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F. No. AERA/20010/MYTP/AAI-Trichy/CP-II/2025-30

परामर्श पत्र संख्या 06/2025-26
Consultation Paper No. 06/2025-26



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 : 27 फरवरी, 2026
Date of Issue: 27th February, 2026

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उड़ान भवन/ Udaan Bhawan,
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PREFACE

Tiruchirappalli International Airport, Tiruchirappalli is owned and operated by Airports Authority of India. It is located on National Highway 336, approximately 5 km (3.1 mi) south of the city center.

Tiruchirappalli International Airport was shortlisted for leasing to private airport operator by AAI on PPP mode. Considering that, the Ministry of Civil Aviation (MoCA) vide notification no AV-24011/141/2015-AD (Vol. V) dated October 31, 2019, had notified Tiruchirappalli International Airport as a Major Airport.

Actual passenger throughput of Tiruchirappalli International Airport in FY 2024-25 was 1.95 MPPA.

For this Consultation Paper, the Authority has considered the audited financial results (being the audited Trial Balance for Tiruchirappalli International Airport) for 5 tariff years of the First Control Period (FY 2020-21 to FY 2024-25) and projections of Tiruchirappalli International Airport for the Second Control Period (FY 2025-26 to FY 2029-30).

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

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

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

Thus, in accordance with the provisions of Section 13(4) of the AERA Act, the written comments on Consultation Paper No. 06/2025-26 dt. 27.02.2026 are invited from the stakeholders, preferably in electronic form, at the following address:

Director (P&S, Tariff)

Airports Economic Regulatory Authority of India (AERA),

3rd Floor, Udaan Bhawan

Safdarjung Airport, New Delhi – 110003, India

Email: director-ps@aera.gov.in, rajan.gupta1@aera.gov.in, copy to: secretary@aera.gov.in

Stakeholders' Consultation Meeting:	17.03.2026
Last Date for Submission of comments:	30.03.2026
Last Date for Submission of counter comments:	09.04.2026

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

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

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Glossary

Abbreviation	Full Form
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	Aluminum 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

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
GHAL	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
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 31, 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, prevailing as on March 31, 2025, up to September 30, 2025.

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

1.2 Profile of 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.
No. of Taxi Tracks	11 nos.
Operational hours	24 hours

Technical details	
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.

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.

2.1.4 Detailed guidelines laying down information requirements, periodicity and procedure for tariff determination have also been issued. 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).

2.1.5 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 54/2020-21, stated that the First Control Period shall be from FY 2020-21 to FY 2024-25. Further, the shortfall/surplus of FY 2019-20 was to be considered for the purpose of tariff determination. 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.

In addition, AERA extended the levy of existing tariff rates, prevailing as on March 31, 2025, up to September 30, 2025, vide order no. 18/ 2024-25 dated March 24, 2025.

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

2.1.6 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 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.

2.1.7 The Authority has engaged 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

TARIFF DETERMINATION OF TIRUCHIRAPPALLI INTERNATIONAL AIRPORT

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, for finalizing this consultation paper. 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

- 2.1.8 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 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.
- 2.1.9 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.

2.1.10 All the figures presented in this consultation paper have been rounded off to two decimals.

2.2 Construct of the Consultation Paper

2.2.1 This consultation paper has been developed/ constructed in the following sequence of Chapters:

- 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 and proposals on the specific issues regarding the true up of the First Control Period
- d) Chapter 5 presents the submissions of AAI regarding traffic projections and the Authority's examination and proposals on the same
- 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
- 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 along with Authority's examination and proposals on each of the matter
- g) Chapter 13 presents the Aggregate Revenue Requirement (ARR) determined by the Authority based on the proposals for the Second Control Period submitted by AAI
- h) Chapter 14 presents the aeronautical revenue proposed by the Authority for the Second Control Period
- i) Chapter 15 summarizes the Authority's proposals put forward for consultation
- j) In chapter 16, the Authority invites views of all the stakeholders regarding proposals put forward for tariff determination for the Second Control Period in the Consultation Paper
- k) Chapter 17 contains annexures:
 - Annexure I: Annual tariff proposal submitted by AAI for the Second Control Period
 - Annexure II: Annual tariff proposed 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 2.1.4.

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 Consultation Paper 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 Consultation Paper 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.

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 3: 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 has submitted an over recovery of ₹ 3.71 crore for the regulated period i.e. FY 2019-20, a period prior to the 1st 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 4: 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), has 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 FCP 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 observes that during the complete tariff determination process, no comments have 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 FCP 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 proposes 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.

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 5: 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
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 6 below:

Table 6: 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 notes that the major variation between the passenger traffic and ATM for the First Control Period (actual traffic vis-à-vis the projections approved in the Tariff Order for the First Control Period) is attributable to the adverse impact of COVID-19 pandemic. After the outbreak of COVID-19

pandemic in December 2019, 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 proposes to consider the actual traffic submitted by AAI for the First Control Period, as shown in

4.4.6 **Table 5**, 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.*”

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 ₹ 1125.18 crore is as follows:

Table 7: 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	1125.18

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 8: 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
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 notes 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

- 4.5.4 The Authority notes that there are variances between the CAPEX approved by the Authority in the Tariff Order for the First Control Period and the actual cost incurred & claimed by the Airport Operator. The Authority, through its Independent Consultant, has examined the actual CAPEX incurred by AAI for the First Control Period. The Independent Consultant as part of due diligence of CAPEX has reviewed the Fixed Assets Register, bidding process & BOQs, Letter of Award (LoA), work orders etc. 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 has 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 has 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 notes that AAI has 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 notes 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 notes that the terminal building is already underutilized and there was no need to reconfigure the terminal building. This reconfiguration has 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 is 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 proposes 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 9: 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

Asset Category	Submitted by AAI in First Control Period	Approved in Tariff Order	AAI submission for True-up	Proposed by Authority
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
Additional Works (C)	-	-	38.48	19.07
Total D=A+B+C	951.79	735.30	1125.18	1,005.86

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:

- a) ₹ 213.30 crore towards the adjustment mentioned in para 4.5.5.
- b) ₹ 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.
- c) ₹ 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.
- d) ₹ 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.
- e) 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 notes 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 observes 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 has 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 is 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 has been discussed below in detail:

1) Runways, aprons and taxiways

AAI has 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, has examined the assets as follows:

Runway

a) The AAI has 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, has verified the capitalization of above assets in the FAR. Accordingly, the Authority proposes 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 notes 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 finds the same to be reasonable. The Authority, through its Independent Consultant, has verified the capitalization of above assets in the FAR. Accordingly, the Authority proposes 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 proposes to exclude these additional works from the First Control Period true-up.

Turning Pads & Fillets

- d) AAI has incurred CAPEX amounting ₹ 3.96 crore towards expansion of turning pad and fillets for B777-300ER aircraft in FY 2023-24. The Authority notes 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 includes 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, has verified the capitalization of above assets in the FAR. Accordingly, the Authority proposes to consider the aforesaid work amounting to ₹ 3.96 crore.

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

Table 10: Runways, aprons and taxiways cost proposed by Authority

S. No	Particulars	As approved in FCP				As per true-up submitted by AAI		Proposed by Authority
		Capitalization		Capitalization		Year	Amount	
		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	

(₹ in crore)

2) Road, bridges & culverts

AAI has 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.
- 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 notes that AAI has 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 proposes 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 1st control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests.

Table 11: Road, bridges & culverts cost proposed by Authority

(₹ 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 has 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 has 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 4.4.4 to 4.4.10). 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 has been undertaken in civil part only. The same has been detailed out in **Table** below.

The Authority, through its Independent Consultant, has 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 notes 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 proposes 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 1st control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests. The Authority proposes to consider the following for true-up of the CAPEX of the First Control Period.

Table 12: Building- terminal cost proposed by Authority

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

(₹ in crore)

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		year	Amount	year	Amount	
3.	Horticulture, landscaping works for NITB	-	-	2023-24	1.32	1.32
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 has 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 notes 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 has 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 notes 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 notes 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 proposes to consider 13.09 crore as 100% aeronautical and 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, has 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 proposes 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 proposes to exclude these additional works from the First Control Period true-up. Based on above, the Authority proposes to consider as below:

Table 13: Building – residential cost proposed by Authority

(₹ 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 new residential staff quarter CISF barracks, dog kennels and community hall at old wireless station	2021-22	55.11	2022-23	74.48	63.22
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 has examined through its Independent Consultant the proposal of AAI regarding Boundary Wall – Operational, wherein AAI has 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 notes 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 has been found justified & reasonable. The Authority, through its Independent Consultant, has verified the capitalization of these assets in the Fixed Asset Register and the actual cost incurred therein, proposes to allow this amount as part of the true-up of CAPEX for the First Control Period.

