is achieved then also there is an excess capacity of 1.42 MPPA that would remain unutilized. The created capacity thus significantly exceeds both current and projected traffic demand during the Second Control Period (2025-30). Further, the projected traffic also remains below the 3.5 MPPA threshold prescribed under Section 2(i) of the AERA, Act, 2008 for classification as a major airport. This shows complete lack of scientific and professional planning and design of airport infrastructure resulting in the airport getting built with an excessive over capacity as compared to the traffic demand expected thereby leading to a big utilisation gap.

In such circumstances, apportioning substantial CHQ/RHQ overhead allocations on top of underutilized capacity immensely inflates the per-passenger cost base. As per the cost-relatedness principle prescribed by the International Civil Aviation Organization (ICAO), airport charges must reflect only those costs that are directly and reasonably attributable to the services provided at the concerned airport. This principle mandates a clear link between cost incurred and the services provided at the airport. Allocation lacking such demonstrable linkage risks distorting the cost base used for tariff determination. Given that aeronautical tariffs are determined on a cost-plus framework, any disproportionate corporate allocation directly translates into upward burden on User Development Fee (UDF), landing charges, parking charges and other aeronautical tariffs, ultimately impacting airlines and passengers.

In the light of the above, the Authority is therefore of the considered view that the full allocation of CHQ/RHQ expenses, as proposed, is not commensurate with the airport's created size, scale of operations, traffic profile, or revenue-generating capacity. Allowing the entire claim would be inconsistent with the ICAO cost-relatedness principle and would compromise tariff affordability. Accordingly, for ensuring cost reflectivity, traffic demand alignment and protection of user interests, the Authority proposes to allow only 25% of the claimed CHQ/RHQ expenses for the Second Control Period of Tiruchirappalli Airport. This calibrated regulatory intervention balances the need to ensure that only efficient, justified and proportionate overheads are passed through in tariff determination, thereby promoting economic sustainability of airport operations and safeguarding passenger's interest.

It is further observed that CHQ/RHQ allocation claimed by AAI is 40% of Trichy's payroll expenses. AAI has earned Profit After Tax (PAT) of more than ₹ 7,000 crore in FY 2024-25.

AAI has submitted the Study report for allocation of CHQ/RHQ expenses up to FY 2023-24 and from FY 2024-25, a 5% y-o-y escalation of the expenses has been submitted. However, it is observed that with more AAI airports getting privatised, the number of airports sharing the CHQ/RHQ is getting reduced, thereby increasing the burden on the existing airports, while the leasing income earned from the PPP airports is set aside and not considered in allocation. In this context, AAI has to evolve a new methodology for allocation of CHQ/RHQ expenses, considering the aforesaid factors, instead of a "one size fit" formula for all airports. This would ensure a more equitable and fair distribution of corporate



overheads across airports, taking into account their size, scale of operations, and revenue-generating capacity.

While calculating CHQ/RHQ allocation, AAI has excluded revenues from JVC and PPP airports. It is felt that such revenue has to be used for absorbing CHQ/RHQ allocation for smaller airports like Trichy and for other similar smaller/medium airports of AAI. Moreover, for the Second Control Period as allowed CAPEX is not substantial, it is felt that extensive services of CHQ/RHQ officials may not be required. In the light of the above as elaborated, the stand of the Authority in allowing only a partial amount of CHQ/RHQ expenses is retained.

- 9.4.6 The Authority has examined the submissions made by AAI regarding the upkeep expenses in the context of operationalisation of NITB.

The Authority notes that while certain components of upkeep expenditure, including MESS-related costs are largely fixed in nature, a portion of such expenses remains variable and linked to passenger traffic and utilisation levels.

The Authority has for the Second Control Period based on y-o-y traffic projection has accordingly rationalised the upkeep expenses. It is pertinent to note that in the last tariff year of the Second Control Period, the utilisation of NITB as per the traffic projection of the Authority is not going beyond 76%.

Hence, in such circumstances, the Authority is of the view that allowing full pass-through of upkeep expenses to passengers and airlines would not be fair or reasonable, as it would lead to this inefficiency cost being borne by the users.

The Authority is therefore of the view that upkeep expenses should be moderated in line with the expected level of utilisation. This may be achieved through optimisation measures, including rationalisation of cleaning frequency and deployment of resources, to commensurate with actual traffic levels. Accordingly, the Authority decides to retain its position as proposed at the Consultation stage with regards to the admissibility of upkeep expenses for the purpose of tariff determination for Trichy Airport for the Second Control Period.

- 9.4.7 The Authority has examined the submissions made by Indigo on O&M Expenses and counter submissions made by AAI. Based on the detailed review undertaken by the Independent Consultant and the due diligence carried out on the O&M expenditure, the Authority has already carried out a comprehensive and objective rationalisation of O&M expenses as elaborated in the above paras resulting in a well rationalised, justified, and reasonable O&M expenses.

The Authority further notes that independent benchmarking studies are generally undertaken for airports with larger scale and complexity of operations for coming out with normative benchmarks. Considering the scale of operations at Trichy airport, the Authority is of the view that such a study cannot be done for any specific airport like Trichy at this stage when tariff determination process has already advanced substantially.

- 9.4.8 Based on the above, the Authority decides to consider the O&M expenses as per **Table 82** for the Second Control Period.

9.5 Authority's decisions regarding operation and maintenance expenses for the Second Control Period

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



OPERATION AND MAINTENANCE EXPENSES FOR THE SECOND CONTROL PERIOD

- 9.5.1 To consider O&M expenses for the Second Control Period for Tiruchirappalli International Airport as per Table 82.
- 9.5.2 To true up the O&M expenses incurred by AAI for Tiruchirappalli International Airport, during the Second Control Period, at the time of tariff determination for the third Control Period, subject to reasonableness and efficiency.



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NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

10. NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

10.1 AAI's submission on Non-Aeronautical Revenue (NAR) for the Second Control Period for Tiruchirappalli International Airport

10.1.1 AAI had forecasted revenue from services other than aeronautical services for Tiruchirappalli International Airport as below:

Table 83: NAR projections submitted by AAI for Tiruchirappalli International Airport

(₹ crore)

Particulars (in crore)	2025-26	2026-27	2027-28	2028-29	2029-30	Total
1. Trading concessions						
Restaurant / Snack Bars	2.72	3.00	3.30	3.63	3.99	16.64
T.R. Stall	9.01	9.91	10.91	12.00	13.20	55.03
Hoarding & Display	1.92	2.11	2.32	2.55	2.81	11.71
2. Rent and Services						
Land Rent & Leases	0.19	0.19	0.19	0.22	0.22	0.99
Building Residential	0.04	0.04	0.04	0.05	0.05	0.22
Building non-residential	0.53	0.59	0.65	0.71	0.78	3.26
3. Miscellaneous						
Duty Free Shops	15.91	17.51	19.26	21.18	23.30	97.16
Car Rentals	0.88	0.96	1.06	1.17	1.28	5.35
Car Parking	3.46	3.81	4.19	4.61	5.07	21.15
Admission Tickets	0.13	0.15	0.16	0.18	0.20	0.81
Other Income	2.61	2.74	2.88	3.02	3.17	14.43
Total	37.42	41.01	44.95	49.31	54.06	226.75

10.1.2 The growth rates assumed by AAI have been presented in the Table 84 below.

Table 84: Growth rates assumed by AAI for Tiruchirappalli International Airport for Non-Aeronautical Revenue

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
1. Trading concessions					
Restaurant / Snack Bars	10%	10%	10%	10%	10%
T.R. Stall	10%	10%	10%	10%	10%
Hoarding & Display	10%	10%	10%	10%	10%
2. Rent and Services					
Land Rent & Leases	15%	0%	0%	15%	0%
Building Residential	5%	5%	5%	5%	5%
Building non-residential	10%	10%	10%	10%	10%
3. Miscellaneous					
Duty Free Shops	10%	10%	10%	10%	10%



NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Car Rentals	10%	10%	10%	10%	10%
Car Parking	10%	10%	10%	10%	10%
Admission Tickets	10%	10%	10%	10%	10%
Other Income	5%	5%	5%	5%	5%

10.2 Authority's examination of NAR for the Second Control Period at Consultation Stage

10.2.1 The Authority noted that the total NAR projected by AAI for the Second Control Period is ₹ 226.75 crore for Tiruchirappalli International Airport.

Trading Concession

10.2.2 The Authority noted that AAI is in the process of appointment of master concessionaire at Tiruchirappalli International Airport for restaurants/ snack bars and T.R. stalls, which is expected to be completed by March 2026. Previously, there were Master Concessionaires (MCs) for restaurants/ snack bars and T.R. stalls, which exited their contracts in FY2020-21 due to the pandemic.

Prior to the exit of MCs, the actual revenue in FY 2019-20 from restaurant/snack bar was ₹ 5.07 crore and from T. R. Stall was ₹ 7.74 crore. In order to project the realistic estimate revenue from MCs in FY 2026-27, actual revenues of MCs in FY 2019-20 have been escalated at 10% Y-o-Y. This escalation is a combination of growth in passenger traffic (CAGR of 6.74%) and standard cost inflation (5% Y-o-Y) from FY 2019-20 to FY 2025-26. Based on the above, the estimate revenue in FY 2026-27 from restaurant/snack bar and T. R. Stall is ₹ 9.81 crore and ₹ 15.05 crore respectively.

Beyond FY 2026-27, the trading concession revenue had been projected by Y-O-Y increase of 14% considering the passenger growth and inflation.

Further, the revenues from Hoarding & Display, AAI had projected 10% Y-o-Y increase for Second Control Period, and the Authority proposed to consider the same.

Rent and services

10.2.3 The Authority had examined through its Independent Consultant the revenue from rent and services proposed by AAI as follows: -

- i) Land lease: AAI had proposed 15% growth in FY 2025-26 and further in FY 2028-29, as the land rental rates are revised after the period of 3 years. The Authority proposed to consider the land lease rates as proposed by AAI for the Second Control Period
- ii) Building (residential): AAI had projected 10% Y-o-Y increase for Second Control Period, towards building (residential) and the Authority proposed to consider the same
- iii) Building (non-residential): AAI had projected 10% Y-o-Y increase for Second Control Period, towards building (non-residential) and the Authority proposed to consider the same, as these are administrative/contractual rate increases

Authority had considered the revenues from rent and services amounting to ₹4.47 crore, as proposed by AAI.

Miscellaneous

10.2.4 The Authority had examined through its Independent Consultant the revenue from miscellaneous items



NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

proposed by AAI as follows: -

- i) The Car rental contract had been awarded in March 2024 for a period of 3 years. As per the provisions under the RfP for the car rentals, the License Fee is to be escalated by 20% after completion of contract period of 3 years. Therefore, in FY 2027-28, an escalation of 20% had been considered in the projections.
- ii) Other income growth % had been increased to 10% from 5%, in line with escalations considered for other sub-heads.

10.2.5 Based on the Authority's examination, the NAR determined for Tiruchirappalli International Airport for the Second Control Period had been presented in the Table 85 below:

Table 85: NAR proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period at Consultation Stage

(₹ crore)

Particulars (in INR crore)	2025-26	2026-27	2027-28	2028-29	2029-30	Total
1. Trading concessions						
Restaurant / Snack Bars	2.72	9.81	11.23	12.85	14.71	51.32
T.R. Stall	9.01	15.05	17.23	19.72	22.57	83.58
Hoarding & Display	1.92	2.11	2.32	2.55	2.81	11.71
2. Rent and Services						
Land Rent & Leases	0.19	0.19	0.19	0.22	0.22	0.99
Building Residential	0.04	0.04	0.04	0.05	0.05	0.22
Building non- residential	0.53	0.59	0.65	0.71	0.78	3.26
3. Miscellaneous						
Duty Free Shops	15.91	17.51	19.26	21.18	23.30	97.16
Car Rentals	0.88	0.96	1.16	1.27	1.40	5.67
Car Parking	3.46	3.81	4.19	4.61	5.07	21.15
Admission Tickets	0.13	0.15	0.16	0.18	0.20	0.81
Other Income	2.74	3.01	3.31	3.64	4.01	16.70
Total	37.54	53.22	59.73	66.98	75.10	292.57

10.3 Stakeholders' comments regarding the Non-Aeronautical Revenues for Second Control Period

10.3.1 AAI's comment regarding Non-aeronautical Revenues is as follows:

"AERA has considered FY 2019-20 as base year to project Non-Aero Revenue for the next control period with escalated at 10% Y-o-Y resulting in higher projection. The fact of the case is as under:- Master F&B tenders were floated multiple times and did not result in successful tender. Currently after reduction of MG per Pax the Master Concessionaire tender for F&B has been invited for 17.17 MG per



NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Pax. The revenue considering 17.17 MG per Pax is Rs.56.6 lakhs p.m. and the escalation as per RFP is 5% and tender will be awarded for a period of 7 years. The tender has resulted in single bid and technical evaluation is in process and thus the amount is updated considering that single bid is qualified and awarded and the licensee quotes Minimum MG per PAX of 17.17. The tender is expected to be awarded by April and further there will be gestation period of 4 months which is a concession fee holiday period. Hence, for FY 26-27 – the revenue from Master Concession F&B is considered for 7 months' and further escalation as per NIT is considered for further years (calculation and NIT clause attached).

