



भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

F/No. AAI/JVC/Raipur -Tariff/2025-26

1875

Date: 5.12.2025

The Secretary,

Airport Economic Regulatory Authority of India
AERA Building, Administrative Complex,
Safdarjung Airport

New Delhi-110003

Subject: -Submission of AAI's Counter comments in response to stakeholder comments on AERA's consultation paper No. 04/2025-26 in the matter of determination of aeronautical tariff for 2nd control period (01.04.2025 to 31.03.2030) Swami Vivekananda Airport, Raipur

Sir,

Please find enclosed herewith AAI's counter comments in response to stakeholder comments on AERA's consultation no 04/2025-26 in respect of Swami Vivekananda Airport, Raipur issued by Airport Economic Regulatory Authority of India (AERA).

This issues with the approval of the Competent Authority.

Thanking You.

Yours sincerely,

(Rajesh Khanna)

General Manager (Finance-Tariff)

Encl: -As above



SWAMI VIVEKANANDA AIRPORT, RAIPUR

AAI's counter comments in response to stakeholder's comments on Consultation Paper No. 04/2025-26 dated 30th October, 2025, Determination of Aeronautical Tariff for Swami Vivekananda Airport, Raipur for the 2nd Control Period (01.04.2025 - 31.03.2030).

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1.

Counter Comments of AAI in response to stakeholder comments on Consultation Paper (CP) 04/2025-26 for Determination of Aeronautical Tariff of Swami Vivekananda Airport, Raipur for the 2nd Control Period (01.04.2025 - 31.03.2030).

1) Federation of Indian Airlines(FIA) on CP 04/2025-26

Query no. 1. Landing Charges: AAI has proposed an increase in Landing Charges (Domestic & International) by approximately 100% from existing charges in FY 2025-26(01-Dec-25 onwards) and a 14% Y-O-Y increase for two years subsequently with 15% increase thereafter for remaining years.

Parking Charges: AAI has proposed an increase in Parking Charges (Domestic & International) by approximately 45% from existing charges in FY 2025-26(01-Dec-25 onwards) and a 10% Y-O-Y increase thereafter.

UDF: AAI has proposed an increase in Domestic/International UDF of 30% for FY 2025-26(01-Dec-25 onwards) with an annual increase of 5% and 3% in subsequent years. Thereafter, the UDF rates are static for next two years.

Comments: It is in the interest of all the stakeholders that the proposed tariffs as noted above may not be implemented as the proposals are excessive. Also, requesting AERA to provide at least 60-90 days for implementation of tariff card by Airlines into their systems and considering the same, effective date of 1st December as per Tariff order is unfeasible. The User Development Fee (UDF) is a transparent mechanism through which passengers contribute directly to the development and upkeep of airport infrastructure. Increasing UDF ensures that the cost of enhanced facilities—such as modern terminals, advanced security systems, improved passenger amenities, and better operational efficiency—is borne by those who benefit from them. This approach makes the investment visible and justifiable to passengers, reinforcing the principle that UDF is a user-centric charge linked to tangible improvements in airport infrastructure. It is therefore recommended that the cost recovery be done through UDF instead of through doubling of aeronautical charges. Raising landing and parking charges significantly increases the financial burden on airlines, which are already under pressure and often criticized for higher ticket prices. Such increases will need to be absorbed by the airlines, distorting pricing and airline economics. On the contrary, UDF is a transparent pass through charge with clear end-date timelines, and we recommend that the landing and parking and other charges be increased moderately and that the cost recovery be done through increase in UDF. This approach ensures that infrastructure development is funded equitably, without destabilizing airline viability or creating negative perceptions around airfare inflation.

Submission of AAI on query no. 1

AERA has computed the Aggregate Revenue Requirement as per the methodology given in AERA Guidelines. The proposed tariff is not excessive as AERA has adopted the balanced approach for the recovery of the Aggregate Revenue Requirement (ARR) under the available

revenue streams i.e. landing, parking and UDF. Increase in aeronautical charge is just to meet the Aggregate Revenue Requirement.