Further to above, AAI has 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 validation, and demonstrable linkage to the originally approved project components, the Authority proposes 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 1st control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests. Therefore, the Authority proposes to consider ₹ 0.56 crores as CAPEX.

Table 14: Boundary wall – operational proposed by Authority

(₹ 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 has incurred ₹ 0.27 crore towards platform to solar panels- 1 MW solar power plant. 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 proposes to exclude these additional works from the First Control Period true-up

7) Plant & Machinery

AAI has 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, has 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 proposes 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 proposes 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 1st control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests.

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

Table 15: Plant & machinery cost proposed by Authority

(₹ 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

S. No	Particulars	As approved in FCP		As per true-up		Proposed by Authority
		Capitalization		Capitalization		
		Year	Amount	Year	Amount	
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
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 has 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, has 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 has considered the water connection charges amounting to ₹ 15.10 crore as part of RAB.

8) Tools & Equipments

The Authority has 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 has 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 proposes 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 1st control Period is considered for capitalization, ensuring prudence, regulatory discipline, and protection of user interests.

The remaining CAPEX of ₹ 4.24 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, has 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 proposes to consider ₹ 4.24 crore for True up of the CAPEX of the First Control Period

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

Table 16: Tools & equipment cost proposed by Authority

(₹ 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 has incurred an expenditure of ₹0.63 crore towards procurement of vehicles during the First Control Period. The Authority notes that no provision for such procurement was included in the approved CAPEX plan of the First Control Period. Further, AAI has 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 concludes that the expenditure falls outside the admissible scope and accordingly, proposes to exclude the same from the true-up exercise.

10) Furniture & fix. other than trolley

AAI has 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, proposes 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 proposes 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 observes 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 proposes 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 notes 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 proposes to exclude this expenditure from the True up of CAPEX for the First Control Period.

13) Computers: end users

AAI has 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 observes 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 proposes to disallow this amount for True up.

14) Computers: servers and networks

AAI has 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 proposes to allow ₹30.10 crore for True up of CAPEX.

Additional items have also been procured amounting ₹ 0.15 crore. However, the Authority notes 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 proposes to disallow this amount for True up.

15) Other office equipment

AAI incurred ₹0.09 crore towards procurement of miscellaneous office equipment. The Authority notes that this expenditure was not envisaged under the approved CAPEX plan and AAI has not provided sufficient justification demonstrating its necessity for aeronautical service provision. As such, the Authority proposes 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 has 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 17: Capital additions proposed 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	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

S. No	Asset category	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
20.	Other office equipment	0.00	0.00	0.00	0.00	0.00	0.00
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 proposes 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

4.5.15 AAI has 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 18: 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 notes 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 notes that the AAI has considered the value of assets after adjustment for accumulated depreciation. The Authority proposes to exclude ₹ 4.91 crore from RAB pertaining to old terminal building, after considering the revised CAPEX and depreciation calculation.

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 19: 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 notes that while submitting the true up for the First Control Period, AAI has taken cognizance of the rates of depreciation as per order No. 35/ 2017-18 dated January 12, 2018, and amendments for determination of useful life on airport assets'. Accordingly, the rates of depreciation approved by AERA have been applied by AAI from FY 2018-19 onwards.

4.5.19 The Authority observed that AAI has depreciated assets @ 50% of depreciation rates in the year of capitalization of assets. However, the Authority proposes to consider the depreciation based on the date of capitalization of the asset and compute the depreciation accordingly, instead of considering 50% of the depreciation in the year of capitalization of the assets. As per the consistent approach of the Authority being followed for all major airports, depreciation in the year of capitalisation (for True up purpose) is calculated considering the actual date of capitalisation of assets as reflected in the Fixed Assets Register maintained by the Airport Operator. Therefore, the Authority proposes to consider depreciation on capital additions for the First Control Period for 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 has re-computed the depreciation as ₹ 65.44 crore, as against ₹ 102.98 crore and the same is presented below:

Table 20: Depreciation proposed by the Authority for true up of the First Control Period

(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
Intangible assets- software	0.00	0.00	0.00	0.00	0.00	0.00
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 21 below:

Table 21: RAB proposed 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	28.80	45.40	150.04	1003.82	
Additions (B) (Refer Table 17)	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 20)	3.61	3.79	5.91	7.42	44.71	65.44

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	

4.6 True up of Fair Rate of Return (FRoR)

4.6.1 The Authority notes 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 22: 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 has availed debts for all its airports during FY 2020-21, FY 2021-22 and FY 2022-23 and has 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 23: 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, has 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 is as below:

Table 24: 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 -2100 crore	7.82%	-	-	8.36%
Average rate of interest				8.35%

4.6.5 The Authority proposes 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.

4.7 True up of non-aeronautical revenues

4.7.1 The Authority notes 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 25 below:

Table 25: Actual non-aeronautical revenue for the First Control Period submitted by AAI for Tiruchirappalli International Airport

Particulars	(₹ crore)					Total
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	
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	0.41	0.70	2.79	0.00	3.15	7.05
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	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 26: Non-aeronautical revenue approved in the Tariff Order by the Authority for the First Control Period

Particulars	(₹ crore)					Total
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	
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

- 4.7.3 The Authority notes 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 notes 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 notes that AAI had included the revenue amounting to Rs. 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 27: Non-aeronautical revenue proposed by the Authority for the First Control Period*(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 proposes to consider the non-aeronautical revenue as per **Table 27** for true up of the First Control Period.

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

- 4.8.1 The Authority notes 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 28** below:

Table 28: 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
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 29: O&M expenses as per the Tariff Order 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	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

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

- 4.8.3 The Authority notes 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 has examined through its Independent Consultant the variances and the same has been explained below:

- 4.8.4 **Payroll expense:** The Authority notes 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 notes the following:

- a) 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.
- b) 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 proposes 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 notes 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 proposes not to consider interest/penalties appearing in AAI's submission.

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

The Authority has derived the revised allocation of CHQ and RHQ expenses, based on the methodology, explained in the above-mentioned paragraphs and the same is presented in the **Table 30** below:

Table 30: Re-allocation of CHQ/ RHQ – admin and gen expenses proposed by the Authority for the FY 2020-21

(₹ in crore)	
Particulars	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, eng.

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

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

- 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 31: 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 31, 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 ICMAI MRF on the AAI's CHQ/RHQ cost allocations to airports, the Authority proposes to consider the recommendations of the revised study report of ICMAI submitted by AAI on May 7, 2025, for allocation of CHQ and RHQ expenses to AAI airports.

Table 32: 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 notes 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 proposes 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 notes 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 notes the following:

- a) 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 notes 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 proposes 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 proposes 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 Cores)

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 proposes 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 proposes 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 has been recovered from the concessionaires and has 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 33: 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 proposes 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 notes that AAI has 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 notes the actual expenses towards consumption of stores and spares to be reasonable and therefore proposes to consider the same for true up of the First Control Period.

Other charges

The Authority notes that AAI has 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 notes that AAI has 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 has been removed from operational expenses. Authority notes 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 has not been considered under CAPEX as well.

The Authority further notes 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 proposes to consider one fifth of the expenses for FY 2020-21.

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

Therefore, based on the above analysis and nature and essentiality of services, the Authority proposes 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 proposes 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 34** below.

Table 34: O&M expenses as proposed by the Authority for true up of the First Control Period

Particulars	FY	FY	FY	FY	FY	Total
	2020-21	2021-22	2022-23	2023-24	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

(₹ crore)

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.

4.9 True up of taxation

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

Table 35: Taxation submitted by AAI for Tiruchirappalli International Airport

Particulars	FY	FY	FY	FY	FY	Total
	2020-21	2021-22	2022-23	2023-24	2024-25	
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

(₹ crore)

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
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 has re-computed aeronautical taxation based on regulatory building blocks as discussed in the previous sections and the same is as follows:

Table 36: Taxation proposed to be considered by the Authority

(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						
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 notes that AAI has incurred losses during the First Control Period i.e., during FY 2020-21 and FY 2021-22 and the same has been set off against the profit earned in FY 2022-23, thereafter AAI has incurred losses in FY 2023-24 and FY 2024-25. Therefore, The Authority proposes to consider, nil aeronautical tax for true up of the First Control Period, as shown in Table 36.