- **In the header TR stall** – multiple commercial facilities are considered including Master Retail, Money Exchange, Baggage Wrapping, Trolley Retrieval, etc.
 - The Master Retail tenders were floated multiple times and did not result in successful tender. Currently, after reduction of MG per Pax the Master Concessionaire tender for Retail was invited for 7.51 MG per Pax. The tender resulted in single qualified technical bid and financial bid has been opened and the tender is in approval stage. The revenue considering 7.51 MG per Pax is Rs. 27 Lakhs and the escalation as per RFP is 5% and tender will be awarded for a period of 7 years. The tender is expected to be awarded by March and further there will be gestation period of 4 months which is a concession fee holiday period. Hence, for FY 26-27 – the revenue from Master Concession Retail is considered for 8 months and further escalation as per NIT is considered for further years (calculation and NIT clause attached). Money Exchange tender for Departure was awarded at 26.7 lakhs per month, however Money exchange tender for Arrival has resulted in NIL bids and tender was invited with 10% reduction of MRLF the same has also resulted in NIL bids and currently the MRLF is proposed to be further reduced by 20% to 27 lakhs p.m. which may yield revenue of 2.43 cr if awarded from July month. Hence, the revenue from Money Exchange is reduced accordingly.
- Further, regarding DFS it is noted that the escalation is not 10% but dependent on passenger growth for next 3 years of contract period and the current year was only 5% increase based on passenger growth. Also, on shifting to new terminal building the licensee was provided 10% increase in area on pro-rata basis which the licensee has intimated that they want to surrender due to decrease in business potential hence on acceptance of the same, the License fee will decrease by 10% accordingly the calculation is attached for DFS.
- Also, the space rent i.e. Building (Non –Residential) is being increased on 7.5% Y-o-Y basis and not 10%.

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30	Total	Remarks
As per C.P.							
RESTAURANT / SNACK BARS	2.72	9.81	11.23	12.85	14.71	51.32	
As per AAI							
Master Concessionaire		3.73	6.71	7.04	7.39		License Fee with MG per pax of Rs. 17.17/- as per RFP
Snack bar	2.72	1.13					Short term Contract will continue till commencement of MCs
Total	2.72	4.86	6.71		7.39	28.72	



NON-AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30	Total	Remarks
As per AERA							
T.R. STALL	9.01	15.05	17.23	19.72	22.57	83.58	as per AERA projection
As per AAI							
Master Concessionaire	-	2.03	3.20	3.36	3.53		License Fee with MG per pax of Rs.8.19/-as per RFP
Short Term Retail	0.31	-	-	-	-		
Money Exchange	6.52	6.55	7.21	7.93	8.72		Departure awarded for 3 years @ Rs.3.2cr p.a. Arrival is expiring on June post extension and License fee is Rs.31 lakhs p.m and thus Revenue will be Rs. 0.92 cr for 3 months Arrival new tender being invited at Reduced MRLF of Rs.27 lakhs p.m. which may yield revenue of Rs.2.43 cr if awarded from July month.
Baggage Wrapping	1.53	1.68	1.85	2.04	2.24		
Misc items	0.85	0.94	1.03	1.13	1.24		
Total	9.21	9.17	10.08	11.09	12.20	51.76	Revised against Rs.55 cr. as per MYTP

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30	Total	Remarks
Duty Free Shop	15.91	17.51	19.26	21.18	23.30	97.16	as per MYTP
Duty Free Shop	16.75	15.83	16.62	17.45	18.32	84.97	Revised projection

In view of facts and comparison shown above, AERA is requested to consider above while projecting Non-Aero Revenue for the 2nd Control Period."

10.3.2 IATA's comment regarding Non-aeronautical Revenues is as follows:

"Non-aeronautical Revenues Underperformance

IATA notes with concern the significant underperformance in NAR during the First Control Period, with actual NAR amounting to INR 102.51 crs, materially lower than the INR 128.79 crs approved by AERA. This shortfall represents a substantial deviation from projections and has direct implications for aeronautical tariffs under the hybrid-till framework, where 30% of NAR is used to offset aeronautical charges. The NAR underperformance has direct financial consequences for users, further undermining



the balance and fairness as intended by the policy and regulatory framework.

While the early years of the period were affected by COVID-19 disruptions and the termination of key commercial concessionaires, revenue performance did not fully recover even after passenger traffic rebounded from FY 2022-23 onward. Underachievement was recorded across several key categories; F&B, retail, parking, and advertising, reflecting weaknesses in AAI's commercial management and concession oversight.

This shortfall has had a direct impact on airlines. Every rupee of NAR not earned translates into a higher aeronautical cost burden, as the gap is effectively shifted onto users through elevated ARR and tariff requirements. This undermines the efficiency incentives embedded in the hybrid-till model and results in airlines bearing the financial consequences of the airport operator's commercial underperformance.

Looking forward, AAI must strengthen its commercial strategy, revenue assurance, and concession management practices to ensure NAR performance keeps pace with traffic growth and terminal capacity. Improving NAR is critical to minimizing upward pressure on aeronautical charges."

10.4 AAI's response to Stakeholders' comments regarding NAR for Second Control Period

10.4.1 AAI's response of IATA's comment is as follows:

"The projected non-aeronautical revenue of Rs. 128.79 crores during the first control period was based solely on existing airport contracts.

Due to Covid-19, the following measures were undertaken.

- a) *Relief of contractual obligations for the period from 24.03.2020 – 24.05.2020 i.e. no invoice towards the monthly license fee was raised.*
- b) *Pro-rata billing on the license fee by comparing the monthly passenger traffic of current year with corresponding monthly passenger traffic of previous year with effect from 25.05.2020 to 31.12.2020 was extended.*
- c) *Further reduction of 40% (from 01.01.2021 to 30.06.2021) & 20% (from 01.07.2021 to 31.12.2021) on the monthly license fee arrived by prorata billing on the license fee by comparing monthly passenger traffic of current year with corresponding monthly passenger traffic of previous years i.e. average of 2018-19 and 2019-20 was also extended.*

Despite the significant impact of COVID-19 and the closure of several contracts, Trichy Airport has achieved revenue of Rs. 34.12 crores in FY 2024–25, which is very close to the projected figure of Rs. 34.70 crores for the first control period."

10.5 Authority's analysis of Stakeholders' comments regarding the NAR for Second Control Period

10.5.1 The Authority has examined the submissions made by AAI regarding revisions to non-aeronautical revenue projections, including those relating to Food & Beverage (F&B), Travel Retail (TR), Duty-Free Shops (DFS) and Money Exchange services.

The Authority notes that AAI's revised projections are based on recent tender outcomes, including changes in Minimum Guarantee (MG) structures, single-bid situations, and ongoing bid evaluations. While these factors may influence near-term revenue realisation, the Authority is of the view that such

projections are subject to inherent uncertainty, particularly where contracts are yet to be finalised or operationalised.

The Authority further observes that non-aeronautical revenue performance is not solely dependent on passenger throughput but is also influenced by commercial strategy, contract structuring, and the airport's ability to realize its commercial potential. In this regard, the Authority expects AAI to actively optimize non-aeronautical revenues especially considering the substantial international passenger traffic share at Trichy Airport.

In view of the above, the Authority is of the opinion that the projections considered in the Consultation Paper strike a balance between achievable revenue potential and associated factors affecting the same. Accordingly, the Authority retains non-aeronautical projections as set out in the Consultation Paper for the purpose of tariff determination.

The Authority advises AAI to endeavour to increase its non-aeronautical revenue, which will improve its profitability also as only 30% non-aeronautical revenue is considered for cross subsidisation. AAI should ensure timely finalisation of commercial contracts and adopt robust bidding strategies.

- 10.5.2 The Authority has examined the submissions made by IATA and the counter response of AAI regarding the underperformance of NAR during the First Control Period and its potential implications on aeronautical tariffs under the hybrid till framework. The Authority notes that NAR performance was impacted by multiple factors, including the adverse effect of Covid-19 pandemic, temporary relief measures extended to concessionaires, and slower than anticipated recovery in commercial activities at the airport. These factors, to a certain extent, were beyond the control of the airport operator.

The Authority also notes that NAR performance is influenced not only by traffic volumes but also by passenger mix and commercial strategy, and the pace of development and monetisation of airport assets. While certain categories such as retail, F&B, and advertising witnessed underachievement, the Authority expects improvement in line with the recovery in passenger traffic, particularly international traffic and ongoing efforts to enhance the airport's commercial utilisation by airport operator.

With respect to the tariff determination for the Second Control Period, the Authority has undertaken a detailed assessment of the revenue projections, including prudent evaluation of achievable NAR levels for the Second Control Period. The Authority is of the view that the projections considered in the tariff order reasonably reflect the revenue potential of the airport, taking into account historical performance, recovery trends, and future growth prospects.

10.6 Authority's decisions regarding Non-Aeronautical Revenues for the Second Control Period

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

- 10.6.1 To consider NAR for the Second Control Period for Tiruchirappalli International Airport in accordance with **Table 85**.
- 10.6.2 To consider true up of NAR achieved by AAI, at the time of determination of tariff for the Third Control Period, if it is higher than that decided by the Authority in the Second Control Period.

11. TAXATION FOR THE SECOND CONTROL PERIOD

11.1 AAI's submission on taxation for the Second Control Period for Tiruchirappalli International Airport

11.1.1 AAI had 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 Tiruchirappalli International Airport are shown in the table below:

Table 86: Tax Expense submitted by AAI for the Second Control Period

(₹ crore)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Aeronautical revenue (A)	171.51	253.43	305.65	366.22	436.30	1533.10
O&M expenses (B)	100.34	104.54	114.61	120.10	126.13	565.71
Depreciation as per Income Tax Act (C)	105.27	93.89	82.49	72.80	64.49	418.96
Total expenditure D=B+C	205.61	198.43	197.10	192.90	190.62	984.67
Profit Before Tax	(34.11)	55.00	108.55	173.31	245.68	548.43
Balance of C/F losses	(223.18)	-	-	-	-	
Set off prior period tax losses	0.00	-55.00	-108.55	-59.63	0.00	-223.18
PBT after set-off of prior period losses	-34.11	0.00	0.00	113.68	245.68	325.26
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	
Tax	0.00	0.00	0.00	28.61	61.84	90.45

11.2 Authority examination of taxation for the Second Control Period at Consultation Stage

11.2.1 The Authority noted that Tiruchirappalli International Airport had calculated income tax based on the projected aeronautical revenues. The Authority had 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 87: Taxation proposed by the Authority for the Second Control Period at Consultation Stage

(₹ crore)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Aeronautical revenue (A)	132.42	206.78	238.13	274.73	317.71	1169.77
O&M expenses (B) Table 82	72.23	76.58	81.27	86.33	91.81	408.22
Depreciation as per Income Tax Act (C)	94.95	84.61	74.14	65.28	57.70	376.68
Total expenditure D=B+C	167.18	161.19	155.40	151.62	149.51	784.90
Profit Before Tax	(34.76)	45.58	82.73	123.11	168.20	384.87
Set off of prior period tax losses	0.00	(45.58)	(82.73)	(41.88)	0.00	
PBT after set-off of prior period tax losses	(34.76)	0.00	0.00	81.23	168.20	
Balance of C/F losses	(170.19)*	(124.61)	(41.88)			
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	