Increase in landing charges is one of the revenue streams to recover ARR.

Parking charges are applicable after two hours free parking available to airlines. Parking of Aircraft is neither encouraged by the Airport Operators nor by the Airlines Operators. Parking of aircraft beyond two hours at any airport reflects inefficiency of Airport Operations as well as Airline Operations. Further, it contributes less than 1% of revenue.

In respect of chargeability of UDF it is one of the methodologies to recover the cost incurred by Airport operator.

AAI appreciates the balance approach adopted by AERA.

Further, regarding FIA's suggestion of provision of 60-90 days for implantation of tariff card, if adopted, it will lead to steep increase in charges due to shrinking of control period.

Further, in case, FIA's suggestion of considering moderate increase in the landing and parking charges and the cost recovery be done through increase in UDF is adopted, it will lead to steep increase in UDF and ultimately increase the burden on Passengers.

Query no. 2. In addition, we request AERA and AAI to clarify the following:

Query no. 2.a) Reference to Table 71 Landing charges(domestic) proposed by the Authority for Raipur Airport for the Second Control Period: Kindly Clarify the use of words "Rates per Hour (₹)" in the table headers in the calculation.

Submission of AAI on query no. 2.a

AAI vide email dated 28.10.2025 had submitted tariff card to AERA clearly mentioning "Proposed Rate per Landing". However, AERA while issuing Consultation Paper has mentioned Rate per Hour (₹) in the tariff card. AERA is requested to consider the "Proposed Landing Rate per MT" in the tariff rate card instead of "Rate per Hour".

Query no. 2.b) Reference to Note (1) to Landing Charges: We kindly request AERA to provide clarification on unscheduled flights operated by domestic scheduled operator as the same are currently being charged by Airport Operator. There should be a clarification to this effect since the exemption is provided to domestic scheduled operators and not restricted to only schedule operations by them.

Submission of AAI on query no. 2.b

For Non-schedule Flights, Note 5 to Landing charges is applicable, which is reproduced as under:

“Non schedule Flight “A minimum fee of Rs. 4000/- 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.”

Query no. 2.c) Reference to Notes to User Development Fee (UDF) Charges Collection Charges: We would like to invite AERA’s attention to notes 1 of UDF charges in Annexure II of Consultation Paper, wherein the rate of collection of UDF charges has been proposed to be as per the agreement between Airport Operator and Airline, we request AERA to kindly consider the collection charges to be specified at the rate of Rs. 5.00 per embarking passenger, in line with the proposal by AAI in notes to UDF in Annexure I. Further, it is stated that revised UDF charges will be applicable on tickets issued on or after 01/12/2025 for FY 2025-26 and thereafter applicable on date of travel from 1st April 2026 to 31st March 2030, AERA is requested to clarify the words “date of travel” as mentioned above with the help of an iteration/ example.

Submission of AAI on query no. 2.c

AAI vide email dated 28.10.2025 had submitted tariff card to AERA, wherein, Note 1 to UDF is as under:

“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.”

Regarding “date of travel after implementation of order”, illustration is as under:

Illustration:

Date of implementation of New Tariff:- 01.12.2025

- a) Ticket issued on 01.12.2025 for travel date 10.4.2026, the revised UDF of respective year i.e. FY 2026-27 as mentioned in the tariff order will be applicable.
- b) Ticket issued on 10.12.2026 for travel date 15.4.2027, the revised UDF of respective year i.e. FY 2027-28 as mentioned in the tariff order will be applicable.

Query no. 2.d) Reference to Notes on Parking Charges effective from 1st December 2025 to 31st March 2030:

“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.”

Rate for parking beyond first six hours has already been defined in Table 72 and 73 Table. To avoid any further confusion, this note should be deleted.