4.10 True up of aeronautical revenue

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

Table 37: 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						

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
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 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 38: 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 notes 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 proposes to consider the aeronautical revenue as per Table 39 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 has been excluded from Non-aeronautical Revenue and added under the Aeronautical Revenue.

Table 39: Aeronautical revenue proposed by the Authority for the First Control Period*(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 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
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

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 has derived the ARR for true up of the First Control Period which is enumerated in the **Table 40** below:

Table 40: ARR proposed by the Authority for true up of the First Control Period*(₹ crore)*

Particulars	Ref.	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Average RAB (<i>Table 21</i>)	(a)	28.39	29.23	37.10	97.72	576.93	984.49	
FRoR (<i>Table 22</i>)	(b)	0.14	0.14	0.14	0.12	0.12	0.12	
Return on average RAB	c = (a) * (b)	3.97	4.09	5.19	11.35	66.98	114.30	201.91
Depreciation (<i>Table 20</i>)	(d)	4.94	3.61	3.79	5.91	7.42	44.71	65.44
O&M expense (<i>Table 34</i>)	(e)	49.99	36.03	41.71	53.77	63.61	86.89	282.01
Tax (<i>Table 36</i>)	(f)	0.78	0.00	0.00	0.00	0.00	0.00	0.00
Interest on working capital	(g)	0.00	0.69	1.18	0.00	0.00	0.00	1.87

Particulars	Ref.	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Gross ARR	(h)= (c+e+f+g)	59.68	44.42	51.88	71.03	138.01	245.90	551.24
NAR (<i>Table 27</i>)		29.29	6.61	11.13	24.46	29.35	34.12	105.69
Less 30% NAR	(i)	8.79	1.98	3.34	7.34	8.81	10.24	31.71
Net ARR	(j)= (h-i)	50.89	42.43	48.54	63.69	129.20	235.67	519.53
Add: shortfall of regulated year FY 2019-20	(k)	0.00	0.08	0.00	0.00	0.00	0.00	0.08
ARR after considering shortfall for FY 2019-20	(l) = (j+k)	50.89	42.51	48.54	63.69	129.20	235.67	519.61
Actual aeronautical revenue (<i>Table 39</i>)	(m)	57.16	6.55	29.10	88.69	101.33	110.82	336.49
Under/ (over) recovery of pre-control period	n = (l-m)	(6.27)	35.96	19.44	(25.00)	27.87	124.85	183.12
Discount factor (@14%/11.61%)	(o)	1.14	1.81	1.58	1.39	1.25	1.12	
Under/ (over) recovery of pre-control period as on March 31, 2025	(n*o)	(7.15)	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, 2025								235.09

4.11.2 The Authority has re-computed the ARR for the First Control Period and notes that the under recovery works out to ₹ 235.09 crore, as against ₹ 357.39 crore claimed by AAI. Accordingly, the Authority proposes 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:

- a) 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.
- b) 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
- c) Reclassification of lease land for hangar from non-aeronautical to aeronautical revenue.

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

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

- 4.12.1 To consider capital additions as detailed in **Table 17** for true up of the First Control Period.
- 4.12.2 To consider aeronautical depreciation as mentioned in **Table 20** for true up of the First Control Period.
- 4.12.3 To consider RAB as per **Table 21** for true up for the First Control Period.
- 4.12.4 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
- 4.12.5 To consider the non-aeronautical revenues as presented in **Table 27** for true up of the First Control Period.
- 4.12.6 To consider the O&M expenses as detailed in **Table 34** for true up of the First Control Period.
- 4.12.7 To consider actual aeronautical revenue as per **Table 39** for true up of the First Control Period for Tiruchirappalli International Airport.
- 4.12.8 To consider ARR and the under-recovery as detailed in **Table 40** 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 has been shown in the **Table 41** below:

Table 41: 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 42: 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 43: 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 44: 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 has projected a growth of 12% in domestic passenger traffic and 9% in international traffic in FY 2025-26. Similarly, it has projected a growth rate of 9% in domestic ATMs and 16% in international ATMs in FY 2025-26. AAI has 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 has 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 has 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

- 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 45** below:

Table 45: CAGR for passenger traffic and ATM

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 45**, 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 notes 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 has 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 has 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 46**. 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 notes 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 46: Y-O-Y change in passenger traffic for FY 2024-25 & 2025-26

(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 has analysed the year-on-year (YoY) change in Aircraft Traffic Movements (ATM) for FY 2024-25 and FY 2025-26, as presented in

5.2.7 **Table 46.**

5.2.8 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 notes 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 47: Y-O-Y change in Aircraft Traffic Movements for FY 2024-25 & 2025-26

(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%

Month	Domestic ATM- FY 2024-25	Domestic ATM -FY 2025-26	% YoY Change
August	720	885	22.92%
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		

5.2.9 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 48: Traffic analysis as per actual number for first eight months of FY 2025-26

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 notes that international passenger traffic and ATMs projected by AAI in **Table 43** are reasonable and considered by Authority as per **Table 51**.

5.2.10 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

5.2.11 The Authority has 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 has demonstrated stable domestic passenger growth, supported by sustained economic activity and increasing air travel propensity. In this context, the Authority has 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 has witnessed steady growth in the post-COVID period. In view of the above, the Authority has considered the aforesaid traffic outlook as an appropriate basis for determining the traffic projections for Tiruchirappalli International Airport for the relevant control period.

5.2.12 The Authority notes that AAI has 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

5.2.13 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 proposes 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 proposes to consider the traffic projections for Second Control Period as below:

Table 49: Growth rates for Passenger Traffic and ATM proposed by the Authority for the Second Control Period

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 50: Traffic and ATM Projection proposed by the Authority for the Second Control Period

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

5.2.14 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 51** below:

Table 51: Traffic proposed to be considered by the Authority 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
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	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
submitted by AAI for Tiruchirappalli International Airport						
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%	

Domestic passenger (in Nos)	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
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
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 Authority's Proposal regarding traffic for the Second Control Period

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

- 5.3.1 To consider the passenger and ATM traffic for the Second Control Period for Tiruchirappalli International Airport as per **Table 51**
- 5.3.2 To True up the traffic volume (passenger and ATM) on the basis of actual traffic in the Second Control Period while determining tariff for the Third Control Period.

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

6.1 Background

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

6.1.2 The Authority, while analysing the aeronautical expenditure proposed by AAI for the Second Control Period, has 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 has 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 has 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 has 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, has 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 52: 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

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

- 6.3.1 The Authority notes 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 has 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 Rs. 50 crore Rupees, whichever is the lower amount", the Authority notes that, since the proposed expenditure 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 and AAI has also not conducted AUCC meeting for the Second Control Period.
- 6.3.3 The Authority has 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 has 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, has 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 proposes 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 has proposed the CAPEX towards SITC of hydraulic boom lift amounting to ₹ 1.25 crore in FY 2025-26

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 has 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, has 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 proposes 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 has 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, has 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 proposes 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 has 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

The Authority, through its Independent Consultant, has examined the proposed CAPEX, including review of award letters, and verified the tendering for the above works by the airport operator.

Authority notes 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 proposes 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 has proposed the CAPEX towards additional 5nos.PBB (elect. work) amounting to ₹ 0.11 crore in FY 2025-26.

The Authority, through its Independent Consultant, has 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 proposes 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 has 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, has 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 proposes 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 has 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.

The Authority, through its Independent Consultant, has examined the proposed CAPEX, including review of award letters, and verified the tendering process for the above works by the airport operator. Further, based on the market survey and cost as per other similar Airports, the cost is found to be reasonable. Therefore, the Authority proposes 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 has 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, has examined the proposed CAPEX. The work has not been awarded yet and is also not part of MYTP submitted. Therefore, the Authority proposes 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 has 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, has examined the proposed CAPEX, and found the work has not been awarded yet and is also not part of MYTP submitted. Therefore, the Authority proposes to disallow the CAPEX amounting (₹ 13.92 crore) from FY 2026-27.

5.3 Construction of solar power plant (1MW) (₹ 5 crore)

AAI has 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 has 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 has examined the proposed CAPEX, and found the work has not been awarded yet and are also not part of MYTP submitted, but in order to promote green energy initiatives, the same has been considered by the Authority. The Authority, through its Independent Consultant has examined the cost of the proposed CAPEX, as compared to similar installations at other airports. Therefore, the Authority proposes to consider the CAPEX of ₹ 5 crore towards solar power in FY 2026-27.