TAXATION FOR THE SECOND CONTROL PERIOD

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Tax	0.00	0.00	0.00	20.45	42.34	62.78

*Includes carry forward losses of FY 2024-25 amounting ₹ 135.43 crore

Note: The difference in taxation proposed by the Authority for the Second Control Period (₹ 62.78 crore) and that claimed by AAI (₹ 90.45 crore) is on account of the following:

- Decrease in aeronautical revenue amounting to ₹ 363.33 crore.
- Rationalisation of allocated O&M expenses amounting to 157.49 crore.
- Decrease in depreciation by ₹ 42.28 crore

11.3 Stakeholders' comments regarding taxation for Second Control Period

11.3.1 No comments received from Stakeholders regarding taxation for Second Control Period.

11.4 Authority's analysis of Stakeholders' comments regarding taxation for Second Control Period

11.4.1 Considering the Aeronautical Revenue, O&M expenses and CAPEX determined by the Authority for the Second Control Period for Tiruchirappalli International Airport as per **Table 97**, **Table 82** and **Table 60**, the Authority has recomputed the Aeronautical taxation, which it decides to consider for the Second Control Period. The same is as follows:

Table 88: Taxation decided by the Authority for Second Control Period

(₹ crore)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Aeronautical revenue (A)	132.42	199.35	238.13	274.73	317.71	1,162.35
O&M expenses (B) (Table 82)	72.23	76.58	81.27	86.33	91.81	408.22
Depreciation as per Income Tax Act (C)	113.36	101.06	88.73	78.19	69.09	450.42
Total expenditure D=B+C	185.59	177.63	170.00	164.52	160.90	858.65
Profit Before Tax	(53.16)	21.72	68.13	110.20	156.81	303.71
Set off of prior period tax losses	0.00	(21.72)	(68.13)	(110.20)	(17.21)	-217.26
PBT after set-off of prior period tax losses	(53.16)	0.00	0.00	0.00	139.61	
Balance of C/F losses	(217.26)*	(195.54)	(127.41)	(17.21)		
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	
Tax	0.00	0.00	0.00	0.00	35.14	

*Includes carry forward losses of FY 2024-25 amounting ₹ 164.10 crore

11.5 Authority's decisions regarding taxation for the Second Control Period

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

- To consider the taxation for the Second Control Period for Tiruchirappalli International Airport as per **Table 88**.
- To true up the aeronautical tax amount for the Second Control Period based on actual building blocks at the time of tariff determination for the Third Control Period.



12. QUALITY OF SERVICE FOR THE SECOND CONTROL PERIOD

12.1 AAI submission on quality of service for the Second Control Period for Tiruchirappalli International Airport

12.1.1 Tiruchirappalli International Airport had not made any submission related to quality of service as part of its MYTP submission. The Authority was informed that the same is available on AAI's website (station-wise).

12.2 Authority's examination regarding quality of service for the Second Control Period at Consultation Stage

12.2.1 The Authority noted that:

- a) 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."*
- b) 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 noted from AAI's website that the ACI ASQ survey results for Tiruchirappalli International Airport for the years 2019 to 2025(Q4) have been in the range of 4.52 to 4.94 (overall score), as against the average score of AAI Airports which ranges from 4.60 to 4.87.

Table 89: ASQ rating for Tiruchirappalli International Airport for the years 2025

Calendar Year (CY)	ASQ rating
2025 (Q4)	4.94

12.2.3 The Authority noted that the ASQ rating awarded to Tiruchirappalli International Airport is close to the average rating of the AAI airports and the same is more than the required overall airport satisfaction score of 4.50 on ACI ASQ Survey ratings, 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 Tiruchirappalli International Airport, as the ASQ rating of the airport is closer to the average of score of AAI Airports.

12.2.5 The Authority had also issued Consultation Paper No 03/2025-26 dated August 18, 2025 on the "Formulation of Performance Standards for Major Airports relating to Quality, Continuity and Reliability of Services and Associated Activities." The final order will be issued in due course and shall be applicable to AAI as and when the same becomes effective and applicable to major airports.

12.3 Stakeholders' comments regarding Quality of Service for the Second Control Period

12.3.1 No comments received from Stakeholders regarding Quality of Service for the Second Control Period.

12.4 Authority's analysis of Stakeholders' comments regarding Quality of Service for the Second Control Period

12.4.1 The Authority noted that no comments have been received from the Stakeholders regarding Quality of Service for the Second Control Period. Hence, the Authority decides not to make any adjustment towards tariff determination for the Second Control Period on account of Quality of Service at



Tiruchirappalli International Airport, consistent with the proposal made in the Consultation Paper No. 06/2025-26 dated February 27, 2026.

12.5 Authority's decisions regarding quality of service for the Second Control Period

Based on the material before it and its analysis, the Authority decides the following with regard to quality of service for the Second Control Period:

- 12.5.1 AAI should ensure that service quality at Tiruchirappalli International Airport comply with such performance standards as may be notified pursuant to the final order referred to in para 12.2.5, once the same becomes applicable.



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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 Tiruchirappalli International Airport

13.1.1 In its MYTP dated July 25, 2025, AAI submitted the Aggregate Revenue Requirement (ARR) for the Second Control Period, based on various Regulatory Building Blocks as detailed in the respective chapters of this tariff order. The computed ARR by AAI is presented in the table below:

Table 90: ARR submitted by AAI for Tiruchirappalli International Airport for the Second Control Period

(₹ crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Average RAB = A	1080.53	1072.78	1027.21	980.91	922.84	
Fair Rate of Return = B	11.61%	11.61%	11.61%	11.61%	11.61%	
Return on average RAB C=A*B	125.45	124.55	119.26	113.88	107.14	590.28
Depreciation = D	55.16	58.16	58.90	59.63	56.49	288.34
O&M expenses = E	100.34	104.54	114.61	120.10	126.13	565.71
Tax expense = F	0.00	0.00	0.00	28.61	61.84	90.45
Shortfall carried forward from First Control Period	357.39					357.39
ARR per year = Sum (C:F)	615.89	262.64	265.80	292.64	319.16	1756.13
NAR	37.42	41.01	44.95	49.31	54.06	226.75
Less: 30% NAR	11.23	12.30	13.49	14.79	16.22	68.02
Net ARR	627.11	274.94	279.28	307.44	335.38	1824.15
Discount factor (@ 11.61%)	1.00	0.88	0.77	0.67	0.59	
PV of ARR (₹ crore)	627.11	241.18	214.90	207.51	198.57	1489.27

13.1.2 Subsequently, vide its letter dated November 28, 2025, AAI submitted an additional capital expenditure (CAPEX) of ₹ 43.91 crore for the Second Control Period. However, AAI did not provide a revised computation of ARR to reflect this updated CAPEX.

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

13.2.1 The Authority undertook a detailed and comprehensive review of each Regulatory Building Block, as discussed in the relevant chapters, to ensure that all assumptions, cost elements, and revenue components are carefully examined and aligned with regulatory principles. This assessment has been carried out in a structured and transparent manner, with due consideration to efficiency and prudence checks.

13.2.2 Based on this rigorous evaluation and a reasoned approach to each component of the regulatory framework, the Authority has determined the Aggregate Revenue Requirement (ARR) along with the corresponding Yield per Passenger (YPP) as presented in the below table to seek stakeholder feedback, comments, and suggestions, thereby enabling a consultative and evidence-based tariff determination



AGGREGATE REVENUE REQUIREMENT FOR THE SECOND CONTROL PERIOD

process.

Table 91: ARR proposed to be considered by the Authority for the Second Control Period at Consultation Stage

(₹ crore)

Particulars	Table Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Average RAB (A)	Table 64	951.38	917.40	887.04	853.31	806.24	
Fair Rate of Return (B)	Table 69	11.61%	11.61%	11.61%	11.61%	11.61%	
Return on average RAB (C= A*B)		110.45	106.51	102.99	99.07	93.60	512.62
Depreciation (D)	Table 62	44.47	45.37	46.27	47.12	47.02	230.25
O&M expenses (E)	Table 82	72.23	76.58	81.27	86.33	91.81	408.22
Tax expense (F)	Table 87	0.00	0.00	0.00	20.45	42.34	62.78
Shortfall carried forward from First Control Period (G)		235.09					235.09
ARR (H =SUM (C: G))		462.25	228.46	230.52	252.97	274.77	1,448.97
NAR	Table 85	37.54	53.22	59.73	66.98	75.10	292.57
Less: 30% NAR (I)		11.26	15.97	17.92	20.09	22.53	87.77
Net ARR (H-I)		450.98	212.49	212.61	232.88	252.24	1,361.20
Discount factor (@11.61%)		1.00	0.90	0.80	0.72	0.64	
PV of ARR (₹ crore)		450.98	190.39	170.67	167.50	162.56	1,142.10
Sum present value of ARR (₹ crore)						1,142.10	1,142.10
Total traffic (MPPA)						14.34	14.34
Yield per Passenger on total traffic (YPP) (₹)						796.31	796.31
Departing passengers (MPPA)						7.17	7.17
Yield per Departing Passenger (₹)						1,592.62	1,592.62

13.2.3 The Authority had determined PV of ARR of ₹ 1,142.10 crore, as against the PV of ARR of ₹ 1,489.27 crore proposed by AAI. The variation of ₹ 347.17 crore between the ARR proposed by the Authority and that claimed by AAI are attributable to the following factors:

- Rationalisation of CAPEX (refer Table 59) amounting to ₹ 75.93 crore, resulting in reduction of depreciation and return on RAB.
- Rationalisation of O&M expenses like payroll expenses, CHQ/ RHQ allocation, admin and general expenses, R&M expenses etc. amounting to ₹ 157.49 crore resulting in commensurate reduction in O&M.
- Increase in cross subsidy amount from NAR due to rationalisation of Non-aeronautical revenue.



- d) 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 Stakeholders' meeting and comments regarding Aggregate Revenue Requirement (ARR) for the Second Control Period

13.3.1 Subsequent to the issuance of the Consultation Paper, a Stakeholder Consultation Meeting was held on 17.03.2026 in which stakeholders were present both physically and online. During the meeting, AAI made a detailed presentation elaborating on item wise CAPEX that needed to be considered based on requisite justification. Subsequently, AAI also gave their written comments on the issues/ CAPEX items included in their presentation during stakeholder meeting as well as on other issues in the Consultation Paper. AAI comments mainly pertains to:

- Consideration of capital expenditure (CAPEX) for periods prior to the First Control Period, true-up of the First Control Period due to cost escalations/ operational reasons and projections for the Second Control Period (para 4.5.23 to 4.5.41 and para 6.6.1)
- Revised traffic projections for the Second Control Period (para 5.3.1)
- Revised FRoR for true up of First Control Period and Second Control Period (para 4.6.6 & para 7.3.1)
- Expenses related to Payroll, CHQ/RHQ allocation, Upkeep expenses, Interest on term loan, etc (para 4.8.9, para 9.3.1 to 9.3.3)
- Consideration of Revised NAR (para 10.3.1)

13.3.2 In addition to AAI's submission, other stakeholders, IATA and Indigo, submitted their comments in writing to the Authority mainly on the following issues:

- Capacity planning and demand (para 6.6.2)
- Underperformance of NAR (para 10.3.2)
- Rationalisation of aeronautical charges (para 14.3.1 & para 14.3.2)

13.4 Authority's analysis of Stakeholders' comments regarding Aggregate Revenue Requirement (ARR) for the Second Control Period

13.4.1 It is submitted that during the 30 days stakeholder consultation process, the Authority received written submissions from AAI, IndiGo, and International Air Transport Association. Subsequently, counter comments were received from AAI on the comments from other stakeholders. All comments/suggestions and counter comments have been carefully examined and addressed in detail in the relevant chapters of this Tariff Order, ensuring a transparent and consultative approach.

