

Telephone No.: 011-24622495 Aeronautical : VIDDYAYX E-Mail: dgoffice@dgca.nic.in Fax 011-24652760	GOVERNMENT OF INDIA AERONAUTICAL INFORMATION SERVICES DIRECTOR GENERAL OF CIVIL AVIATION OPPOSITE SAFDARJUNG AIRPORT <u>NEW DELHI-110003</u>	AIC Sl. No.18/2025 21st Nov 2025
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This AIC is issued for dissemination of the decisions contained in the Ministry of Civil Aviation's letter No. AV-24011/77/2015-AD dated 18.11.2025.


(Faiz Ahmed Kidwai)
Director General of Civil Aviation

**AMENDMENT TO ORDER NO. 11/2021-22 DATED 28.08.2021-CONTINUATION FOR THE
LAST QUARTER OF FY 2025-26 i.e. FROM 01.01.2026 TO 31.03.2026, THE EXISTING
TARIFF AS APPLICABLE FROM 01.04.2025 TO 31.12.2025 FOR BENGALURU
INTERNATIONAL AIRPORT**

The Airports Economic Regulatory Authority (AERA), in the exercise of powers conferred on it by Section 13(1) of the Airports Economic Regulatory Authority of India Act, 2008, has issued Amendment to Order No. 11/2021-22 dated 28.08.2021-Continuation for the last quarter of FY 2025-26 i.e. from 01.01.2026 to 31.03.2026, the existing tariff as applicable from 01.04.2025 to 31.12.2025 for Bengaluru International Airport. The copy of the above order is enclosed herewith.

फा. सं. ऐरा/20010/एमवाईटीपी/बियाल/सीपी- IV/2025-26
F. No. AERA/20010/MYTP/BIAL/CP-IV/2025-2026

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

आदेश संख्या 11/2021-22 में संशोधन
Amendment to Order No. 11/2021-22

तृतीय तल, उड़ान भवन,
सफदरजंग हवाई अड्डा,
नई दिल्ली-110003.

जारी करने की तारीख /Date of Issue: 14.11.2025

Amendment to Order No. 11/2021-22 dated 28th August 2021 – Continuation for the last quarter of FY 2025-26 i.e. from 1st January 2026 to 31st March 2026, the existing Tariff as applicable from 01.04.2025 to 31.12.2025 for Bengaluru International Airport.

1. Background

- 1.1 The Airports Economic Regulatory Authority (AERA), vide Order No. 11/2021-22 dated 28th August 2021, had determined the aeronautical tariffs for Kempegowda International Airport, Bengaluru (BIAL) for the 3rd Control Period (FY 2021-22 to FY 2025-26).
- 1.2 In this context, the Authority in the 3rd Control Period Tariff Order had approved the Aggregate Revenue Requirement (ARR) of Rs. 6,789.92 Cr. (In NPV Terms). However, due to the impact of COVID-19, the Authority had carried forward 13.85% of ARR amounting to Rs. 940.63 Cr. (in NPV Terms), to the 4th Control Period to maintain reasonable aeronautical tariffs in the interest of all stakeholders.
- 1.3 As per the approved Rate card, the UDF and Landing, Parking Charges were fixed as shown in Annexure I for FY 2025-26. It can be seen from the approved Tariff Rate Card, that the aeronautical charges namely Landing Charges, Parking Charges and User Development Fee (UDF) for the last quarter of the Control Period viz 01.01.2026 to 31.03.2026 were maintained at slightly lower levels as compared to the earlier quarters of FY 2025-26 due to the following considerations:



- (i) It was observed during earlier Control Period that the Airport Operators tend to submit their tariff proposals (MYTPs) for the successive Control Period very late even after the Control Period has begun due to which the Regulator had to continue the tariff of the last quarter for the successive Control Period till the regular tariff was finalized by the Authority based on the MYTP submitted by the Airport Operator. When the anticipated capex for the succeeding Control Period is low, this was leading to over-recovery thereby distorting the overall tariff framework for the succeeding Control Period. Thus, the tariff was kept at little lower levels in the last quarter of the 5th year of Control Period in order to encourage the Airport Operator to submit timely the Multi-Year Tariff Proposal (MYTP) for the upcoming Control Period.
- (ii) Anticipated low CAPEX for the 4th Control Period since substantial investments in capacity expansion were already proposed for incurrence in the 3rd Control Period.
- (iii) AERA had considered traffic projections of the Airport Operator in the 3rd Control Period. In view of the fast-paced growth potential of traffic in the Bengaluru Region, it was expected that actual traffic at Bengaluru airport and the corresponding Aeronautical revenue would be higher than the projections for the 3rd Control Period. To factor in this aspect, the tariffs were rationalized slightly downwards for the last quarter of the FY 2025-26 to avoid any possible over recovery.

2 Submission of the Airport Operator

2.1 Bengaluru International Airport Limited (BIAL), vide its letter no. BIAL/AERA/Finance/2025-26/02 dated 24.09.2025, requested the Authority to maintain the aeronautical tariff for the 4th Quarter of FY 2025-26 (January–March 2026) at the same level as applicable till December 2025, citing the following justifications:

- (i) **High Capital Expenditure (Capex) Requirements:** The airport is being developed as a Hub airport. As per the traffic projection by M/s NACO, traffic will rise to 72 MPPA in FY 2031. Hence capacity needs to be augmented from 51.5 MPPA to 80MPPA.
- (ii) **Carry-forward shortfall:** To address the accumulated Under-recovery in the 3rd Control Period due to higher transfer passenger traffic.
- (iii) **Actual traffic in FY'26 expected to be lower than approved projections** A decline in domestic passenger traffic has been observed since June 2025, which is expected to result in lower annual traffic of 46 million passengers in FY 2025-26 as compared to 49.40 million passengers in the Tariff order for 3rd Control Period.
- (iv) **Deferred ARR:** Some portion of ARR i.e. Rs. 940.63 crore deferred from the 3rd Control Period (as per Order No. 11/2021-22) which provides sufficient headroom to maintain the prevailing tariff levels.
- (v) **Timely Tariff determination for the 4th Control Period:** BIAL has already submitted its MYTP for the 4th Control Period for timely tariff determination.

Amendment to Order No. 11/2021-22



3 Authority's Analysis

3.1 BIAL submitted its MYTP for the 4th Control Period (FY 2026-27 to FY 2030-31) on 10th July 2025. AERA has already appointed an Independent Consultant - M/s. PricewaterhouseCoopers Pvt. Ltd. (PwC) to examine the MYTP submitted by the Airport Operator.

3.2 As per the preliminary scrutiny and inputs provided by the Independent Consultant, (M/s. PwC), the Authority notes that:

- (i) **Timely Submission of MYTP:** BIAL has already submitted timely the MYTP for the 4th Control Period (2027-31) on 10th July 2025 i.e. almost 9 months before the commencement of the 4th Control Period.
- (ii) **Higher Capex proposed for the 4th Control Period:** Terminal Building Capacity at Bengaluru Airport is 51.5 MPPA. As per the airport passenger traffic (in MPPA) data available on AAI website, the traffic at Bengaluru Airport has shown a 6.5% increase for the first 6 months of FY 2025-26 as compared to the corresponding period of FY 2024-25. Estimated Traffic in the last year (FY 2025-26) of 3rd Control Period i.e. by 31st March 2026 is 45 MPPA. Airport Operator based on traffic study conducted by M/s. NACO has projected traffic of 72 MPPA in the last tariff year of 4th Control Period. Hence, there is a need to augment the Terminal Building Capacity of the airport. The Airport Operator has proposed a substantial Capex of approximately Rs. 18,600 Crore during the 4th Control Period for the expansion/modification of terminal building, expansion of airside and landside infrastructure and various associated activities, which is under scrutiny by the Independent Consultant appointed by AERA.
- (iii) **Change in traffic:** The actual passenger traffic, ATM, and cargo movement during the 3rd Control Period show only marginal variation from the projections made in the Tariff Order for the same period. However, the share of transit passengers has increased from 13% to 16% for domestic passengers and 5% to 8% in case of international passenger. It has affected the Aeronautical Revenue, as a higher proportion of transit passengers leads to lower Aeronautical Revenue. Hence, Aeronautical Revenue is expected to be lower than the projections.