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- 6.3.4 The Authority notes that AAI has 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 proposes 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 proposes 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 proposes CAPEX for the Second Control Period as per the Table 53 below:

Table 53: CAPEX (project-wise) proposed by the Authority for Second Control Period

(₹ 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 Lighting	FY 2025-26	FY 2025-26	80.17	0.35	-79.82	Rationalised based on error in project value,

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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)	
	Control & Monitoring System (ALCMS)						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 has 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	-	<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 has 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 PTT and new apron	FY 2026-27	-	13.92	0	-13.92	The work has 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)	
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 has 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 54: Year wise capitalization of assets proposed by Authority for Second Control Period

(₹ 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 proposes 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:

- a) Application of TBR of 90%:10% as against the proposed TBR allocation by AAI i.e. 98.1%: 1.9%
- b) 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.
- c) 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

6.4.1 In the Multi-Year Tariff Proposal for the Second Control Period for Tiruchirappalli International Airport, AAI has 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 by Tiruchirappalli International Airport from FY 2019-20 onwards.

6.4.2 Depreciation has 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

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Period has been presented in the Table 55 below:

Table 55: 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 notes that the has 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 has reviewed the depreciation submitted by AAI for the Second Control Period.

6.4.5 Based on changes in the proposed CAPEX, the Authority proposes the following depreciation for the Second Control Period

Table 56: Depreciation proposed by the Authority for the Second Control Period

(₹ crore)

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

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Runways/taxiway	2.34	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

6.5.2 **Table 57** below:

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

Table 57: 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

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

Table 58: RAB proposed 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)	965.17	937.59	897.22	876.87	829.75	
Additions (B) (Table 58)	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 56)	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 proposes to consider average RAB for the Tiruchirappalli International Airport for the Second Control Period as detailed in Table 58.

6.6 Authority's proposal regarding capital expenditure (CAPEX), depreciation and regulatory asset base (RAB) for the Second Control Period

Based on the material submitted by AAI and its analysis, the Authority proposes the following with regard to CAPEX, depreciation and RAB for the Second Control Period.

- 6.6.1 To adopt the capitalisation of aeronautical CAPEX for the Second Control Period in accordance with Table 53.
- 6.6.2 To true up the CAPEX based on actuals subject to cost efficiency and reasonableness, at the time of

determination of tariff for Third Control Period.

- 6.6.3 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 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.
- 6.6.4 To consider depreciation as per Table 56 for the Second Control Period.
- 6.6.5 To true up depreciation of the Second Control Period based on the actual asset additions and actual date of capitalisation during the tariff determination of the Third Control Period.
- 6.6.6 To consider GST credits 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.
- 6.6.7 To consider average RAB for the Second Control Period for Tiruchirappalli International Airport as per Table 58.
- 6.6.8 To true up the RAB based on actuals at the time of tariff determination for the Third Control Period

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

7.1 AAI's submission on FRoR for the Second Control Period for Tiruchirappalli International Airport

7.1.1 AAI has considered FRoR as 11.61% for the Second Control Period.

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

7.2.1 The Authority notes that AAI has submitted that the 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 notes the recommendations made by the Public Investment Board (PIB) in their Minutes of Meeting dated February 20, 2024 (No. 27 (03)/ PFC-I/ 2024), wherein, the PIB has stated that "the Authority would also consider other factors while assessing fair rate of return in cases where there is a low level of gearing with the underlying objective of protecting the reasonable interests of Users". The above recommendation emphasizes the need to balance financial considerations, with a view to protect the airport users' interests.

7.2.4 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 has been explained as follows:

Cost of Debt

7.2.5 AAI has 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 proposes to adopt an average cost of debt of 7.75% for the FRoR calculation.

Cost of Equity

7.2.6 The Authority proposes to consider the Cost of Equity for Tiruchirappalli International Airport at 15.18%. The same has 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

Airport.

- 7.2.8 Based on the above reports, the Authority proposes 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 proposes to consider FRoR as per table below for Tiruchirappalli International Airport for the Second Control Period:

Table 59: Fair Rate of Return calculated by the Authority for the Second Control Period

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

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

- 7.3.1 To consider FRoR of 11.61 % for Tiruchirappalli International Airport for the Second Control Period.

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 has 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

8.2.1 The Authority proposes 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 proposes to consider the mean of WPI inflation forecasts (all commodities) for FY 2025-26 and FY 2026-27 as given in the 98th Round of Survey of Professional Forecasters on macroeconomic indicators (February 6, 2025) of RBI.

8.2.2 The Authority has assumed that the inflation rate would be stable and remain constant from FY 2026-27 till FY 2029-30. Accordingly, the following **Table 60** shows the inflation rates proposed by the Authority for the Second Control Period.

Table 60: Inflation rates proposed 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	0.40%	3.00%	3.00%	3.00%	3.00%

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

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

8.3.1 To consider inflation for the Second Control Period for Tiruchirappalli International Airport as detailed in **Table 60**.

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:

- a) Payroll expenses,
- b) Admin and general expenditure,
- c) Repair and maintenance expenditure,
- d) Utilities and outsourcing expenditure, and
- e) Other outflows, i.e., collection charges on UDF

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

9.1.3 AAI has segregated the expenses into aeronautical expenses, non-aeronautical expenses, and common expenses. The common expenses have been further segregated into aeronautical and non-aeronautical based on the relevant ratios.

9.1.4 The summary of aeronautical O&M expenses proposed by AAI for Tiruchirappalli International Airport for the Second Control Period has been presented in the **Table 61** below:

Table 61: 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 has been presented in the **Table 62** below:

Table 62: 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

9.2.1 AAI has 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 has 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 has been reviewed and explained below:

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

9.2.3 AAI has 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 has 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 proposes 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 proposes 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 equipment & security equipment), has 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 proposes to re-allocate the above expenses in the TBR of 90%:10%.

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

Table 63: Allocation of O&M expenses proposed to be considered by Authority for Tiruchirappalli International Airport

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 has 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 has proposed an additional growth rate of 18% in FY 2027-28 taking into consideration the implementation of increase in payroll on account of recommendations of the 8th Pay Commission. However, the Authority proposes to consider a growth rate of 6% 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 proposes 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 proposes 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 has been submitted by AAI for each year of the Second Control Period is given below:

Table 64: Manpower count submitted by AAI for Second Control Period

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

OPERATION AND MAINTENANCE EXPENSES FOR THE SECOND CONTROL PERIOD

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 has 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 notes that there is an uncertainty regarding the actual incurrence of these expenses. Accordingly, the Authority proposes 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 65: Payroll Expenses as submitted by AAI and as proposed by the Authority for the Second Control Period

(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 notes that AAI has 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 has included interest on borrowed funds, which has not been considered by Authority, as it has already been factored in while calculating return on the RAB. Therefore, the Authority proposes 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 notes that AAI has 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 notes that there was a significant increase in this expense for FY 2024-25 which amounted 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 proposes to exclude the non-recurring expense of ₹ 0.61 crore from the projection for the Second Control Period. The recurring component has 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 66: 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

(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 has proposed 3% increase year-on-year for Tiruchirappalli International Airport, for the Second Control Period. The Authority notes that these are contractual expenses, wherein the rates have been finalized for the entire contract period (which is 3 years), and it 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 proposes 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 notes 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 51**). 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 proposes 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 67: Upkeep Expenses as submitted by AAI and proposed by Authority

(₹ 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	

Particulars	FY 2025-	FY 2026-	FY 2027-	FY 2028-	FY 2029-	Total
Capacity Utilisation based on pax (D=B/C)	54%	59%	64%	70%	76%	
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 has 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 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 2nd 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 2nd 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 has 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 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 2nd 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 68: Administration and general expenses (CHQ/ RHQ) as submitted by AAI and as proposed by the Authority for the Second Control Period

(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 has 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 notes that R&M expenses proposed by AAI for the Second Control Period amounts to ₹ 97.92 crore. The Authority also notes 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 proposes 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 69: Repair and Maintenance expenses as submitted by AAI and as proposed by the Authority for the Second Control Period

(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 has projected power expenses after netting off the recoveries made from the concessionaires. The

Authority notes that AAI has not proposed any increase in the net power costs for the Second Control Period. The Authority proposes 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 notes that AAI has 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 has 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 proposes 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 notes 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 proposes 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 70: Utility and outsourcing expense as submitted by AAI and as proposed by the Authority for the Second Control Period

(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 has considered the growth rate to be the same as that of passenger traffic. The Authority proposes to use the same approach, as it is a reasonable cost driver.