With respect to Capital Expenditure, it is pertinent to note that the Ministry of Civil Aviation has approved a cost escalation of ₹ 161.21 crore towards the New Integrated Terminal Building (NITB) and associated airside infrastructure/facilities. Further, AAI, both during the stakeholder consultation meeting and through written submissions, requested that the unapproved CAPEX incurred during the First Control Period (FY 2020–25), necessitated by operational requirements and regulatory obligations, be duly considered under the regulatory framework. Overall, AAI requested for inclusion of an additional CAPEX of ~ ₹ 275 crore as elaborated at para 4.5.23 to 4.5.41. The Authority has carefully reviewed these submissions to ensure that only necessary and justified capital expenditure is considered, in line with established regulatory principles.

After due evaluation, the Authority has allowed an additional CAPEX of ~ ₹ 189 crore, covering both the approved escalation and the unapproved but justified CAPEX as discussed in detail in para 4.5.46

AGGREGATE REVENUE REQUIREMENT FOR THE SECOND CONTROL PERIOD

to 4.5.68. The inclusion of this CAPEX in the true-up of the First Control Period, as part of the Regulatory Asset Base (RAB), has led to a consequential increase in return on RAB and depreciation across the First and Second Control Periods. As a result, the Aggregate Revenue Requirement (ARR) has increased from ₹ 1,142.10 crore (as proposed in the Consultation Paper) to ₹ 1,274.19 crore (as determined in this Order).

13.4.2 The recomputed ARR after considering the stakeholder comments on merits is given below:

Table 92: ARR decided by the Authority for the Second Control Period

(₹ crore)

Particulars	Table Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Average RAB (A)	Table 68	1116.53	1066.31	1027.64	985.60	930.22	
Fair Rate of Return (B)	Table 69	11.61%	11.61%	11.61%	11.61%	11.61%	
Return on average RAB (C= A*B)		129.63	123.80	119.31	114.43	108.00	595.16
Depreciation (D)	Table 67	53.77	53.68	54.58	55.42	55.34	272.79
O&M expenses (E)	Table 82	72.23	76.58	81.27	86.33	91.81	408.22
Tax expense (F)	Table 88	0.00	0.00	0.00	0.00	35.14	35.14
Shortfall carried forward from First Control Period (G)	Table 46	283.68	0.00	0.00	0.00	0.00	283.68
Gross ARR (H =SUM (C: G))		539.31	254.06	255.15	256.19	290.29	1595.00
NAR	Table 85	37.54	53.22	59.73	66.98	75.10	292.57
Less: 30% NAR (I)		11.26	15.97	17.92	20.09	22.53	87.77
ARR (J=H-I)		528.05	238.09	237.24	236.09	267.76	1,507.23
Discount factor (@11.61%)		1.00	0.90	0.80	0.72	0.64	
PV of ARR (₹ crore)		528.05	213.32	190.45	169.82	172.56	1,274.19
Sum present value of ARR (₹ crore)						1,274.19	1,274.19
Total traffic (MPPA)						14.34	14.34
Yield per Passenger on total traffic (YPP) (₹)						888.41	888.41
Departing passengers (MPPA)						7.17	7.17
Yield per Departing Passenger (₹)						1,776.81	1,776.81
PV of ARR allowed during Second Control Period, after carry forward of ₹ 369.63 crore (i.e. 29.01% of PV of ARR), subject to conditions mentioned below at para 13.4.7 (para 13.4.3 to 13.4.8)							904.56 (70.99% of ₹ 1,274.19 cr)
Subject to above, the Aeronautical Revenue is as follows-							
Aeronautical Revenue	Table 97	132.42	199.35	238.13	274.73	317.71	1162.35
PV factor		1.00	0.90	0.80	0.72	0.64	
PV of aero revenue		132.42	178.62	191.17	197.60	204.75	904.56
∑ PV projected aero revenue						904.56	904.56
Shortfall						369.63	369.63

13.4.3 The Authority, based on the deliberations held during the Stakeholder Consultation Meeting on March 17, 2026 and the written submissions received from various stakeholders, has undertaken a comprehensive assessment of the incurred and proposed capital expenditure (CAPEX) alongside the



prevailing traffic base at the airport. Upon such evaluation, the Authority observes that the current revenue base is insufficient to enable full recovery of the Aggregate Revenue Requirement (ARR) within the present Control Period as determined in **Table 92**.

- 13.4.4 In this regard, it is submitted that any attempt to achieve complete recovery of the ARR during this control period would result into a significant increase in airport charges including UDF for passengers and Landing Parking for airlines. In the Authority's considered view as well as views of few stakeholders during the Stakeholder Consultation Meeting, such an increase may adversely impact passenger traffic growth, demand elasticity, and the overall competitiveness of the airport. Moreover, a steep tariff revision, particularly against the background of a moderate traffic levels during the Control Period, would hinder the airport's long-term growth trajectory.
- 13.4.5 Further, upon detailed examination and rationalization of the ARR components including admissible CAPEX, operating expenditure, and traffic projections, the Authority after comprehensive analysis, due diligence and prudence check has rationalised and moderated the various regulatory building blocks i.e. RAB (Capex), O&M, NAR, Traffic etc. and has worked out an ARR and YPP as per its regulatory guidelines which though significantly moderated and fairly justified is still on the higher side when translated to UDF and Landing & parking charges since the traffic base and growth is very moderate. Further, the Authority also observes that despite centralized technical oversight and corporate-level planning inputs, the airport has created terminal capacity of approximately 4.45 MPPA, whereas actual passenger throughput stood at 1.95 MPPA in FY 2024-25 and is projected to reach only around 3.03 MPPA by FY 2029-30 (as per AAI) in the last tariff year of the Second Control Period i.e. just 68% of the created capacity of 4.45 MPPA thereby clearly showing a huge unplanned excess capacity which would now get loaded on the present day users of airport including passengers as well as on the users and passengers during the remaining years of the Second Control Period (2025-30) and even then in the last year (2030) of the Second Control Period (2025-30) there would still be an excess capacity of 1.42 MPPA (32% of the created capacity) that would remain unutilized. The created capacity thus significantly exceeds both current and projected traffic demand during the Second Control Period (2025-30). However, the projected traffic also remains below the 3.5 MPPA threshold prescribed under Section 2(i) of the AERA, Act, 2008 for classification of an airport as a major airport. This shows that the airport has built an excessive over capacity irrespective of the expected traffic demand, leading to a big gap between airport capacity and actual passenger traffic.
- 13.4.6 While the Authority acknowledges that capacity augmentation is important from a long-term planning perspective, it is equally critical to ensure that the financial burden arising from such excess capacity is not disproportionately passed on to airport users, particularly when a substantial portion of the capacity remains unutilized.
- 13.4.7 As elaborated above it is very clear that in the Second Control Period (2025-30), the airport capacity that remains unutilized in the last year of Second Control Period is almost 32% of the created capacity of 4.45 MPPA. The Airport Operator (AAI), in its Multi-Year Tariff Proposal (MYTP), has also proposed 23.82% of the ARR to be carried forward to the subsequent Control Period. After careful consideration of stakeholder interests and with a view to balancing the financial viability of the Airport Operator with tariff affordability for users, the Authority has decided to allow the carry forward of 29.01% of the ARR to the next Control Period (refer **Table 97**). This carry forward would be suitably considered in the next Control Period based on necessary and relevant factors related to capacity utilization vis-à-vis traffic growth achieved during the Second Control Period. The Authority further stipulates that if the airport achieves a utilization level of airport capacity equivalent to a passenger

traffic of 3.63 MPPA i.e. equal to the original designed airport capacity of 3.63 MPPA by 31st March, 2030 i.e. the last year of the Second Control Period (2025-30), then only the applicable carrying cost on the actual worked out carry forward amount would be considered in the next Control Period. This is consistent with the standard regulatory practice of profiling remuneration on the Capex in line with its utilization by the users and that tariff recovery to be in accordance with the capacity utilization vis-à-vis traffic growth. This conditional provision is intended to incentivize efficient utilization of existing infrastructure and to ensure that tariff recovery remains aligned with actual traffic growth and service delivery outcomes.

13.4.8 In view of the foregoing, the Authority is of the considered opinion that only such portion of the investment that is likely to be effectively utilized and is commensurate with actual traffic levels should be included in the ARR for tariff determination during the current Control Period. This approach is consistent with the principles of cost-relatedness, tariff reasonableness, and protection of user interests.

13.5 Authority's decisions regarding Aggregate Revenue Requirement (ARR) for the Second Control Period

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

13.5.1 To consider the ARR and YPP for the Second Control Period for Tiruchirappalli International Airport in accordance with **Table 92** subject to conditions mentioned at para 13.4.7 (para 13.4.3 to 13.4.8).

13.5.2 To true up the ARR and YPP for the Second Control Period based on the actuals subject to conditions mentioned at para 13.4.7 (para 13.4.3 to 13.4.8), at the time of tariff determination of Third Control Period.

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14. AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

14.1 AAI's Submission on aeronautical revenue for the Second Control Period for Tiruchirappalli International Airport

14.1.1 AAI had proposed to increase the aeronautical tariffs with effect from September 1, 2025 as per the schedule below:

- Landing charges** –AAI had proposed one-time increase of 78% & 48% for domestic & international respectively from the existing charges w.e.f. September 1, 2025 and thereafter 10% increase Y-o-Y.
- Parking charges** - AAI had proposed one-time increase of 45% for domestic & international respectively from the existing charges w.e.f. September 1, 2025 and thereafter 6% increase Y-o-Y
- User Development Fee (UDF)** – AAI had proposed the following UDF rates w.e.f. September 1, 2025.

Table 93: Increase in UDF rates proposed by AAI

Particulars	FY 2024-25 (April 1, 2025, to August 31, 2026) Existing rates	FY 2025-26 (September 1, 2025, to March 31, 2026)	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Domestic UDF	600.00	1200	1300	1400	1500	1600
Embarking		800	850	900	950	1000
Disembarking		400	450	500	550	600
Domestic UDF (% increase)		100%	8.33%	7.69%	7.14%	6.67%
International UDF	800.00	1400	1600	1800	2000	2200
Embarking		1000	1100	1200	1300	1400
Disembarking		400	500	600	700	800
International UDF (% increase)		75%	14.29%	12.50%	11.11%	10.00%

Table 94: Aeronautical revenue submitted by AAI for Tiruchirappalli International Airport for the Second Control Period

(₹ crore)

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Parking charges	0.60	0.84	0.99	1.17	1.39	4.99
UDF charges	117.57	178.45	215.44	257.37	304.82	1073.64
Landing charges	41.53	61.24	75.19	92.33	113.39	383.68
CUTE charges	2.39	2.63	2.86	3.10	3.37	14.35
Ground handling charges	7.03	7.77	8.55	9.42	10.38	43.15
Royalty from AAICLAS	1.15	1.21	1.27	1.33	1.40	6.35
Space rent from airlines	0.71	0.76	0.82	0.88	0.95	4.12

AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Land lease	0.53	0.53	0.53	0.61	0.61	2.81
Extn. of watch hrs	0.00	0.00	0.00	0.00	0.00	0.00
Total revenue	171.51	253.43	305.65	366.22	436.30	1533.10

14.2 Authority's examination of aeronautical revenue for the Second Control Period at the Consultation Stage

14.2.1 Based on the rationalisation proposed by the Authority on the various regulatory building blocks (as discussed in the previous chapters), the Authority had derived the PV of ARR as ₹ 1,142.10 crore (as per Table 91) for the Second Control Period. Further, Authority proposed to increase the landing and parking charges on the following basis:

- a) One time increase of 100% in domestic landing charges and 100% in international landing charges w.e.f. April 1, 2026, and 10% increase Y-o-Y for the remaining tariff years of the Second Control Period.
- b) One time increase of 100% in domestic & international parking charges w.e.f. April 1, 2026, and 6% increase Y-o-Y for the remaining tariff years of the Second Control Period.

14.2.2 Considering the incurred and proposed CAPEX and the existing traffic base, the same is not sufficient for the complete recovery of the ARR. To recover the same, it would require a significant increase in tariff, which under current circumstances could adversely impact traffic projections and the airport's growth prospects.