3.3 In accordance with the tariff rate Card for the 3rd Control Period issued by AERA on 28.08.2021, BIAL has worked out huge under recovery till 3rd Control Period as elaborated in their MYTP submission which is under examination by the Independent Consultant engaged by the Authority. In view of the aforesaid stated in Para 3.2 (ii) and 3.2 (iii) above, if the Aeronautical charges (Landing, Parking, and UDF) at Kempegowda International Airport, Bengaluru as applicable on 31st December 2025 (as per Annexure I), are allowed to be maintained even for the 4th quarter beginning 1st January 2026 to 31st March 2026, then the under recovery and carrying cost would actually come down thereby reducing the quantum of



loading on the ARR of the 4th Control Period (2026-31) which in turn would enable moderation of airport charges for the upcoming 4th Control Period as the Airport Operator has proposed

3.4 significant capex for the 4th Control Period. Based on the preliminary analysis by the Independent Consultant on the basis of the information available in MYTP and subsequent clarifications thereon, even if the aeronautical tariff for the 4th Quarter of FY 2025-26 (January–March 2026) is maintained at the same level as applicable till December, 2025 then also there would be no likelihood of over recovery as there would actually be under recovery.

The Authority also takes cognizance of Para 14.4 of Tariff Order No. 11/2021-22 dated 28.08.2021 which stipulates as under:

“.....

14.4 Reduction in tariffs in the final year of Third Control Period (FY 2026)

14.4.1 The Authority has decided to increase the tariff in the Third Control Period but at the same time it believes that the subsequent Control Period would be better in the context of lesser capital requirements and larger passenger base owing to the recovery in aviation sector and revival of the economy from the COVID-19 pandemic. Hence, the tariff rates for the subsequent Control Period are expected to be lower. In view of this, the Authority has reduced the tariff rates in the last quarter of the final year of the Third Control Period, i.e., FY 2026, which may also continue till tariff determination for the Fourth Control Period, due to following factors:

(a) To prevent abrupt correction in the tariffs starting next (Fourth Control Period) following a graded decrease for benefit of all stakeholders.

(b) To avoid legal complications as faced by AERA in the past under circumstances where significant decrease in tariffs was expected in the succeeding Control Period and tendency of some stakeholders to use delaying tactics in tariff determination.

(c) Authority has taken a conservative view on the airport traffic and financial projections (have largely agreed with Airport Operator) projections and believes the actual recovery is likely to be better leading to higher revenue recovery than projections for the Third Control Period.

(d) Also, by the second half of the last year of the Third Control Period (FY 2026), the tariff determination exercise for the Fourth Control Period would be well underway. Therefore, the Authority would be able to appropriately reconcile the actual recoveries against the current projections and suitable decisions as per AERA's Tariff determination methodology can be taken for the Fourth Control Period.

.....”

3.5 It is noted from the MYTP submission of BIAL that there is requirement for huge Capex in the 4th Control Period to cater to the growing passenger demand, since the existing terminal is getting saturated.

3.6 In view of the above, there is a likelihood of spike in tariff in the 4th Control Period on account of substantial carry forward of shortfall along with carrying cost coupled with huge Capex. Hence, with the objective of reducing under recovery and balancing the tariff in the interest of passengers for succeeding Control Period, the Authority decides to maintain the Landing,



Parking and UDF charges as applicable from 01.04.2025 to 31.12.2025 (as per Annexure I) even for the last quarter of FY 2025-26 i.e. 1st January 2026 to 31st March 2026, so that the burden on the passengers is reduced on account of reduction in under recovery and its carrying cost and there is smooth transition without steep rise in tariff.

