

Highlights of Aeronautical Charges of KIA, Bengaluru

Airports Economic Regulatory Authority of India (AERA/ Authority) has issued Order No. 18/2018-19 dated 31.08.2018 in the matter of determination of tariffs for Aeronautical Services in respect of Kempegowda International Airport, Bengaluru, for the Second Control Period (01.04.2016 to 31.03.2021).

The Order details the revised tariff applicable for the Aeronautical services provided by Bangalore International Airport Limited (BIAL) with effect from 16th September 2018 and for the years 2019-20 and 2020-21.

The Key Features of the Tariff Order are:

- 1. For the period 16th September 2018 to 31st March 2019, Landing, Parking, Housing charges are reduced by approximately 60% from the current prevailing rates and the User Development Fee (UDF) is reduced by approximately 67%. These will increase by approx. 4% in case of Landing, Parking, Housing charges and by 39% and 29% respectively in case of UDF in the subsequent 2 years in the current control period.**
2. The Authority has considered and allowed for reasonable Capital Expenditure of Rs.8654 crores in respect of construction of a new runway, terminal building and allied works currently being undertaken by BIAL which are expected to be completed by March 2021 to ease the present congestion at the Airport.
3. The Tariff Order has also considered evaluation and true-up of the results of the First Control Period as compared to the eligible ARR and an over recovery of around Rs. 300 Crores has been reduced in the current tariff computations.
4. Rates applicable for future have been determined considering the actual collections made by BIAL for the years 2016-17, 2017-18 and the collections estimated for the period from 1st April 2018 to 15th September 2018 at applicable rates.
5. Tariff has been determined under a 30% Hybrid Till.
6. The Authority had consulted all stakeholders prior to tariff determination by issue of a consultation paper and holding discussions with them on 18.06.2018.