14.2.3 Recognizing the above constraint, airport operator (AAI) had consciously proposed a recovery of 76.18% of the ARR in this Control Period (by carrying forward ~23.82% of the under-recovery to the next Control Period), acknowledging the limitations of the present traffic base and the fact that a major portion of the airport's revenue is derived from UDF collections (~70%). After rationalisation of each building block, the Authority proposed to carry forward 20.22% of ARR for the Second Control Period to the next control period.

14.2.4 Considering all the above factors, the Authority proposed the domestic UDF charges for the Second Control Period for Tiruchirappalli International Airport as follows:

Table 95: UDF charges proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period

Passenger	FY 2025-26 (Existing)	FY 2026-27 (from April 1, 2026)	FY 2027-28	FY 2028-29	FY 2029-30
Domestic (in ₹)					
Domestic (embarking)	600	550	574	595	616
Domestic (disembarking)		235	246	255	264
Total	600	785	820	850	880
International (in ₹)					
International (embarking)	800	665	672	679	686
International (disembarking)		285	288	291	294



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Passenger	FY 2025-26 (Existing)	FY 2026-27 (from April 1, 2026)	FY 2027-28	FY 2028-29	FY 2029-30
Total	800	950	960	970	980

14.2.5 The Authority had determined the aeronautical revenue based on the proposed aeronautical charges as follows:

Table 96: Aeronautical revenues proposed to be considered by the Authority for the Second Control Period at consultation stage

(*₹ crore*)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Total PV of ARR (₹ in crore) including true up (A) (as per Table 91)					1,142.10	1,142.10
Aeronautical revenue						
Parking charges	0.48	1.10	1.31	1.55	1.83	6.27
UDF charges	86.63	116.74	129.58	143.53	158.98	635.46
Landing charges	32.48	74.91	91.99	112.97	138.75	451.10
CUTE charges	2.92	3.21	3.49	3.80	4.13	17.55
Ground handling charges	7.53	8.31	9.14	10.06	11.07	46.11
Royalty from AAICLAS	1.15	1.21	1.27	1.33	1.40	6.35
Space rent from airlines	0.71	0.76	0.82	0.88	0.95	4.12
Land lease – oil companies / ground handling companies	0.53	0.53	0.53	0.61	0.61	2.81
Extn. of watch hrs	0.00	0.00	0.00	0.00	0.00	0.00
Total revenue (B)	132.42	206.78	238.13	274.73	317.71	1169.77
PV factor	1.00	0.90	0.80	0.72	0.64	
PV of aero revenue (C)	132.42	185.27	191.17	197.60	204.75	911.21
Σ PV projected aero revenue (D)					911.21	911.21
Surplus/ (shortfall) proposed to be carried forward for next Control Period (D) – (A)					230.89	230.89

14.2.6 AAI had proposed a recovery of ~70% of aeronautical revenue from UDF. The Authority had proposed a recovery of ~55% of aeronautical revenue from UDF to balance the interest of all stakeholders.

14.2.7 As per the Authority's proposals at the Consultation stage (*Table 96*), AAI is entitled to recover an ARR of ₹ 1,142.10 crore (in NPV terms) in respect of the Second Control Period. The present value of total projected aeronautical revenues as per the Authority, including proposed landing, parking and UDF charges is ₹911.21 crore, thus resulting in a net under recovery of ₹ 230.89 crore (20.22% of PV of

ARR), which the Authority proposed to carry forward to the next Control Period.

14.3 Stakeholders’ comments received regarding Aeronautical Revenue for the Second Control Period

During the Stakeholders’ consultation process, the Authority has received comments/ views from IATA and Indigo in response to the proposals of the Authority in the Consultation Paper No. 06/2025-26 dated February 27, 2026. The comments are presented below:

14.3.1 IATA’s comment on Aeronautical revenue is as follows:

“Tariff Structure and Cost Recovery Profile

- *The proposed tariff path includes a significant increase in landing and parking charges, followed by compounding annual increases. These are movement-based charges and therefore have a disproportionate impact on route economics, particularly for short haul and price and sensitive operations. While moderation of UDF is noted, reductions in passenger-based charges do not fully offset sharp increases in movement- based costs.*
- *A steep front-loaded recovery of Aggregate Revenue Requirement (ARR) risks dampening demand and may affect airline capacity deployment decisions at Tiruchirappalli, potentially undermining the very traffic growth assumed in the Consultation Paper.*
- *IATA suggests that a more gradual recovery of ARR, aligned with the progressive improvement in capacity utilization, would better balance airport financial sustainability with traffic growth and affordability. Deferring part of the recovery to later control periods, when demand is more closely aligned with installed capacity, would reduce the risk of near-term traffic suppression.*

IATA appreciates the Authority’s continued emphasis on prudence, capacity-linked CAPEX and user protection. Strengthening AUCC consultation discipline, calibrating traffic forecasts to observable airline behaviour, and moderating the pace of tariff recovery would further reinforce regulatory predictability and long-term growth at Tiruchirappalli International Airport.

14.3.2 Indigo’s comment on Aeronautical revenue is as follows:

Particulars	Unit	Existing Rates	Tariff Proposed by Airport Operator			
TABLE A: Landing Charges						
		FY 2025-26 (Tariff w.e.f) (01.04.25- 31.03.26) Existing Rate	FY 2026- 27 (Tariff w.e.f) (01.04.26- 31.03.27)	FY 2027-28 (Tariff w.e.f) (01.04.27- 1.03.28)	FY 2028-29 (Tariff w.e.f) (01.04.28- 31.03.29)	FY 2029-30 (Tariff w.e.f) (01.04.29- 31.03.30)
DOMESTIC		0	0	0	0	0
Eg: Impact on A320 (Rs.)	79 MT	27717	55433	60977	67074	7.3781
Variance % from existing			100%	120%	142%	166%
Variance % from YOY			100%	10%	10%	10%
INTERNATIONAL		0	0	0	0	0



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<i>Eg: Impact on A320 (Rs.)</i>	79 MT	53195	106391	117030	128733	141606
<i>Variance % from existing</i>			100%	120%	142%	166%
<i>Variance % from YOY</i>			100%	10%	10%	10%

TABLE B: Parking Charges

<i>Particulars</i>	<i>Unit</i>	<i>Existing Rates</i>	<i>Tariff Proposed by Airport Operator</i>	<i>Particulars</i>	<i>Unit</i>	<i>Existing Rates</i>
	<i>INR/Hr/MT in excess of 50MT</i>	<i>FY 2025-26 (Tariff w.e.f) (01.04.25-31.03.26) Existing Rate</i>	<i>FY 2026-27 (Tariff w.e.f) (01.04.26-31.03.27)</i>	<i>FY 2027-28 (Tariff w.e.f) (01.04.2731.03.28)</i>	<i>FY 2028-29 (Tariff w.e.f) (01.04.28-31.03.29)</i>	<i>FY 2029-30 (Tariff w.e.f) (1.04.29-31.03.30)</i>
DOMESTIC <i>(for 1st 2 chargeable hrs)</i>		0	0	0	0	0
<i>For next 4 hours</i>	79 MT	5.8	11.6	12.3	13.03	13.52
<i>Variance % from existing</i>			100%	112%	125%	138%
<i>Variance % from YOY</i>			100%	6%	6%	6%
<i>For subsequent hours</i>	79 MT	11.6	23.2	24.59	26.07	27.63
<i>Variance % from existing</i>			100%	112%	125%	138%
<i>Variance % from YOY</i>			100%	6%	6%	6%
INTERNATIONAL (for 1st 2 chargeable hrs)		0	0	0	0	0
<i>For next 4 hours</i>	79 MT	7.1	14.2	15.05	15.96	16.91
<i>Variance % from existing</i>			100%	112%	125%	138%
<i>Variance % from YOY</i>			100%	6%	6%	6%
<i>For subsequent hours</i>	79 MT	14.2	28.4	30.1	31.91	33.82
<i>Variance % from existing</i>			100%	112%	125%	138%
<i>Variance % from YOY</i>			100%	6%	6%	6%

TABLE C: UDF Charges



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<i>Particulars</i>	<i>Unit</i>	<i>Existing Rates</i>	<i>Tariff Proposed by Airport Operator</i>	<i>Particulars</i>	<i>Unit</i>	<i>Existing Rates</i>
		FY 2025-26 (Tariff-w.e.f) (01.04.25-31.03.26) Existing Rate	FY 2026-27 (Tariff w.e.f) (01.04.26-31.03.27)	FY 2027-28 (Tariff w.e.f) (01.04.27-31.03.28)	FY 2028-29 (Tariff w.e.f) (01.04.28-31.03.29)	FY 2029-30 (Tariff w.e.f) (1.04.29-31.03.30)
DOMESTIC	<i>Per Embarking</i>	600.00	550.00	574	595.00	616.00
<i>Variance % from existing</i>			-8%	-4%	-1%	3%
<i>Variance from YOY</i>			-8%	4%	4%	4%
INTERNATIONAL	<i>Per Embarking</i>	800.00	665.00	672.00	679.00	U86 no
<i>Variance % from existing</i>			-17%	-16%	-15%	-14%
<i>Variance from YOY</i>			-17%	1%	1%	1%
DOMESTIC	<i>Per Disembarking</i>		235.00	246.00	255.00	264.00
<i>Variance % from existing</i>			100%	100%	100%	100%
<i>Variance from YOY</i>			100%	5%	4%	40/0
INTERNATIONAL	<i>Per Disembarking</i>		285.00	288.00	291.00	294.00
<i>Variance % from existing</i>			100%	100%	100%	100%
<i>Variance from YOY</i>			100%	1%	1%	1%

A. Reference is made to the above displayed Tables A and B, kindly note the following from the above tables:

1. Table A: AAI has proposed an increase in Landing Charges (Domestic & International) by approximately 100% from existing charges in FY 2026-27 and a 10% Y-O-Y increase for subsequent years up to FY 2029-30.
2. Table B: AAI has proposed an increase in Parking Charges (Domestic & International) by approximately 100% from existing charges in FY 2026-27 and a 6% Y-O-Y increase for subsequent years up to FY 2029-30.
3. Table C: While AAI has proposed a decrease in UDF on embarking passengers by 8% (Domestic) and 17% (International) for FY 2026-27 - with annual increases of 4% and 1% subsequently up to FY 2029-30 - the parallel introduction of a UDF on disembarking passengers results in a net increase in total UDF outgo in Year 1 of approximately 30% for Domestic and 20% for International passengers (on a



typical round trip).

Recommendation: It is in the interest of all the stakeholders that the proposed tariffs as noted above may not be implemented as the proposals are excessive. Also, requesting AERA to provide at least 60-90 days for implementation of tariff card by Airlines into their systems and considering the same, effective date of 1st April as per Tariff order seems unreasonable.

B. Landing Charges – Reference is drawn to Note (a) to Landing Charges:
Recommendation: We request AERA to provide clarification on unscheduled flights operated by domestic scheduled operator as the same are currently being charged by Airport Operator. Clarification to this effect is required since the exemption is provided to domestic scheduled operators and not restricted to only schedule operations by them.

C. Parking Charges- Reference is drawn to Note (e) to Parking Charges
Recommendation: We request AERA to kindly modify the rate of tax (VAT) on ATF from '< 5%' to '≤ 5%', to ensure consistency with the existing AERA order.

D. UDF Charges- Reference is drawn to Note(a) to User Development Fee (UDF) Charges:
We would like to invite AERA's attention to notes (a) of UDF charges in Annexure II of Consultation Paper which seems erroneous/missing content w.r.t highlighted words below:

"No UDF Collection charges: As per the policy pertaining to such charges between the airport operator and the airlines"

Recommendation: The rate of collection of UDF charges has been proposed to be as per the agreement between Airport Operator and Airline, and we hereby request AERA to kindly consider the collection charges to be specified at the rate of Rs. 5.00 per embarking passenger, in line with the existing rate of collection charges being remitted by Airport operator. We would also request for an additional rate of collection charges to be specified for disembarking passengers considering the administrative and other costs involved.