4. Order

In exercise of powers conferred under Section 13(1)(a) of the Airports Economic Regulatory Authority of India Act, 2008, the Authority, based on detailed reasons/analysis as brought out at para 3 above, hereby decides as follows:

- 4.1 Airport Operator is allowed to levy and collect Aeronautical charges (Landing, Parking, and UDF) at Kempegowda International Airport, Bengaluru, at the same rates as applicable from 01.04.2025 to 31.12.2025 (as per Annexure I), even for the last quarter of FY 2025-26 i.e. 1st January 2026 to 31st March 2026.
- 4.2 All other charges and conditions shall remain unaltered as approved under Order No. 11/2021-22 dated 28th August 2021.
- 4.3 The Airport Operator shall ensure compliance of this Order.

प्राधिकारी के आदेश से और उसके नाम पर

By Order and in the Name of the Authority

सत्यमेव जयते

(सुयश नारायण / Suyash Narain)

सचिव/ Secretary

To:

Mr. Hari K Marar,
Managing Director & CEO,
Kempegowda International Airport, Bengaluru,
Bengaluru – 560300, Karnataka, India.

Copy to:

- i) सचिव, नागर विमानन मंत्रालय, राजीव गांधी भवन, सफदरजंग हवाई अड्डा, नई दिल्ली-110003
Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
- ii) नागर विमानन महानिदेशालय (डी.जी.सी.ए.) द्वारा ए.आई.सी. जारी करने हेतु
Directorate General of Civil Aviation (DGCA) for issuance of the AIC



Annexure I

Tariff Card pertaining to Kempegowda International Airport, Bengaluru for the Third Control Period (FY 2021-22 to 2025-26) as approved by the Authority vide Order No. 11/2021-22 dated 28th August 2021.

Tariff Rate Card for FY 2025-26

Landing Charges:

Applicable rates from 1st April 2025 to 31st December 2025

Weight of Aircraft	International Flight	Domestic Flight
Up to 100 MT	INR 715.00 per MT	INR 510.00 per MT
Above 100 MT	INR 71,500 + INR 855.00 per MT in excess of 100 MT	INR 51,000 + INR 685.00 per MT in excess of 100 MT

Applicable rates from 1st January 2026 to 31st March 2026

Weight of Aircraft	International Flight	Domestic Flight
Up to 100 MT	INR 500.00 per MT	INR 355.00 per MT
Above 100 MT	INR 50,000 + INR 600.00 per MT in excess of 100 MT	INR 35,500 + INR 480.00 per MT in excess of 100 MT

Parking Charges for all aircrafts-Domestic & International (First two hours after free parking period)

Weight of Aircraft	FY 2026	
	(01.04.2025 to 31.12.2025)	(01.01.2026 to 31.03.2026)
Up to 100 MT	INR 17.00 per MT per hour	INR 12.00 per MT per hour
Above 100 MT	INR 1,700/- plus INR 21.00 per MT per hour in excess of 100 MT	INR 1,200/- plus INR 15.00 per MT per hour in excess of 100 MT

Parking Charges for all aircrafts-Domestic & International (Beyond four hours)

Weight of Aircraft	FY 2026	
	(01.04.2025 to 31.12.2025)	(01.01.2026 to 31.03.2026)
Up to 100 MT	INR 28.00 per MT per hour	INR 20.00 per MT per hour
Above 100 MT	INR 2,800/- plus INR 35.00 per MT per hour in excess of 100 MT	INR 2,000/- plus INR 25.00 per MT per hour in excess of 100 MT



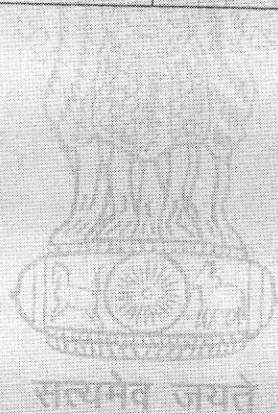
User Development Fee (UDF):

Applicable rates from 1st April 2025 to 31st December 2025

Type of Passenger	Rate per embarking passenger
Domestic embarking passenger	INR 550.00 per pax
International embarking passenger	INR 1,500.00 per pax

Applicable rates from 1st January 2026 to 31st March 2026

Type of Passenger	Rate per embarking passenger
Domestic embarking passenger	INR 385.00 per pax
International embarking passenger	INR 1,050.00 per pax



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AERA

