

**भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण  
Airports Economic Regulatory Authority of India  
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Administrative Complex,  
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**Dated: 20<sup>th</sup> June, 2022**

**Public Notice No. 05/2022-23**

**Sub: Commencement of Third Control Period for Guwahati International Airport Limited (GIAL), Jaipur International Airport Limited (JIAL) and TRV (Kerala) International Airport Limited (TKIAL) – reg.**

AERA is currently deliberating the issue of Tariff determination and commencement of Third Control Period for above three Airports. This is in the background of these Airports being handed over to M/s. Adani Enterprises Limited for undertaking operations, management and development after successful bidding process by Airports Authority of India (AAI). Following important issues emerge in this regard:

- (i) As per Section 13(1)(a) of AERA Act 2008, AERA determines tariff for Aeronautical services of Major Airports. The Aeronautical charges are determined in accordance with the provisions of AERA Act, 2008 and Tariff Guidelines issued from time to time. Under the Act, tariff is determined for each Airport, separately, for a period of 5 years.
- (ii) Accordingly, AERA had determined tariff for Lucknow, Ahmedabad, Guwahati, Jaipur & Trivandrum Airports for the Second Control Period from 01.04.2016 to 31.03.2021. The Tariff determination for the Third Control Period for these Airports is due w.e.f 01.04.2021.
- (iii) Subsequently, the GOI/AAI invited bids for undertaking the operations, management and development of these Airports on a Public Private Partnership basis to bring efficiency in service delivery, expertise, enterprise and professionalism apart from harnessing necessary investments. Consequently, M/s. Adani Enterprises Limited has taken over the operations, maintenance and development of these Airports and Special Purpose Vehicle (SPV) has been formed as per the requirement of the bidding process.
- (iv) The Concession Agreements between AAI and these 06 Airports, namely, Mangaluru International Airport Limited, Lucknow International Airport Limited, Ahmedabad International Airport Limited, Guwahati International Airport Limited, Jaipur International Airport Limited and Trivandrum International Airport Limited were signed in two batches of 03 Airports each. The operations of all these Airports were handed over to the Concessionaire by AAI on the date of Commercial Operations Date ("CoD") as under:

(a) **Mangaluru, Lucknow & Ahmedabad:**

Airport	SPV (AO)	Signing of Agreement	Commercial Operations Date (COD)
Mangaluru International Airport, Mangaluru	Mangaluru International Airport Limited (MIAL)	14.02.2020	31.10.2020
Chaudhary Charan Singh International Airport, Lucknow	Lucknow International Airport Limited (LIAL)	14.02.2020	02.11.2020
Sardar Vallabhbhai Patel International Airport, Ahmedabad	Ahmedabad International Airport Limited (AIAL)	14.02.2020	07.11.2020

(b) **Guwahati, Jaipur and Trivandrum:**

Airport	SPV (AO)	Signing of Agreement	Commercial Operations Date (COD)
Lokpriya Gopinath Bordoloi International Airport, Guwahati	Guwahati International Airport Limited (GIAL)	19.01.2021	08.10.2021
Jaipur International Airport, Jaipur	Jaipur International Airport Limited (JIAL)	19.01.2021	11.10.2021
Trivandrum International Airport, Trivandrum	TRV (Kerala) International Airport Limited (TKIAL)	19.01.2021	14.10.2021

2. Clause 28.11.1 of the Concession Agreement (signed between AAI and Airport Operator) provides:

*"The Concessionaire shall seek revision of Aeronautical Charges by the Regulator as per applicable Regulatory Framework for the next applicable Control Period.*

*Notwithstanding the above, the Concessionaire shall have not less than 365 (three hundred and sixty five) days from COD to seek such revision of the Aeronautical Charges"*

3. While analyzing the instant matter, the Authority is facing following challenges and complexity in Tariff determination for Guwahati International Airport Limited, Jaipur International Airport Limited & TRV (Kerala) International Airport Limited for which CoD date was October, 2021:

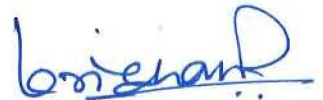
- (i) The Agreements for these three Airports were signed in January 2021 and Airports were handed over for operations to new Airport Operator in October 2021, as given in Para 1 above. Thus on CoD, the start period of the next control period (Third Control Period) had passed 07 months previously.
- (ii) As mentioned in Para 2, the Concession Agreement gives the Airport Operator at least 365 days from CoD to seek revision of the Aeronautical charges. In this scenario, MYTP would be available by last quarter of calendar year 2022 which would be after 20 months of elapse of commencement of Third Control Period.
- (iii) The Authority has also received a reference from M/s Adani Enterprises Limited seeking clarification on the commencement of control period in respect of these three Airports viz., Guwahati, Jaipur and Trivandrum. It has, inter-alia, been submitted by them that due to preparation of Master Plans for these three Airports, MYTP will most likely be submitted for these Airports by September-October 2022 for AERA to take further action for tariff determination.
- (iv) On receiving the MYTP, from the Airport Operator, detailed analysis by AERA of the MYTP, Completion of Consultation Process and issuance of Tariff Order will take another 8-9 months. Thus Orders are likely to be issued by July-August 2023. By this time, half of the control period would be over and only 2½ years would be left for recovery of balance Aggregate Revenue Requirement (ARR). This shall lead to exorbitant increase in Tariff rates to the detriment of all the Stakeholders and Airport Users.
- (v) In case of other three Airports viz., Mangaluru International Airport Limited, Lucknow International Airports Limited and Ahmedabad International Airport Limited, which have gone through similar bidding process, it was possible to stick to original tariff cycle by AERA as CoD happened in October/November 2020.
- (vi) In the background of the above situation, if the Third Control Period 01.04.2021 to 31.03.2026 in respect of Guwahati, Jaipur and Trivandrum Airports is shifted by one year i.e., 01.04.2022 to 31.03.2027, it helps in following ways:
  - (a) It leaves around 3½ years for balance ARR recovery and accordingly moderates the tariff rates.
  - (b) This shall also avoid bunching of the 06 Airports in one Control Period for Tariff determination, rather it shall split them into two batches of 03 Airports each with a year's gap in start of the Fourth Control Period. This shall help AERA in Tariff determination exercise and also all Stakeholders including Airport Operator and the Airport Users by reducing the tariff determination load in one year.
- (vii) The decision is also in compliance with the Hon'ble TDSAT Judgment in AERA Appeal No 1/2014, 3/2014 and 8/2018 dated 16.12.2020, in case of BIAL v. AERA which, inter-alia, observed that tariff orders should be issued well in time so that the burden of recovery is spread over the entire period for which the order is passed.



4. Accordingly, in view of position explained in the preceding paras, which makes it difficult for AERA to stick to original tariff cycle in case of these three Airports, Concession Agreements and the request received from the Airport Operator, the Authority takes the following decision:

- (i) To shift the Control Period for Guwahati, Jaipur and Trivandrum Airports from 01.04.2021-31.03.2026 to 01.04.2022-31.03.2027. The periodicity of the Control Period will be five years only.
- (ii) To consider the true up for 01.04.2021 to 31.03.2022 at the time of determination of tariff for the Third Control Period as per AERA policy.
- (iii) This issue will be suitably highlighted in the Consultation Paper to be issued by the Authority for determination of Aeronautical tariff for the Third Control Period in respect of Guwahati, Jaipur and Trivandrum Airports.
- (iv) The decision to shift the start of the tariff period by one year while keeping the Control Period of 05 years as per the provisions of AERA Act is taken under exceptional circumstances as elaborated above.

5. Above is for the information of all the Stakeholders (including Airport Operators of Guwahati, Jaipur and Trivandrum Airports).



**(Ram Krishan)**  
**Director (P&S)**