Reference is drawn to Note (d) to User Development Fee (UDF) Charges:
Revised UDF charges will be applicable on tickets issued on or after 01/04/2026 for FY 2026-27 and thereafter applicable on date of travel from 1st April 2027 to 31st March 2030. AERA is requested to kindly clarify/elaborate the words "date of travel" as mentioned above with the help of an iteration/ example.

- o Reference is drawn to clause 17.2.6: Exemption from levy and collection from UDF at the airports
Recommendation: We request AERA to incorporate the following additional exemption category in alignment with the list specified under Directorate General of Civil Aviation (DGCA) AIC No. 14/2019 dated 16.05.2019 and DGCA AIC No. 06/2023 dated 29.04.2023:
“(g) Passengers departing due to involuntary re-routing, i.e., on account of technical problems or weather conditions.”

14.4 AAI's response to Stakeholders' comments received regarding Aeronautical Revenue for the Second Control Period

14.4.1 AAI's response of IATA's comment regarding Tariff Structure and Cost Recovery Profile is as follows:

“Trichy airport has incurred more than Rs.1100 cr. on NITB Infrastructure development in last 5years whereas AERA has proposed UDF on embarking Domestic PAX (Rs 550/-) disembarking Domestic PAX Rs 235/- & embarking International PAX (Rs 665/-) disembarking International PAX (Rs 285) in Consultation Paper against proposed by AAI UDF of embarking Domestic PAX (Rs 850/-) disembarking Domestic PAX Rs 450/- & embarking International PAX (Rs1100/-) disembarking International PAX Rs 500/- for the FY 2026-27 .

Further, AERA has proposed to carry forward Rs. 230.89 cr. (20.22% of the Aggregate Revenue Requirement to the next control period in order to reduce the financial burden on air travellers during the current control period.

AERA is requested to consider all the points submitted by AAI in reply to Consultation paper and accordingly ARR and tariff may be considered.”

14.4.2 AAI’s response of Indigo’s comment is as follows:

- A. Submission of AAI on “A”- AAI appreciates AERA for issuance of consultation paper. The aeronautical charges determined by AERA as per the methodology defined under AREA Act 2008 and AERA guidelines 2011.*
- B. Submission of AAI on “B” - Landing exemption is applicable to an aircraft with a maximum certified passenger capacity of less than 80 seats, being operated by Domestic schedule operator at airports”*
- C. Submission of AAI on “C”- We request AERA to update the same in Tariff card.*
- D. Submission of AAI on “D” - “UDF 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.”*
As per the “Policy of AAI for payment of collection charges on UDF”-
 - “Where UDF is levied on embarking passengers only, the collection charges shall be payable at Rs. 5 per embarking passenger.”*
 - “Where UDF is levied on embarking and disembarking passengers, the collection charges shall be payable at Rs.2.50 per embarking passenger and per disembarking passenger.”*

We request AERA to incorporate UDF Collection charges in the Tariff card.

14.4.3 AAI’s response to Indigo’s comment regarding Note (d) to User Development Fee (UDF) Charges is as follows::

“The new rates of UDF will be applicable as per the Tariff Order of AERA on ticket issued on or after the date of applicability of the new tariff for the current financial year e.g. If a ticket is issued before implementation of Tariff Card for travel date in future, the UDF will be levy as per the existing tariff. Further ‘If a ticket issued after the implementation of Tariff Card for travel date in future, the UDF will be levy as per the new tariff.

The example is given as under: -

Date of applicability of New Tariff: -01.05.2026

- i) Ticket issued on 31.01.2026 for travel date 10.05.2026, the existing UDF will be levied.*



- ii) Ticket issued on 31.01.2026 for travel date 30.04.2027, the existing UDF will be levied.
- iii) Ticket issued on 01.05.2026 (After implementation of new rates) for travel date 10.05.2026, the new UDF(FY2026-27) will be levied as per tariff order.
- iv) Ticket issued on 01.05.2026 (After implementation of new rates) for travel date 30.04.2027, the new UDF (FY2027-28) will be levied as per tariff order.”

14.4.4 AAI’s response to Indigo’s comment regarding clause 17.2.6: Exemption from levy and collection from UDF at the airports is as follows:

“AERA is requested to incorporate the same in the Tariff Card.”

14.5 Authority’s analysis of Stakeholders’ comments received and AAI’s counter comments as mentioned above regarding the Aeronautical Revenue for the Second Control Period

- 14.5.1 The Authority has examined the submissions made by IATA and the response of AAI regarding the proposed tariff structure, including the increase in landing and parking charges and the profile of ARR recovery.
- 14.5.2 The Authority has performed a detailed examination and necessary due diligence of capital expenditure, operating costs, and traffic projections for arriving at the approved ARR and accordingly calibrated aeronautical charges. The tariff structure also seeks to balance cost recovery requirements with user affordability and traffic sustainability.
- 14.5.3 With respect to concerns on front-loaded ARR recovery, while a significant portion of recovery is proposed for the initial years, this is moderated through a calibrated UDF structure across passenger categories and also a good portion of ARR has been carried forward to the subsequent control period with the claim in the next Control Period, subjected to certain conditionalities and traffic triggers to present operational efficiency. This approach reduces immediate burden on users while ensuring financial viability of the airport.
- 14.5.4 The Authority further notes that movement-based charges such as landing and parking fees are aligned and are consistent with prevailing regulatory frameworks. At the same time the Authority has ensured that increases in passenger charges remain moderate to mitigate adverse impact on demand particularly in price sensitive segments. The authority acknowledges the concern that steep tariff increases may affect traffic growth and airline capacity deployment. In this regard, the tariff framework has been designed considering expected recovery in passenger traffic including international segments and the need to support sustainable airport operations and infrastructure development. Accordingly, the Authority is of the view that proposed tariff structure achieves an appropriate balance between cost recovery, user affordability, and traffic growth considerations, and therefore decides to retain the approach as set out in the Consultation Paper for tariff determination for Trichy airport for the Second Control Period.
- 14.5.5 The Authority has adopted a balanced approach for recovery of the Aggregate Revenue Requirement (ARR) through the available aeronautical revenue streams, namely landing, parking and User Development Fee (UDF). The increase in aeronautical charges has been calibrated to meet the approved ARR requirement.
- 14.5.6 With regard to the comments of IndiGo seeking 60–90 days for implementation of the revised tariff card by airlines, the Authority is of the view that such deferment would compress the effective control period and may necessitate a higher tariff to ensure recovery of ARR. Accordingly, the revised tariffs

shall be applicable with effect from May 16, 2026.

- 14.5.7 On the issue of UDF collection charges, the Authority notes that the payment of such charges is a commercial arrangement between the airport operator and the airlines and does not warrant regulatory intervention. The exemption in landing charges, as specified under Note (a), has been provided in accordance with directions of the Central Government. Further, Note (e) to Parking Charges has been suitably amended.
- 14.5.8 Regarding the applicability of UDF, it is clarified that if a ticket is booked during FY 2026–27, for instance on 28.02.2027, for travel date on 01.05.2027 (i.e. in FY 2027–28), the UDF applicable for FY 2027–28 shall be levied, as the UDF is applicable based on the date of travel. Response of AAI at para 14.4.3. clarifies the position on applicability of UDF.
- 14.5.9 The Authority further notes that the exemption sought by Indigo for UDF is not in accordance with the Directorate General of Civil Aviation (DGCA) AIC No. 14/2019 dated 16.05.2019. Additionally, DGCA AIC No. 06/2023 dated April 29, 2023 is applicable to non-major airports and, therefore, is not relevant in the present case
- 14.5.10 It is further submitted that Authority, based on the deliberations held during the Stakeholder Consultation Meeting on 17.03.2026 and the written submissions received from various stakeholders, has undertaken a comprehensive assessment of the incurred and proposed capital expenditure (CAPEX) alongside the prevailing traffic base at the airport. Upon such evaluation, the Authority observes that the current revenue base is insufficient to enable full recovery of the Aggregate Revenue Requirement (ARR) within the present Control Period.
- 14.5.11 Any attempt to achieve complete recovery of the ARR during this control period would result into a significant increase in airport charges including UDF for passengers and Landing Parking for airlines. In the Authority's considered view as well as views of few stakeholders during the Stakeholder Consultation Meeting, such an increase may adversely impact passenger traffic growth, demand elasticity, and the overall competitiveness of the airport. Moreover, a steep tariff revision, particularly against the background of a moderate traffic levels during the Control Period, would hinder the airport's long-term growth trajectory.
- 14.5.12 Further, upon detailed examination and rationalization of the ARR components including admissible CAPEX, operating expenditure, and traffic projections, the Authority after comprehensive analysis, due diligence and prudence check has rationalised and moderated the various regulatory building blocks i.e. RAB (Capex), O&M, NAR, Traffic etc. and has worked out an ARR and YPP as per its regulatory guidelines which though significantly moderated and fairly justified is still on the higher side when translated to UDF and Landing & parking charges since the traffic base and growth is very moderate. Further, the Authority also observes that despite centralized technical oversight and corporate-level planning inputs, the airport has created terminal capacity of approximately 4.45 MPPA, whereas actual passenger throughput stood at 1.95 MPPA in FY 2024–25 and is projected to reach only around 3.03 MPPA by FY 2029–30 (as per AAI) in the last tariff year of the Second Control Period i.e. just 68% of the created capacity of 4.45 MPPA thereby clearly showing a huge unplanned excess capacity which would now get loaded on the present day users of airport including passengers as well as on the users and passengers during the remaining years of the Second Control Period (2025-30) and even then in the last year (2030) of the Second Control Period (2025-30) there would still be an excess capacity of 1.42 MPPA (32% of the created capacity) that would remain unutilized. The created capacity thus significantly exceeds both current and projected traffic demand during the Second Control Period



AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

(2025-30). However, the projected traffic also remains below the 3.5 MPPA threshold prescribed under Section 2(i) of the AERA, Act, 2008 for classification of an airport as a major airport. This shows that the airport has built an excessive over capacity irrespective of the expected traffic demand, leading to a big gap between airport capacity and actual passenger traffic.

14.5.13 While the Authority acknowledges that capacity augmentation is important from a long-term planning perspective, it is equally critical to ensure that the financial burden arising from such excess capacity is not disproportionately passed on to airport users, particularly when a substantial portion of the capacity remains unutilized.

14.5.14 As elaborated above it is very clear that in the Second Control Period (2025-30), the airport capacity that remains unutilized in the last year of Second Control Period is almost 32% of the created capacity of 4.45 MPPA. The Airport Operator (AAI), in its Multi-Year Tariff Proposal (MYTP), has also proposed 23.82% of the ARR to be carried forward to the subsequent Control Period. After careful consideration of stakeholder interests and with a view to balancing the financial viability of the Airport Operator with tariff affordability for users, the Authority has decided to allow the carry forward of 29.01% of the ARR to the next Control Period. This carry forward would be suitably considered in the next Control Period based on necessary and relevant factors related to capacity utilization vis-à-vis traffic growth achieved during the Second Control Period. The Authority further stipulates that if the airport achieves a utilization level of airport capacity equivalent to a passenger traffic of 3.63 MPPA i.e. equal to the original designed airport capacity of 3.63 MPPA by 31st March, 2030 i.e. the last year of the Second Control Period (2025-30), then only the applicable carrying cost on the actual worked out carry forward amount would be considered in the next Control Period. This is consistent with the standard regulatory practice of profiling remuneration on the Capex in line with its utilization by the users and that tariff recovery to be in accordance with the capacity utilization vis-à-vis traffic growth. This conditional provision is intended to incentivize efficient utilization of existing infrastructure and to ensure that tariff recovery remains aligned with actual traffic growth and service delivery outcomes.

14.5.15 In view of the foregoing, the Authority is of the considered opinion that only such portion of the investment that is likely to be effectively utilized and is commensurate with actual traffic levels should be included in the ARR for tariff determination during the current Control Period. This approach is consistent with the principles of cost-relatedness, tariff reasonableness, and protection of user interests.