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

Table 71: Operation and Maintenance (O&M) expenses proposed to be considered by the Authority for the Second Control Period

(₹ 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

OPERATION AND MAINTENANCE EXPENSES FOR THE SECOND CONTROL PERIOD

Particulars	Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Retirement benefits of employees of Tiruchirappalli International Airport (B)		1.39	1.48	1.57	1.66	1.76	7.86
Total payroll costs (C = A+B)	Table 65	22.23	23.57	24.98	26.48	28.07	125.34
Admin. & other expenses - excluding CHQ/RHQ and upkeep expenses (D)	Table 66	10.22	11.04	11.94	12.93	14.02	60.15
Upkeep expenses (E)	Table 67	4.29	4.79	5.31	5.86	6.44	26.69
Admin. & other expenses - CHQ/RHQ (F)	Table 68	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 69	14.83	16.30	17.93	19.71	21.68	90.45
Utilities & outsourcing expenses	Table 70	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:

- a) Rationalisation of payroll expenses amounting to ₹ 54.58 crore
- b) Rationalisation of admin & other expenses (excluding CHQ/RHQ and upkeep expenses) amounting to ₹ 29.05 crore
- c) Rationalisation of upkeep expenses amounting to ₹ 11.28 crore
- d) Rationalisation of allocation of CHQ/ RHQ expenses amounting to ₹ 52.36 crore
- e) Rationalisation of repair and maintenance expenses amounting to ₹ 7.47 crore
- f) Rationalisation of utilities & outsourcing expenses amounting to ₹ 2.93 crore
- g) 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 Authority's proposal regarding operation and maintenance expenses for the Second Control Period

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

- 9.3.1 To consider O&M expenses for the Second Control Period for Tiruchirappalli International Airport as per **Table 71**.
- 9.3.2 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.

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 has forecasted revenue from services other than aeronautical services for Tiruchirappalli International Airport as below:

Table 72: 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 73 below.

Table 73: 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%

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

10.2.1 The Authority notes 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 notes 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 has been projected by Y-O-Y increase of 14% considering the passenger growth and inflation.

Further, the revenues from Hoarding & Display, AAI has projected 10% Y-o-Y increase for Second Control Period, and the Authority proposes to consider the same.

Rent and services

10.2.3 The Authority has examined through its Independent Consultant the revenue from rent and services proposed by AAI as follows: -

- i) Land lease: AAI has 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 proposes to consider the land lease rates as proposed by AAI for the Second Control Period
- ii) Building (residential): AAI has projected 10% Y-o-Y increase for Second Control Period, towards building (residential) and the Authority proposes to consider the same
- iii) Building (non-residential): AAI has projected 10% Y-o-Y increase for Second Control Period, towards building (non-residential) and the Authority proposes to consider the same, as these are administrative/contractual rate increases

Authority has considered the revenues from rent and services amounting to ₹4.47 crore, as proposed by AAI.

Miscellaneous

10.2.4 The Authority has examined through its Independent Consultant the revenue from miscellaneous items proposed by AAI as follows: -

- i) The Car rental contract has 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% has been considered in the projections.
- ii) Other income growth % has 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 has been presented in the Table 74 below:

Table 74: NAR proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period

(₹ 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 Authority's proposal regarding Non-Aeronautical Revenues for the Second Control Period

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

10.3.1 To consider NAR for the Second Control Period for Tiruchirappalli International Airport in accordance

with **Table 74**

- 10.3.2 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 proposed 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 has calculated the revenue generated from regulated services, aeronautical operating expenses, interest and financing charges, and depreciation on written down value (WDV) of assets as per income tax. After calculating the Profit Before Tax (PBT), a tax rate of 25.17% was applied, after setting off prior losses. The aeronautical taxes submitted by Tiruchirappalli International Airport are shown in the Table 75 below:

Table 75: Tax Expense submitted by AAI for the Second Control Period

Particulars	(₹ crore)					Total
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 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

11.2.1 The Authority notes that Tiruchirappalli International Airport has calculated income tax based on the projected aeronautical revenues. The Authority has re-computed the taxes based on the revised regulatory blocks for the Second Control Period proposed in the previous chapters. The following Table 76 summarizes the aeronautical taxes proposed by the Authority for the Second Control Period.

Table 76: Taxation proposed by the Authority for the Second Control Period

Particulars	(₹ crore)					Total
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
Aeronautical revenue (A)	132.42	206.78	238.13	274.73	317.71	1169.77
O&M expenses (B) Table 71	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)			

Particulars	FY	FY	FY	FY	FY	Total
	2025-26	2026-27	2027-28	2028-29	2029-30	
Tax rate (%)	25.17%	25.17%	25.17%	25.17%	25.17%	
Tax	0.00	0.00	0.00	20.45	42.34	62.78

**Includes carry forward losses of FY 2024-25 amounting Rs. 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:

- a) Decrease in aeronautical revenue amounting to ₹ 363.33 crore.
- b) Rationalisation of allocated O&M expenses amounting to 157.49 crore.
- c) Decrease in depreciation by ₹ 42.28 crore

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

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

- 11.3.1 To consider the taxation for the Second Control Period for Tiruchirappalli International Airport as per Table 76.
- 11.3.2 To true up the aeronautical tax amount 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 has not made any submission related to quality of service as part of its MYTP submission. The Authority was informed that the same is available on AAI’s website (station-wise).

12.2 Authority’s examination regarding quality of service for the Second Control Period

12.2.1 The Authority notes that:

- 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 77: ASQ rating for Tiruchirappalli International Airport for the years 2025

Calendar Year (CY)	ASQ rating
2025 (Q4)	4.94

12.2.3 The Authority notes 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 has 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 Authority’s proposal regarding quality of service for the Second Control Period

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

12.3.1 AAI should ensure that service quality at Tiruchirappalli International Airport adheres to the performances standards outlined in the Concession Agreement and shall additionally 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 to major airports, during the First Control Period.

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 AAI has submitted ARR and Yield per Passenger (YPP) for the Second Control Period as presented in the Table 78 below.

Table 78: ARR and YPP 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

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

13.2.1 The observations and proposals of the Authority across the regulatory building blocks impact the computation of ARR and yield. Consequent to detailed examination of each regulatory building block, the Authority proposes the following ARR and YPP, as presented in the Table 79 below:

Table 79: ARR proposed to be considered 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 58	951.38	917.40	887.04	853.31	806.24	
Fair Rate of Return (B)	Table 59	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 56	44.47	45.37	46.27	47.12	47.02	230.25
O&M expenses (E)	Table 71	72.23	76.58	81.27	86.33	91.81	408.22
Tax expense (F)	Table 76	0.00	0.00	0.00	20.45	42.34	62.78

AGGREGATE REVENUE REQUIREMENT FOR THE SECOND CONTROL PERIOD

Particulars	Table Ref	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
Shortfall carried forward from First Control Period		235.09					235.09
ARR (G =SUM (C: F))		462.25	228.46	230.52	252.97	274.77	1448.97
NAR	Table 74	37.54	53.22	59.73	66.98	75.10	292.57
Less: 30% NAR (H)		11.26	15.97	17.92	20.09	22.53	87.77
Net ARR (G-H)		450.98	212.49	212.61	232.88	252.24	1361.20
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	1142.10
Sum present value of ARR (₹ crore)						1142.10	1142.10
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

13.2.2 The Authority has 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 53) 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
- Increase in cross subsidy from NAR.
- Reduction in taxation, due to rationalization of other building blocks such O&M expenses, depreciation and the Aeronautical revenue determined by the Authority (based on the proposed Tariff Rate card of the Authority)

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

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

13.3.1 To consider the ARR for the Second Control Period for Tiruchirappalli International Airport in accordance with **Table 79**

13.3.2 To true up the ARR for the Second Control Period based on the actuals, at the time of tariff determination of Third Control Period, subject to efficiency and reasonability.

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 has proposed to increase the aeronautical tariffs with effect from September 1, 2025 as per the schedule below:

- Landing charges** –AAI has 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 has 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 has proposed the following UDF rates w.e.f. September 1, 2025.

Table 80: 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 81: 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

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

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 has derived the PV of ARR as ₹ 1,142.10 crore (as per Table 79) for the Second Control Period. Further, Authority proposes to increase the landing and parking charges on the following basis:

- 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.
- 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) has 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 proposes 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 proposes the domestic UDF charges for the Second Control Period for Tiruchirappalli International Airport as follows:

Table 82: 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
Total	800	950	960	970	980

14.2.5 The Authority has determined the aeronautical revenue based on the proposed aeronautical charges as follows:

Table 83: Aeronautical revenues proposed to be considered 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
Total PV of ARR (₹ in crore) including true up (A) (as per Table 79)	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
∑ 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 has 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 (**Table 83**), 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 proposes to carry forward to the next Control Period.