“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.”

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It is requested to please define the nature and/or circumstances which come under unauthorised stay of aircraft.

Submission of AAI on query no. 2.d

"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." is general condition in the tariff card. (Refer Note no. 5 to Parking Charges)

An Aircraft which is not permitted to be parked without any valid reason beyond the permissible parking hours, shall be treated as unauthorised stay.

2) **International Air Transport Association (IATA) on CP 04/2025-26**

Query no. 1: Disproportionate increase in Landing Charges and UDF

The proposed one-time 100% increase in landing charges, coupled with a steep escalation in User Development Fee (UDF), appears disproportionate to the actual growth in traffic and service enhancements. Such abrupt increases will inevitably compel airlines to either reduce frequencies or pass on the additional costs to passengers, thereby undermining affordability and the objectives of the National Civil Aviation Policy (NCAP). We urge AERA to adopt a more balanced approach that safeguards passenger interests and supports sustainable traffic growth.

Submission of AAI on query no. 1

AERA has computed the Aggregate Revenue Requirement as per the methodology given in AERA Guidelines. AERA has adopted the balanced approach for the recovery of the Aggregate Revenue Requirement (ARR) under the available revenue streams i.e. landing, parking and UDF. Increase in aeronautical charge is just to meet the Aggregate Revenue Requirement.

AAI appreciates the balance approach adopted by AERA.

Query no. 2: Recalibrating passenger growth assumptions

The projection of 10% annual passenger growth is optimistic, particularly when compared to the post-COVID compound annual growth rate (CAGR) of approximately 7%. Furthermore, the forecast does not adequately account for the potential dampening effect of higher tariffs on demand.

We would like to reiterate crucial feedback given by our member airlines during the in-person consultation on 14th November and recommend adopting a more conservative growth assumption of 6–7%, consistent with historical recovery patterns and global benchmarks, to ensure realistic planning.

Submission of AAI on query no. 2

It is submitted that the proposed 9.7% CAGR for the next five years is consistent with the airport's own long-term performance and reflects a continuation of its established traffic

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trajectory. The airport has already surpassed its pre-COVID traffic in FY 2022–23, indicating a full and sustained recovery. The historical CAGR, (excluding covid period FY21, FY22)—9.6% (5-year), 12.2% (10-year), and 12.9% (15-year)—demonstrate that the airport has consistently grown well above the 6–7% level suggested by IATA. Global benchmarks cited by IATA reflect slower recoveries in other regions, whereas India has demonstrated a much stronger and faster rebound.

Query no. 3: Recoveries from the First Control Period

The proposal to recover INR 239.91 crore from the First Control Period through higher tariffs imposes a retroactive burden on current and future passengers and airlines. This approach highlights a structural gap in the current framework and True-Up approach, where business risks are disproportionately borne by users. We recommend a phased recovery of this amount over multiple control periods and encourage partial absorption by the airport operator to mitigate tariff shocks and maintain market stability.

Submission of AAI on query no. 3

It is submitted that recovery of shortfall in a phased manner over multiple control periods results in steep hike in charges in the subsequent control period. Also, recovery of shortfall in the phased manner over multiple control periods is not justified to the Airport operator as it impacts cash flow of Airport operator negatively.

Query no. 4: Rationalising Capital Expenditure

While infrastructure upgrades are essential, several proposed projects appear non-critical and could be deferred or optimised based on actual traffic demand. We urge AERA to prioritise projects that are essential for safety and regulatory compliance and ensure that all investments are supported by a clear business case and subject to meaningful user consultation.

Submission of AAI on query no. 4

It is submitted that capex is incurred only after the detailed analysis by Planning and Engineering department of AAI with the approval of competent authority. AAI undertakes only essential capex required for the efficient operations of Airport. Further, Airport User Consultative Committee meeting (AUCC) regarding the major capex projected for second control period justifying the requirement has already been held 07.08.2025.