14.5.16 In the light of above and as elaborated at Chapter 13, the Authority has determined the ARR for the Second Control Period as given at **Table 92**, which is again reproduced as follows:

Particulars	Table Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Average RAB (A)	Table 68	1116.53	1066.31	1027.64	985.60	930.22	
Fair Rate of Return (B)	Table 69	11.61%	11.61%	11.61%	11.61%	11.61%	
Return on average RAB (C= A*B)		129.63	123.80	119.31	114.43	108.00	595.16
Depreciation (D)	Table 67	53.77	53.68	54.58	55.42	55.34	272.79
O&M expenses (E)	Table 82	72.23	76.58	81.27	86.33	91.81	408.22
Tax expense (F)	Table 88	0.00	0.00	0.00	0.00	35.14	35.14
Shortfall carried forward from First Control Period (G)	Table 46	283.68	0.00	0.00	0.00	0.00	283.68
Gross ARR		539.31	254.06	255.19	256.19	290.29	1595.00



AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Particulars	Table Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
(H = SUM (C: G))							
NAR	Table 85	37.54	53.22	59.73	66.98	75.10	292.57
Less: 30% NAR (I)		11.26	15.97	17.92	20.09	22.53	87.77
ARR (J=H-I)		528.05	238.09	237.24	236.09	267.76	1,507.23
Discount factor (@11.61%)		1.00	0.90	0.80	0.72	0.64	
PV of ARR (₹ crore)		528.05	213.32	190.45	169.82	172.56	1,274.19
Sum present value of ARR (₹ crore)						1,274.19	1,274.19
Total traffic (MPPA)						14.34	14.34
Yield per Passenger on total traffic (YPP) (₹)						888.41	888.41
Departing passengers (MPPA)						7.17	7.17
Yield per Departing Passenger (₹)						1,776.81	1,776.81
PV of ARR allowed during Second Control Period, after carry forward of ₹ 369.63 crore (i.e. 29.01% of PV of ARR), subject to conditions mentioned below at para 13.4.7 (para 13.4.3 to 13.4.8)							904.56 (70.99% of ₹ 1,274.19 cr)
Subject to above, the Aeronautical Revenue is as follows-							
Aeronautical Revenue	Table 97	132.42	199.35	238.13	274.73	317.71	1162.35
PV factor		1.00	0.90	0.80	0.72	0.64	
PV of aero revenue		132.42	178.62	191.17	197.60	204.75	904.56
∑ PV projected aero revenue						904.56	904.56
Shortfall						369.63	369.63

14.5.17 Based on the above table, the calculation of Aeronautical Revenue for the Second Control Period is as given in the table below:

Table 97: Aeronautical Revenue decided by the Authority for the Second Control Period

(₹ crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
PV of ARR allowed to be recovered during the Second Control Period (as per Table 92)					904.56	904.56
Aeronautical revenue						
Parking charges	0.48	1.04	1.31	1.55	1.83	6.20
UDF charges	86.63	114.06	129.58	143.53	158.98	632.79
Landing charges	32.48	70.23	91.99	112.97	138.75	446.42
CUTE charges	2.92	3.21	3.49	3.80	4.13	17.55
Ground handling charges	7.53	8.31	9.14	10.06	11.07	46.11
Royalty from AAICLAS	1.15	1.21	1.27	1.33	1.40	6.35
Space rent from airlines	0.71	0.76	0.82	0.88	0.95	4.12
Land lease – oil companies / ground handling companies	0.53	0.53	0.53	0.61	0.61	2.81
Extn. of watch hrs	0.00	0.00	0.00	0.00	0.00	0.00
Total revenue	132.42	199.35	238.13	274.73	317.71	1162.35
PV factor	1.00	0.90	0.80	0.72	0.64	
PV of aero revenue	132.42	178.62	191.17	197.60	204.75	904.56

AERONAUTICAL REVENUE FOR THE SECOND CONTROL PERIOD

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Σ PV projected aero revenue						904.56
Shortfall to be carried forward to next Control Period as per the Table 92, Chapter 13, subject to conditions mentioned at para 13.4.7 (para 13.4.3 to 13.4.8) of Chapter 13						369.63

14.5.18 As can be seen from the above tables, as per the Authority's proposal, AAI was entitled to recover an ARR of ₹ 1,274.19 crore (in NPV terms) in respect of the Second Control Period. The present value of total projected Aeronautical revenues as per the Authority, including Landing & Parking and UDF charges, was ₹ 904.56 crore (in NPV terms), thus resulting in a net under recovery/shortfall of ₹ 369.63 crore (29.01% of ARR), which the Authority proposed to carry forward to the next Control Period subject to the conditions specified at **para 13.4.7 (para 13.4.3 to 13.4.8) of Chapter 13**.

14.6 Authority's decisions regarding aeronautical revenue for the Second Control Period

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

- 14.6.1 To consider aeronautical revenue for the Second Control Period for Tiruchirappalli International Airport as per **Table 97**.
- 14.6.2 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.

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15. SUMMARY OF AUTHORITY'S DECISIONS**Chapter 4: True Up of the First Control Period**

- 4.12.1 To consider the traffic for the true up of the First Control Period as detailed in **Table 6**
- 4.12.2 To consider capital additions as detailed in **Table 23** for true up of the First Control Period.
- 4.12.3 To consider aeronautical depreciation as mentioned in **Table 24** for true up of the First Control Period.
- 4.12.4 To consider RAB as per **Table 25** for true up for the First Control Period.
- 4.12.5 To consider FRR at 14% for FY 2020-21 to FY 2021-22 and 11.61% for FY 2022-23, FY 2023-24 and FY 2024-25 for true up of the First Control Period
- 4.12.6 To consider the non-aeronautical revenues as presented in **Table 31** for true up of the First Control Period.
- 4.12.7 To consider the O&M expenses as detailed in **Table 38** for true up of the First Control Period.
- 4.12.8 To consider actual aeronautical revenue as per **Table 44** for true up of the First Control Period for Tiruchirappalli International Airport.
- 4.12.9 To consider ARR and the under-recovery as detailed in **Table 46** for true up of the First Control Period for Tiruchirappalli International Airport and adjust the under-recovery of the First-Control Period in the ARR for the Second Control Period.

Chapter 5: Traffic for the Second Control Period

- 5.6.1 To consider the passenger and ATM traffic for the Second Control Period for Tiruchirappalli International Airport as per **Table 57**
- 5.6.2 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

- 6.9.1 To adopt the capitalisation of aeronautical CAPEX for the Second Control Period in accordance with **Table 65**.
- 6.9.2 To true up the CAPEX based on reasonability of rates and efficiency (cost & operational), at the time of determination of tariff for Third Control Period.
- 6.9.3 To reduce (adjust) 1% of the uncapped project cost from the ARR in case any particular capital project is not completed/capitalized as per the approved capitalisation 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 is properly justified, the same would be considered by the Authority while trueing up the actual cost at the time of determination of tariff for the Third Control Period.
- 6.9.4 To consider depreciation as per **Table 67** for the Second Control Period.
- 6.9.5 To true up depreciation for the Second Control Period based on the actual asset additions and actual date of capitalisation during the tariff determination of the Third Control Period.
- 6.9.6 To consider GST input tax credit in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 at the time of true up of the RAB for the Second Control Period. The Authority will examine



the accounting of input tax credits and make necessary adjustments in this regard at the time of determination of tariffs for the next Control Period.

6.9.7 To consider average RAB for the Second Control Period for Tiruchirappalli International Airport as per **Table 68**.

6.9.8 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

7.5.1 To consider FROr of 11.61 % for Tiruchirappalli International Airport for the Second Control Period as per **Table 69**.

Chapter 8: Inflation for the Second Control Period

8.5.1 To consider inflation for the Second Control Period for Tiruchirappalli International Airport as detailed in **Table 71**.

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

9.5.1 To consider O&M expenses for the Second Control Period for Tiruchirappalli International Airport as per **Table 82**.

9.5.2 To true up the O&M expenses incurred by AAI for Tiruchirappalli International Airport, during the Second Control Period, at the time of tariff determination for the third Control Period, subject to reasonableness and efficiency.

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

10.6.1 To consider NAR for the Second Control Period for Tiruchirappalli International Airport in accordance with **Table 85**

10.6.2 To consider true up of NAR achieved by AAI, at the time of determination of tariff for the Third Control Period, if it is higher than that decided by the Authority in the Second Control Period.

Chapter 11: Taxation for the Second Control Period

11.5.1 To consider the taxation for the Second Control Period for Tiruchirappalli International Airport as per **Table 88**.

11.5.2 To true up the aeronautical tax amount for the Second Control Period based on actual building blocks at the time of tariff determination for the Third Control Period.

Chapter 12: Quality of Service for the Second Control Period

12.5.1 AAI should ensure that service quality at Tiruchirappalli International Airport comply with such performance standards as may be notified pursuant to the final order referred to in para 12.2.5, once the same becomes applicable.

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

13.5.1 To consider the ARR and YPP for the Second Control Period for Tiruchirappalli International Airport in accordance with **Table 92** subject to conditions mentioned at para 13.4.7 (para 13.4.3 to 13.4.8).

13.5.2 To true up the ARR and YPP for the Second Control Period based on the actuals subject to conditions mentioned at para 13.4.7 (para 13.4.3 to 13.4.8), at the time of tariff determination of Third Control Period.

Chapter 14: Aeronautical Revenue for the Second Control Period

- 14.6.1 To consider aeronautical revenue for the Second Control Period for Tiruchirappalli International Airport as per **Table 97**.
- 14.6.2 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.



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16. ORDER

- 16.1.1 In exercise of power conferred by Section 13(1)(a) of the AERA Act, 2008, and based on the above decisions, the Authority hereby determines the Aeronautical tariff to be levied at Tiruchirappalli International Airport for the Second Control Period as placed in Annexure - I.
- 16.1.2 In exercise of power conferred by Section 13(1)(a) of the AERA Act, 2008, read with rule 89 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934, the Authority hereby determines the rate of UDF as indicated in the rate card at Annexure – I of the Order of the Second Control Period.
- 16.1.3 The tariff determined herein are ceiling rates, exclusive of taxes, if any.
- 16.1.4 The Order shall be made effective from May 16, 2026.
- 16.1.5 The Airport Operator shall submit its MYTP to the Authority for the Third Control Period in a timely manner as per Authority's Guidelines.

By the Order and in the name of the Authority



(Suyash Narain)
Secretary

To
The Chairman
Airports Authority of India
Rajiv Gandhi Bhawan, Safdarjung Airport
New Delhi- 110003

Copy to:

1. The Secretary , Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi- 110003
2. Director General of Civil Aviation: For Issuance of AIC



17. LIST OF ANNEXURES

17.1 Annexure I: Annual Tariff approved by the Authority for Tiruchirappalli International Airport for the Second Control Period – effective from May 16, 2026

17.1.1 Landing charges decided by the Authority for Tiruchirappalli International Airport for the Second Control Period :

Table 98: Landing charges(domestic) decided by the Authority for Tiruchirappalli International Airport for the Second Control Period

(Rate in ₹)

Weight of the aircraft	Existing rates	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
Up to 25 MT	223.90 per MT	447.80 per MT	492.58 per MT	541.84 per MT	596.02 per MT
Above 25 MT up to 50 MT	5,597.50 + 402.90 per MT in excess of 25 MT	11,195 + 805.80 per MT in excess of 25 MT	12,314.50 + 886.38 per MT in excess of 25 MT	13,545.95 + 975.02 per MT in excess of 25 MT	14,900.55 + 1072.52 per MT in excess of 25 MT
Above 50 MT up to 100 MT	15,670 + 415.40 per MT in excess of 50 MT	31,340 + 830.80 per MT in excess of 50 MT	34,474 + 913.88 per MT in excess of 50 MT	37,921.40 + 1005.27 per MT in excess of 50 MT	41,713.54 + 1105.79 per MT in excess of 50 MT
Above 100 MT to 200 MT	36,440 + 420.20 per MT in excess of 100 MT	72,880 + 840.40 per MT in excess of 100 MT	80,168 + 924.44 per MT in excess of 100 MT	88,184.8 + 1016.88 per MT in excess of 100 MT	97,003.28 + 1118.57 per MT in excess of 100 MT
Above 200 MT	78460 + 405.60 per MT in excess of 200 MT	1,56,920 + 811.20 per MT in excess of 200 MT	1,72,612 + 892.32 per MT in excess of 200 MT	1,89,873.20 + 981.55 per MT in excess of 200 MT	2,08,860.52 + 1079.71 per MT in excess of 200 MT

*There is one time increase of 100% in landing charges with effect from May 16, 2026 to March 31, 2027. Further increase of 10% Y-o-Y in respective charges from FY27-28 onwards till FY29-30.