14.3 Authority's proposal regarding aeronautical revenue for the Second Control Period

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

14.3.1 To consider aeronautical revenue for the Second Control Period for Tiruchirappalli International

Airport as per **Table 83**.

- 14.3.2 To true up aeronautical revenue based on actual numbers for the Second Control Period at the time of determination of tariff for the Third Control Period.

15. SUMMARY OF AUTHORITY'S PROPOSALS

Chapter 4: True Up of the First Control Period

- 4.12.1 To consider capital additions as detailed in Table 17 for true up of the First Control Period.
- 4.12.2 To consider aeronautical depreciation as mentioned in Table 20 for true up of the First Control Period.
- 4.12.3 To consider RAB as per Table 21 for true up for the First Control Period.
- 4.12.4 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
- 4.12.5 To consider the non-aeronautical revenues as presented in Table 27 for true up of the First Control Period.
- 4.12.6 To consider the O&M expenses as detailed in Table 34 for true up of the First Control Period.
- 4.12.7 To consider actual aeronautical revenue as per Table 39 for true up of the First Control Period for Tiruchirappalli International Airport.
- 4.12.8 To consider ARR and the under-recovery as detailed in Table 40 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

- 5.3.1 To consider the passenger and ATM traffic for the Second Control Period for Tiruchirappalli International Airport as per Table 51
- 5.3.2 To True up the traffic volume (passenger and ATM) on the basis of actual traffic in the Second Control Period while determining tariff for the Third Control Period.

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

- 6.6.1 To adopt the capitalisation of aeronautical CAPEX for the Second Control Period in accordance with Table 53
- 6.6.2 To true up the CAPEX based on actuals subject to cost efficiency and reasonableness, at the time of determination of tariff for Third Control Period.
- 6.6.3 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 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 truing up the actual cost at the time of determination of tariff for the Third Control Period.
- 6.6.4 To consider depreciation as per Table 56 for the Second Control Period.
- 6.6.5 To true up depreciation of the Second Control Period based on the actual asset additions and actual date of capitalisation during the tariff determination of the Third Control Period.
- 6.6.6 To consider GST credits 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.

6.6.7 To consider average RAB for the Second Control Period for Tiruchirappalli International Airport as per Table 58.

6.6.8 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

7.3.1 To consider FRoR of 11.61 % for Tiruchirappalli International Airport for the Second Control Period

Chapter 8: Inflation for the Second Control Period

8.3.1 To consider inflation for the Second Control Period for Tiruchirappalli International Airport as detailed in Table 60

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

9.3.1 To consider O&M expenses for the Second Control Period for Tiruchirappalli International Airport as per Table 71.

9.3.2 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

10.3.1 To consider NAR for the Second Control Period for Tiruchirappalli International Airport in accordance with Table 74

10.3.2 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 proposed by the Authority in the Second Control Period.

Chapter 11: Taxation for the Second Control Period

11.3.1 To consider the taxation for the Second Control Period for Tiruchirappalli International Airport as per Table 76

11.3.2 To true up the aeronautical tax amount 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

12.3.1 AAI should ensure that service quality at Tiruchirappalli International Airport adheres to the performances standards outlined in the Concession Agreement and shall additionally 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 to major airports, during the First Control Period.

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

13.3.1 To consider the ARR for the Second Control Period for Tiruchirappalli International Airport in accordance with Table 79

13.3.2 To true up the ARR for the Second Control Period based on the actuals, at the time of tariff determination of Third Control Period, subject to efficiency and reasonability

Chapter 14: Aeronautical Revenue for the Second Control Period

14.3.1 To consider aeronautical revenue for the Second Control Period for Tiruchirappalli International Airport as per Table 83.

14.3.2 To true up aeronautical revenue based on actual numbers for the Second Control Period at the time of determination of tariff for the Third Control Period.

16. STAKEHOLDERS' CONSULTATION TIMELINE

- 16.1.1 In accordance with the provision of Section 13(4) of the AERA Act, 2008, the proposals contained in Chapter 15 – Summary of the Authority's proposals read with the relevant discussion in the other chapters of the paper is hereby put forth for Stakeholders' Consultation.
- 16.1.2 For removal of doubts, it is clarified and explained that the contents of this Consultation Paper may not be construed as any order or direction by the Authority. The Authority shall pass an order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decisions fully documented and explained in terms of the provisions of the Act.
- 16.1.3 The Authority welcomes written evidence-based feedback, comments and suggestions from stakeholders on the proposal made in this Consultation Paper, latest by 30.03.2026.

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

(Chairperson)

17. LIST OF ANNEXURES

17.1 Annexure I: Annual tariff proposal submitted by AAI for Tiruchirappalli International Airport for the Second Control Period

17.1.1 As part of the MYTP, AAI submitted a tariff card for all five years of the Second Control Period. This tariff card has been reproduced in this Chapter. The Authority examined AAI MYTP, along with all regulatory building blocks. The Authority's examination has been discussed in this Consultation Paper in the previous Chapters and Annual tariff proposed by the Authority is enclosed as Annexure - II.

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

a) Landing charges

Table 84: Landing charges (domestic)

(Rates in ₹)

Weight of the aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Up to 25 MT	223.90 per MT	398.54 per MT	438.39 per MT	482.23 per MT	530.45 per MT	583.50 per MT
Above 25 MT up to 50 MT	5,597.50 + 402.90 per MT in excess of 25 MT	9,963.50 + 717.16 per MT in excess of 25 MT	10,959.75 + 788.88 per MT in excess of 25 MT	12,055.75 + 867.77 per MT in excess of 25 MT	13,261.25 + 954.54 per MT in excess of 25 MT	14,587.50 + 1050 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	27,892.50 + 739.41 per MT in excess of 50 MT	30,681.75 + 813.35 per MT in excess of 50 MT	33,750.00 + 894.69 per MT in excess of 50 MT	37,124.75 + 984.16 per MT in excess of 50 MT	40,837.50 + 1082.57 per MT in excess of 50 MT
Above 100 MT to 200 MT	36,440 + 420.20 per MT in excess of 100 MT	64,863.00 + 747.96 per MT in excess of 100 MT	71,349.25 + 822.76 per MT in excess of 100 MT	78,484.50 + 905.03 per MT in excess of 100 MT	86,332.75 + 995.53 per MT in excess of 100 MT	94,966.50 + 1095.08 per MT in excess of 100 MT
Above 200 MT	78,460 + 405.60 per MT in excess of 200 MT	1,39,659.00 + 721.97 per MT in excess of 200 MT	1,53,624.75 + 794.17 per MT in excess of 200 MT	1,68,987.50 + 873.59 per MT in excess of 200 MT	1,85,885.75 + 960.94 per MT in excess of 200 MT	2,04,474.50 + 1057.05 per MT in excess of 200 MT

*Landing Charges (Domestic) is proposed to be increased by 78% w.e.f. 01.09.2025 and 10% increase Y-o-Y thereafter till FY 2029-30.

Table 85: Landing charges (international)**(Rates in ₹)**

Weight of the aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Up to 25 MT	376.40 per MT	557.07	612.78 per MT	674.06 per MT	741.47 per MT	815.62 per MT
Above 25 MT up to 50 MT	9,410 + 762.40 per MT in excess of 25 MT	13,926.75 + 1128.35 per MT in excess of 25 MT	15,319.50 + 1241.19 per MT in excess of 25 MT	16,851.50 + 1365.31 per MT in excess of 25 MT	18,536.75 + 1501.84 per MT in excess of 25 MT	20,390.50 + 1652.02 per MT in excess of 25 MT
Above 50 MT up to 100 MT	28,410 + 852.60 per MT in excess of 50 MT	42,135.50 + 1,261.85 in excess of 50 MT	46,349.25 + 1,388.03 in excess of 50 MT	50,984.25 + 1526.83 per MT in excess of 50 MT	56,082.75 + 1679.52 per MT in excess of 50 MT	61,691 + 1847.47 per MT in excess of 50 MT
Above 100 MT to 200 MT	71,100 + 970.20 per MT in excess of 100 MT	1,05,228 + 1,435.90 per MT in excess of 100 MT	1,15,750.75 + 1,579.49 per MT in excess of 100 MT	1,27,325.75 + 1737.44 per MT in excess of 100 MT	1,40,058.75 + 1911.18 per MT in excess of 100 MT	1,54,064.50 + 2102.30 per MT in excess of 100 MT
Above 200 MT	1,68,120 + 1001.30 per MT in excess of 200 MT	2,48,818.00 + 1481.92 per MT in excess of 200 MT	2,73,699.75 + 1630.11 per MT in excess of 200 MT	3,01,069.75 + 1793.12 per MT in excess of 200 MT	3,31,176.75 + 1972.44 per MT in excess of 200 MT	3,64,294.50 + 2169.68 per MT in excess of 200 MT

*Landing Charges (International) is proposed to be increased by 48% w.e.f. 01.09.2025 and 10% increase Y-o-Y thereafter till FY 2029-30.

Notes:

1. No Landing Charges shall be payable in respect of: -
 - a) aircraft with a maximum certified Capacity of less than 80 seats, being operated by domestic schedule operators at airport and
 - b) helicopters of all types (not applicable to non-schedule operators)
 - c) DGCA approved Flying school/flying training institute aircrafts.
2. All domestic legs of international routes flown by Indian operators will be treated as domestic flights as far as landing charges are concerned irrespective of flight number assigned to such flights.
3. Domestic leg of international routes of foreign carriers shall be treated as international flights.
4. Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg).
5. For non scheduled Flight “a minimum fee of Rs. 11000/- per flight or applicable landing charges whichever is higher shall be charged as per landing for all types of aircraft flights including but not limited to domestic, international and general aviation landing.”.

b) Parking charges (Domestic)**Table 86: Parking charges (per Hour) up to four hours after first two free hours for the Second Control Period**

(Rates in ₹)

Weight of aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Up to 25 MT	3.20 per hour per MT	4.64 per hour per MT	4.92 per hour per MT	5.22 per hour per MT	5.53 per hour per MT	5.86 per hour per MT
Above 25 MT up to 50 MT	80 + 4.90 per MT per hour in excess of 25 MT	116 + 7.11 per MT per hour in excess of 25 MT	123 + 7.55 per MT per hour in excess of 25 MT	130.50 + 7.99 per MT per hour in excess of 25 MT	138.25 + 8.47 per MT per hour in excess of 25 MT	146.50 + 8.98 per MT per hour in excess of 25 MT
Above 50 MT up to 100 MT	202.50 + 5.80 per MT per hour in excess of 50 MT	293.75 + 8.41 per MT per hour in excess of 50 MT	311.50 + 8.91 per MT per hour in excess of 50 MT	330.25 + 9.44 per MT per hour in excess of 50 MT	350.00 + 10.01 per MT per hour in excess of 50 MT	371.00 + 10.61 per MT per hour in excess of 50 MT
Above 100 MT to 200 MT	492.50 + 9.30 per MT per hour in excess of 100 MT	714.25 + 13.49 per MT per hour in excess of 100 MT	757.00 + 14.30 per MT per hour in excess of 100 MT	802.25 + 15.16 per MT per hour in excess of 100 MT	850.32 + 16.07 per MT per hour in excess of 100 MT	901.50 + 17.03 per MT per hour in excess of 100 MT
Above 200 MT	1,422.50 + 9.50 per MT per hour in excess of 200 MT	2,062.65 + 13.78 per MT per hour in excess of 200 MT	2,187.00 + 14.61 per MT per hour in excess of 200 MT	2,318.25 + 15.49 per MT per hour in excess of 200 MT	2,457.28 + 16.42 per MT per hour in excess of 200 MT	2,604.50 + 17.40 per MT per hour in excess of 200 MT

*Parking (Domestic) is proposed to be increased by 45% w.e.f. 01.09.2025 and 6% increase Y-o-Y thereafter till FY 2029-30.

Table 87: Parking charges (per Hours) beyond first four hours for the Second Control Period

(Rates in ₹)

Weight of aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Up to 25 MT	6.40 per hour per MT	9.28 per hour per MT	9.84 per hour per MT	10.44 per hour per MT	11.06 per hour per MT	11.72 per hour per MT
Above 25 MT up to 50 MT	160 + 9.80 per MT per hour in excess of 25 MT	232 + 14.22 per MT per hour in excess of 25 MT	246.00 + 15.08 per MT per hour in excess of 25 MT	261.00 + 15.98 per MT per hour in excess of 25 MT	276.50 + 16.94 per MT per hour in excess of 25 MT	293.00 + 17.96 per MT per hour in excess of 25 MT

Weight of aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Above 50 MT up to 100 MT	405 + 11.60 per MT per hour in excess of 50 MT	587.50 + 16.82 per MT per hour in excess of 50 MT	623.00 + 17.82 per MT per hour in excess of 50 MT	660.50 + 18.88 per MT per hour in excess of 50 MT	700.00 + 20.01 per MT per hour in excess of 50 MT	742.00 + 21.22 per MT per hour in excess of 50 MT
Above 100 MT to 200 MT	985.00 + 18.60 per MT per hour in excess of 100 MT	1428.50 + 26.98 per MT per hour in excess of 100 MT	1514.00 + 28.60 per MT per hour in excess of 100 MT	1604.50 + 30.32 per MT per hour in excess of 100 MT	1700.64 + 32.14 per MT per hour in excess of 100 MT	1803.00 + 34.05 per MT per hour in excess of 100 MT
Above 200 MT	2,845 + 19.00 per MT per hour in excess of 200 MT	4126.50 + 27.56 per MT per hour in excess of 200 MT	4374 + 29.22 per MT per hour in excess of 200 MT	4636.50 + 30.97 per MT per hour in excess of 200 MT	4914.56 + 32.83 per MT per hour in excess of 200 MT	5209.00 + 34.80 per MT per hour in excess of 200 MT

*There is one time increase of 45% in parking charges with effect from September 1, 2025 to March 2026. Further increase of 6% Y-o-Y in respective charges from FY26-27 onwards till FY29-30

c) Parking charges (International)

Table 88: Parking charges (per Hour) up to four hours after first two free hours for the Second Control Period

Weight of aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Up to 25 MT	3.30 per hour per MT	4.79 per hour per MT	5.08 per hour per MT	5.38 per hour per MT	5.70 per hour per MT	6.04 per hour per MT
Above 25 MT up to 50 MT	82.50 + 5.60 per MT per hour in excess of 25 MT	119.75 + 8.12 per MT per hour in excess of 25 MT	127.00 + 8.61 per MT per hour in excess of 25 MT	134.50 + 9.13 per MT per hour in excess of 25 MT	142.50 + 9.68 per MT per hour in excess of 25 MT	151.00 + 10.26 per MT per hour in excess of 25 MT
Above 50 MT up to 100 MT	222.50 + 7.10 per MT per hour in excess of 50 MT	322.75 + 10.30 per MT per hour in excess of 50 MT	342.25 + 10.92 per MT per hour in excess of 50 MT	362.75 + 11.58 per MT per hour in excess of 50 MT	384.50 + 12.27 per MT per hour in excess of 50 MT	407.50 + 13.01 per MT per hour in excess of 50 MT
Above 100 MT to 200 MT	577.50 + 10.80 per MT per hour in excess of 100 MT	837.75 + 15.66 per MT per hour in excess of 100 MT	888.25 + 16.60 per MT per hour in excess of 100 MT	941.75 + 17.60 per MT per hour in excess of 100 MT	998.00 + 18.66 per MT per hour in excess of 100 MT	1,058.00 + 19.78 per MT per hour in excess of 100 MT

Weight of aircraft	FY 2025-26	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Existing (Upto 31.08.2025)	(W.e.f. 01.09.2025)	(W.e.f. 01.04.2026)	(W.e.f. 01.04.2027)	(W.e.f. 01.04.2028)	(W.e.f. 01.04.2029)
Above 200 MT	1,657.50 + 10.90 per MT per hour in excess of 200 MT	2,403.75 + 15.81 per MT per hour in excess of 200 MT	2,548.25 + 16.76 per MT per hour in excess of 200 MT	2,701.75 + 17.77 per MT per hour in excess of 200 MT	2,864.00 + 18.84 per MT per hour in excess of 200 MT	3,036.00 + 19.97 per MT per hour in excess of 200 MT

* Parking (International) is proposed to be increased by 45% w.e.f. 01.09.2025 and 6% increase Y-o-Y thereafter till FY 2029-30.