Table 99: Landing charges (international) decided by Authority for Tiruchirappalli International Airport for the Second Control Period

(Rate in ₹)

Weight of the aircraft	Existing rates	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
Up to 25 MT	376.40 per MT	752.80 per MT	828.08 per MT	910.89 per MT	1001.98 per MT
Above 25 MT up to 50 MT	9410 + 762.40 per MT in excess of 25 MT	18,820 + 1524.80 per MT in excess of 25 MT	20,702 + 1,677.28 per MT in excess of 25 MT	22,772.20 + 1,845.01 per MT in excess of 25 MT	25,049.42 + 2029.51 per MT in excess of 25 MT
Above 50 MT up to 100 MT	28,470 + 852.60 per	56,940 + 1705.20 per MT in excess of 50 MT	62,634 + 1,875.72 per MT	68,897.40 + 2,063.29 per MT	75,787.14 + 2269.62 per MT

Weight of the aircraft	Existing rates	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
	MT in excess of 50 MT		in excess of 50 MT	in excess of 50 MT	in excess of 50 MT
Above 100 MT to 200 MT	71,100 + 970.20 per MT in excess of 100 MT	1,42,200 + 1940.40 per MT in excess of 100 MT	1,56,420 + 2,134.44 per MT in excess of 100 MT	1,72,062 + 2,347.88 per MT in excess of 100 MT	1,89,268.20 + 2,582.67 per MT in excess of 100 MT
Above 200 MT	1,68,120 + 1001.30 per MT in excess of 200 MT	3,36,240 + 2002.60 per MT in excess of 200 MT	3,69,864 + 2,202.86 per MT in excess of 200 MT	4,06,850.40 + 2,423.15 per MT in excess of 200 MT	4,47,535.44 + 2,665.46 per MT in excess of 200 MT

*There is one time increase of 100% in landing charges with effect from May 16, 2026 to March 31, 2027. Further increase of 10% Y-o-Y in respective charges from FY27-28 onwards till FY29-30.

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.
- Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg).

17.1.2 Parking charges decided by the Authority for Tiruchirappalli International Airport for the Second Control Period :

Table 100: Parking charges (domestic ATM) for first two hours after free parking period for the Second Control Period decided by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
Up to 25 MT	3.20 per Hour per MT	6.40 per Hour per MT	6.78 per Hour per MT	7.19 per Hour per MT	7.62 per Hour per MT
Above 25 MT up to 50 MT	80 + 4.90 per Hour per MT in excess of 25 MT	160 + 9.80 per Hour per MT in excess of 25 MT	169.6 + 10.39 per Hour per MT in excess of 25 MT	179.78 + 11.01 per Hour per MT in excess of 25 MT	190.56 + 11.67 per Hour per MT in excess of 25 MT
Above 50 MT up to 100 MT	202.5 + 5.80 per Hour per MT in excess of 50 MT	405 + 11.60 per Hour per MT in excess of 50 MT	429.3 + 12.30 per Hour per MT in excess of 50 MT	455.06 + 13.03 per Hour per MT in excess of 50 MT	482.36 + 13.82 per Hour per MT in excess of 50 MT
Above 100 MT to 200 MT	492.50 + 9.30 per Hour per MT in excess of 100 MT	985 + 18.60 per Hour per MT in excess of 100 MT	1,044.10 + 19.72 per Hour per MT in excess of 100 MT	1,106.75 + 20.90 per Hour per MT in excess of 100 MT	1,173.15 + 22.15 per Hour per MT in excess of 100 MT
Above 200 MT	1,422.50 + 9.50 per Hour per MT in excess of 200 MT	2,845 + 19 per Hour per MT in excess of 200 MT	3,015.70 + 20.14 per Hour per MT in excess of 200 MT	3,196.64 + 21.35 per Hour per MT in excess of 200 MT	3,388.44 + 22.63 per Hour per MT in excess of 200 MT

*There is one time increase of 100% in parking charges with effect from May 16, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30

Table 101: Parking charges (domestic ATM) beyond four hours for the Second Control Period decided by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
Up to 25 MT	6.40 per Hour per MT	12.80 per Hour per MT	13.57 per Hour per MT	14.38 per Hour per MT	15.25 per Hour per MT
Above 25 MT up to 50 MT	160 + 9.80 per Hour per MT in excess of 25 MT	320 + 19.60 per Hour per MT in excess of 25 MT	339.20 + 20.78 per Hour per MT in excess of 25 MT	359.55 + 22.02 per Hour per MT in excess of 25 MT	381.13 + 23.34 per Hour per MT in excess of 25 MT
Above 50 MT up to 100 MT	405 + 11.60 per Hour per MT in excess of 50 MT	810 + 23.20 per Hour per MT in excess of 50 MT	858.60 + 24.59 per Hour per MT in excess of 50 MT	910.12 + 26.07 per Hour per MT in excess of 50 MT	964.72 + 27.63 per Hour per MT in excess of 50 MT
Above 100 MT to 200 MT	985 + 18.60 per Hour per MT in excess of 100 MT	1,970 + 37.20 per Hour per MT in excess of 100 MT	2,088.20 + 39.43 per Hour per MT in excess of 100 MT	2,213.49 + 41.80 per Hour per MT in excess of 100 MT	2,346.30 + 44.31 per Hour per MT in excess of 100 MT
Above 200 MT	2,845 + 19 per Hour per MT in excess of 200 MT	5,690 + 38 per Hour per MT in excess of 200 MT	6,031.40 + 40.28 per Hour per MT in excess of 200 MT	6,393.28 + 42.70 per Hour per MT in excess of 200 MT	6,776.88 + 45.26 per Hour per MT in excess of 200 MT

*There is one time increase of 100% in parking charges with effect from May 16, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30

Table 102: Parking charges (international ATM) for first two hours after free parking period for the Second Control Period decided by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
Up to 25 MT	3.30 per Hour per MT	6.60 per Hour per MT	7 per Hour per MT	7.42 per Hour per MT	7.86 per Hour per MT
Above 25 MT up to 50 MT	82.50 + 5.60 per Hour per MT in excess of 25 MT	165 + 11.20 per Hour per MT in excess of 25 MT	174.90 + 11.87 per Hour per MT in excess of 25 MT	185.39 + 12.58 per Hour per MT in excess of 25 MT	196.52 + 13.34 per Hour per MT in excess of 25 MT
Above 50 MT up to 100 MT	222.50 + 7.10 per Hour per MT in excess of 50 MT	445 + 14.20 per Hour per MT in excess of 50 MT	471.70 + 15.05 per Hour per MT in excess of 50 MT	500 + 15.96 per Hour per MT in excess of 50 MT	530 + 16.91 per Hour per MT in excess of 50 MT
Above 100 MT to 200 MT	577.50 + 10.80 per Hour per MT in excess of 100 MT	1,155 + 21.60 per Hour per MT in excess of 100 MT	1,224.30 + 22.90 per Hour per MT in excess of 100 MT	1,297.76 + 24.27 per Hour per MT in excess of 100 MT	1,375.62 + 25.73 per Hour per MT in excess of 100 MT
Above 200 MT	1,657.50 + 10.90 per Hour per MT in excess of 200 MT	3,315 + 21.80 per Hour per MT in excess of 200 MT	3,513.90 + 23.11 per Hour per MT in excess of 200 MT	3,724.73 + 24.49 per Hour per MT in excess of 200 MT	3,948.22 + 25.96 per Hour per MT in excess of 200 MT

*There is one time increase of 100% in parking charges with effect from May 16, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30



Table 103: Parking charges (international ATM) beyond four hours for the Second Control Period decided by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	May 16, 2026 to March 31, 2027	April 1, 2027 to March 31, 2028	April 1, 2028 to March 31, 2029	April 1, 2029 to March 31, 2030
Up to 25 MT	6.60 per Hour per MT	13.20 per Hour per MT	13.99 per Hour per MT	14.83 per Hour per MT	15.72 per Hour per MT
Above 25 MT up to 50 MT	165 + 11.20 per Hour per MT in excess of 25 MT	330 + 22.40 per Hour per MT in excess of 25 MT	349.80 + 23.74 per Hour per MT in excess of 25 MT	370.79 + 25.17 per Hour per MT in excess of 25 MT	393.04 + 26.68 per Hour per MT in excess of 25 MT
Above 50 MT up to 100 MT	445 + 14.20 per Hour per MT in excess of 50 MT	890 + 28.40 per Hour per MT in excess of 50 MT	943.40 + 30.10 per Hour per MT in excess of 50 MT	1,000 + 31.91 per Hour per MT in excess of 50 MT	1,060 + 33.82 per Hour per MT in excess of 50 MT
Above 100 MT to 200 MT	1,155 + 21.60 per Hour per MT in excess of 100 MT	2,310 + 43.20 per Hour per MT in excess of 100 MT	2,448.6 + 45.79 per Hour per MT in excess of 100 MT	2,595.52 + 48.54 per Hour per MT in excess of 100 MT	2,751.25 + 51.45 per Hour per MT in excess of 100 MT
Above 200 MT	3,315 + 21.80 per Hour per MT in excess of 200 MT	6,630 + 43.60 per Hour per MT in excess of 200 MT	7,027.80 + 46.22 per Hour per MT in excess of 200 MT	7,449.47 + 48.99 per Hour per MT in excess of 200 MT	7,896.44 + 51.93 per Hour per MT in excess of 200 MT

*There is one time increase of 100% in parking charges with effect from May 16, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30

Notes:

- 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.
- For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.
- Charges shall be calculated on the basis of nearest MT.
- Charges for each period parking shall be rounded off to nearest rupee.
- It is proposed to waive off the night parking charges in principle for all domestic scheduled operators at Tiruchirappalli International 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 $< 5\%$ tax on ATF by the State Government. In the event of upward revision in the tax rate of ATF by the State Government, the relief of free night parking charges will also be deemed to be withdrawn.

17.1.3 **User Development Fees (UDF):** UDF charges decided by the Authority for Tiruchirappalli International Airport for the Second Control Period is as follows:

Applicable rates for travel date from May 16, 2026 to March 31, 2027

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	550	665
Disembarking passenger	235	285

Applicable rates for travel date from April 01, 2027 to March 31, 2028

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	574	672
Disembarking passenger	246	288

Applicable rates for travel date from April 01, 2028 to March 31, 2029

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	595	679
Disembarking passenger	255	291

Applicable rates for travel date from April 01, 2029 to March 31, 2030

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	616	686
Disembarking passenger	264	294

Notes:

- UDF Collection charges: As per the policy pertaining to such charges between the airport operator and the airlines.
- No collection charges are payable to casual operator/non-scheduled operators.
- 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.
- Revised UDF charges will be applicable on tickets issued on or after May 16, 2026 for FY 2026-27 and thereafter applicable on date of travel from April 1, 2027 to March 31, 2030.

17.1.4 Exemption from levy and collection from UDF at the airports

In terms of DGCA AIC No. 14/2019 dt. May 16, 2019, and AIC No. 20/2019 dt. November 6, 2019 (decision of Ministry of Civil Aviation, Government of India vide order no. AV 29012/39/2018-AD dt. October 30, 2019) the following categories of persons are exempted from levy and collection of UDF.

- Children (under age of 2 years),
- Holders of diplomatic passport,
- Airlines crew on duty including sky marshals & airline crew on board for the particular flight only (this would not include Dead Head Crew (DHC) or ground personnel),
- Persons travelling on official duty on aircraft operated by Indian Armed Forces,
- Persons traveling on official duty for United Nations Peace Keeping Missions.
- 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").

17.1.5 **Aviation Security Fee:** Rates and exemption as prescribed by MoCA from time to time.

17.1.6 **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 RCS will be completely exempted from charges as per Order No. 20/2018-19 dated March 31, 2017, of the Authority from the date the scheme is operationalised by GoI. Above charges are applicable for both domestic & international



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