Table 89: Parking charges (per hours) beyond first four hours for the Second Control Period

Weight of aircraft	Existing rate	September 1, 2025 to March 31, 2026	April 1, 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	9.58 per hour per MT	10.16 per hour per MT	10.76 per hour per MT	11.40 per hour per MT	12.08 per hour per MT
Above 25 MT up to 50 MT	165 + 11.20 per MT per hour in excess of 25 MT	239.50 + 16.24 per MT per hour in excess of 25 MT	252.54 + 17.22 per MT per hour in excess of 25 MT	269.00 + 18.25 per MT per hour in excess of 25 MT	285.00 + 19.36 per MT per hour in excess of 25 MT	302.00 + 20.52 per MT per hour in excess of 25 MT
Above 50 MT up to 100 MT	445 + 14.20 per MT per hour in excess of 50 MT	645.50 + 20.60 per MT per hour in excess of 50 MT	684.50 + 21.84 per MT per hour in excess of 50 MT	725.50 + 23.16 per MT per hour in excess of 50 MT	769.00 + 24.54 per MT per hour in excess of 50 MT	815.00 + 26.02 per MT per hour in excess of 50 MT
Above 100 MT to 200 MT	1,155.00 + 21.60 per MT per hour in excess of 100 MT	1,675.50 + 31.32 per MT per hour in excess of 100 MT	1,776.50 + 33.20 per MT per hour in excess of 100 MT	1,883.50 + 35.20 per MT per hour in excess of 100 MT	1,996.00 + 37.32 per MT per hour in excess of 100 MT	2,116.00 + 39.56 per MT per hour in excess of 100 MT
Above 200 MT	3,315.00 + 21.80 per MT per hour in excess of 200 MT	4,807.50 + 31.62 per MT per hour in excess of 200 MT	5,096.50 + 33.52 per MT per hour in excess of 200 MT	5,403.50 + 35.54 per MT per hour in excess of 200 MT	5,728.00 + 37.68 per MT per hour in excess of 200 MT	6,072.00 + 39.94 per MT per hour in excess of 200 MT

Notes-

1. No parking charges shall be levied for the first two hours. While calculating free parking period, standard time of 15 minutes shall be added on account of time taken between touch down time and actual parking time on the parking stand. Another standard time of 15 minutes shall be added on account of taxing time of aircraft from parking stand to take off point. These periods shall be applicable for each aircraft irrespective of actual time taken in the movement of aircraft after landing and before take-off.

2. For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.
3. Charges shall be calculated on the basis of nearest MT.
4. Charges for each period parking shall be rounded off to nearest rupee.
5. At the in-contact stands and open stands, after free parking, for the next two hours normal parking charges shall be levied. After this period, the charges shall be double the normal parking charges.
6. It is proposed to waive off the night parking charges in principle for all domestic scheduled operators at Tiruchirappalli International Airport if the State Government has brought the rate of tax (VAT) on ATF < 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 Govt. In the event of upward revision in the tax rate of ATF by the State Govt., the relief of free night parking charges will also be deemed to be withdrawn.
7. For unauthorized overstay of aircraft an additional charge of ₹ 20.00 per hour per MT beyond 24 hours is to be payable or as per revised rate if any.

d) User Development Fees (UDF) for the Second Control Period are as follows

Table 90: Applicable rates for date of issue of Ticket from September 01, 2025 to March 31, 2026

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	800	1000
Disembarking passenger	400	400

Table 91: Applicable rates for travel date from April 01, 2026 to March 31, 2027

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	850	1100
Disembarking passenger	450	500

Table 92: Applicable rates for travel date from April 01, 2027 to March 31, 2028

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	900	1200
Disembarking passenger	500	600

Table 93: Applicable rates for travel date from April 01, 2028 to March 31, 2029

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	950	1300
Disembarking passenger	550	700

Table 94: Applicable rates for travel date from April 01, 2029 to March 31, 2030

(Rate in ₹)

Type of Passenger	Domestic PAX	International PAX
Embarking passenger	1000	1400
Disembarking passenger	600	800

Notes:

1. 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.
2. No UDF collection charges are payable to casual operator/non-scheduled operators.
3. For calculating the UDF in foreign currency, the RBI conversion rate as on the last day of the previous month for tickets issued in the 1st fortnight and rate as on 15th of the month for tickets issued in the 2nd fortnight shall be adopted.
4. No UDF will be levied for Transit Passengers.
5. Revised UDF charges will be applicable on tickets issued on or after September 1, 2025 for FY 2025-26 and thereafter as applicable on date of travel from 1st April 2026 to 31st March 2030.

e) Exemption from levy and collection from UDF/ASF 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:

- i. Children (under-age of 2 years),
- ii. Holders of diplomatic passport,
- iii. 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),
- iv. Persons travelling on official duty on aircraft operated by Indian Armed Forces,
- v. Persons traveling on official duty for United Nations Peace Keeping Missions.
- vi. 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").
- vii. Passengers departing from the Indian airports due to involuntary re-routing i.e. technical problems or weather conditions.

f) Aviation Security Fee:

- i. Rates and Exemption as prescribed by MoCA from time to time.

g) General Condition:

- i. All the above charges are excluding GST. GST at the applicable rates are payable in addition to above charges.
- ii. Exemption for Flight operating under Regional Connectivity Scheme: Flight operating under Regional Connectivity Scheme as per Order No. 20/ 2016-17 dated March 31, 2017 will be completely governed by the rules and regulations as issued by Government of India, from time to time.

17.2 Annexure II: Annual Tariff proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period

17.2.1 As detailed in Table 79, Tiruchirappalli International Airport is entitled to recover an ARR of ₹ 1,142.10 crore (in NPV terms). The present value of total projected aeronautical revenues based on the Authority's proposed landing, parking and UDF charges is ₹ 911.21 crore (in NPV terms), which is resulting in a net under recovery of ₹ 230.89 crore, which the Authority proposes to carry forward to the next Control Period.

17.2.2 The Authority has examined through its Independent Consultant the annual Tariff Proposal submitted by AAI for Tiruchirappalli International Airport. After its examination, the Authority proposes the following aeronautical tariffs for Tiruchirappalli International Airport for the Second Control Period for consultation process

17.2.3 Landing charges proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period is as follows:

Table 95: Landing charges(domestic) proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period

(Rate in ₹)

Weight of the aircraft	Existing rates	April 1, 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 April 1, 2026 to March 31, 2027. Further increase of 10% Y-o-Y in respective charges from FY27-28 onwards till FY29-30.

Table 96: Landing charges (international) proposed by Authority for Tiruchirappalli International

Airport for the Second Control Period

(Rate in ₹)

Weight of the aircraft	Existing rates	April 1, 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 MT in excess of 50 MT	56,940 + 1705.20 per MT in excess of 50 MT	62,634 + 1,875.72 per MT in excess of 50 MT	68,897.40 + 2,063.29 per MT in excess of 50 MT	75,787.14 + 2269.62 per 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 April 1, 2026 to March 31, 2027. Further increase of 10% Y-o-Y in respective charges from FY27-28 onwards till FY29-30.

Notes:

- a) 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.
- b) Charges shall be calculated on the basis of nearest MT (i.e. 1000 kg).

17.2.4 Parking charges proposed by the Authority for Tiruchirappalli International Airport for the Second Control Period is as follows:

Table 97: Parking charges (domestic ATM) up to four hours after first two free hours for the Second Control Period proposed by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	April 1, 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

Weight of aircraft	Existing rate	April 1, 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
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 April 1, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30

Table 98: Parking charges (domestic ATM) beyond first four hours for the Second Control Period proposed by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	April 1, 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 April 1, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30

Table 99: Parking charges (international ATM) up to four hours after first two free hours for the Second Control Period proposed by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	April 1, 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

Weight of aircraft	Existing rate	April 1, 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
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 April 1, 2026 to March 2027. Further increase of 6% Y-o-Y in respective charges from FY27-28 onwards till FY29-30

Table 100: Parking charges (international ATM) beyond first four hours for the Second Control Period proposed by the Authority

(Rate in ₹)

Weight of aircraft	Existing rate	April 1, 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 April 1, 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.

- b) For calculating chargeable parking time, part of an hour shall be rounded off to the nearest hour.
- c) Charges shall be calculated on the basis of nearest MT.
- d) Charges for each period parking shall be rounded off to nearest rupee.
- e) 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 < 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.

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

Applicable rates for travel date from April 01, 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:

- a) No UDF Collection charges: As per the policy pertaining to such charges between the airport operator and the airlines.
- b) No collection charges are payable to casual operator/non-scheduled operators.
- c) 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.
- d) Revised UDF charges will be applicable on tickets issued on or after April 1, 2026 for FY 2026-

27 and thereafter applicable on date of travel from April 1, 2027 to March 31, 2030.

17.2.6 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.

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

17.2.7 Aviation Security Fee: Rates and exemption as prescribed by MoCA from time to time.

17.2.8 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 dt. March 31, 2017, of the Authority from the date the scheme is operationalised by GoI. Above charges are applicable for both domestic & international