

Ref No : MIAL/CP/2025-26/02

Date: 26th April 2025

To,
The Director (P&S, Tariff),
Airports Economic Regulatory Authority of India,
AERA Building, New Administrative Block,
Safdarjung Airport,
New Delhi-110003.

Sub: Counter Comments on stakeholder's comments in relation to the Consultation Paper No. 08/2024-25 dated 10th March 2025 in The Matter of Determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport. Mumbai (CSMIA) for the Fourth Control Period (01.04.2024 - 31.03.2029)

Dear Sir,

This is in respect to the Consultation Paper No. 08/2024-25 dated 10th March 2025 in the Matter of Determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport. Mumbai (CSMIA) for the Fourth Control Period (01.04.2024 - 31.03.2029), we hereby submit our counter comments to stakeholders' comments.

We shall be pleased to provide any further information that the Authority may require in this regard.

Thanking you,

Yours sincerely,

For Mumbai International Airport Ltd.



Ashu Madan
Authorized Signatory

Mumbai International Airport Limited

Chhatrapati Shivaji Maharaj International Airport
1st Floor, Terminal 1B, Santacruz (E),
Mumbai 400 099,
Maharashtra, India
CIN: U45200MH2006PLC160164

Tel +91 22 6685 0900 / 6685 0901
csmia.adaniairports.com



MUMBAI INTERNATIONAL AIRPORT LTD.

26th April 2025

Response to comments from stakeholders

Contents

A. Counter Comments on comments from AAI	4
1. NATS Study/Master Plan	4
2. Terminal 1 (Demolition/Construction)	4
3. Rent Lease deed	6
B. Counter Comments on comments from IATA	7
4. Civil Appeals in the Hon'ble Supreme Court of India	7
5. Related Party Transactions	8
6. Fuel Farm Services	10
7. Asset allocation	10
8. FRoR	11
9. Aeronautical O&M expenses	12
10. Traffic for Fourth Control Period	16
11. CAPEX, Depreciation and RAB for Fourth Control Period	17
12. FRoR for the Fourth Control Period	22
13. O&M Expenses for the Fourth Control Period	25
14. NAR for the Fourth Control Period	28
15. Target Revenue for Fourth Control Period	29
16. Quality Service for the Fourth Control Period	30
C. Counter comments on comments of AOC Mumbai	31
17. Airside Projects from Second & Third Control Periods	31
18. Revised Timelines and Penalty Mechanism	31
19. Applicability to Major Infrastructure Projects	32
20. Review of NAD Colony Project	32
21. Expenditure on Bays and Hangars – RWY 09/27 (Southern Side)	33
22. Proposed Airport Management Corporate Office – Misuse of UDF	33
23. Inconsistency in Stand Utilization (V1, V2, V3L/V3R)	33
24. Metro Station Construction Costs – UDF Misuse	34
D. Counter comments on comments of FIA	34
E. Counter comments on comments of BAOA	35
25. GA Terminal and GA Hangars	35
26. Ground Handling & Cargo Charges	37
27. Other points by BAOA	38
F. Counter comments on comments of BAR	39
G. Counter comments on comments of BCBA	41
H. Counter comments on comments of APAO, BIAL, DIAL	41

Disclaimer

This document has been prepared by Mumbai International Airport Limited (MIAL) as counter comments to the comments provided by various stakeholders in respect to AERA's Consultation Paper No. 8/2024-25 dated 10th March 2025 in the matter of determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport, Mumbai (CSMIA) for the Fourth Control Period (01.04.2024 - 31.03.2029).

The purpose of this document is to solely provide counter comments to the comments provided by stakeholders and should not be referred to and relied upon by any person against MIAL. This document includes statements, which reflect various assumptions and assessments by MIAL and relevant references to various documents. Same does not purport to contain all the information to support our response.

This document may not be appropriate for all persons, and it is not possible for MIAL to consider particular needs of each party who reads or uses this document.

Whilst every effort has been made to ensure the accuracy of the information provided herein, MIAL cannot be held responsible for any errors or omissions. MIAL shall have no liability to any person under any law for any loss, damages, cost, or expense on account of anything contained in this document.

The counter comments provided below shall not be construed as an acceptance by MIAL of the various assumptions undertaken by the Authority in the CP.

The response is without prejudice to MIAL's rights, submissions, contentions available to it in accordance with applicable laws.

A. Counter Comments on comments from AAI

1. NATS Study/Master Plan

AAI's Comment

In order to achieve 50 to 55 Air Traffic Movements (ATMs) (including non-scheduled) in a phased manner, the following factors will need to be met:

- *A comprehensive study regarding the requirements for Ground infrastructure like Taxiways, proper positioning of Rapid Exit Taxiways (RETs), etc.*
- *Terminal location and capacity including cityside infrastructure.*
- *Monitoring and adherence to slots by the Airport Operator (curtailing early arrivals, late arrivals and late departures)*
- *Proper enforcement of Runway Occupancy Times (ROTs)*
- *Proper fleet mix (less number of low performance aircraft)*
- *Slot allotments shall be done considering the seasonal disruptions particularly during the monsoon season*
- *Technological requirements:*
- *Decision Support Tools*
- *AMAN, OMAN*
- *Procedure Review*
- *Controllers' Training*
- *Airspace Review especially in the light of operationalization of Navi Mumbai International Airport.*
- *Fast time simulation modelling.*

MIAL's Comment

MIAL is in the process of upgrading and modernizing the infrastructure as per final Master Plan 2024, along with implementation of recommendations of NATS study and AAI's recommendations in the letter referred above. MIAL would seek support from AAI in runway capacity enhancement at CSMIA.

2. Terminal 1 (Demolition/Construction)

AAI's Comments

1. **Points 6.2.19 - 6.2.20** : *It is observed that MIAL has provided a three-year timeline for reconstruction of T-1 .Demolition and reconstruction of T-1 has been coincided with the opening of Navi Mumbai.*
2. **Points 6.3.105- 6.3.133** : *It is observed that MIAL has intimated its need for demolition of the existing terminal buildings and reconstruction of Terminal T-1.*
3. *Further as per the Data received from MIAL vide letter dated 28.03.2025(copy enclosed), following are the comments.*

a. As per MIAL, the present peak hour Runway capacity in terms of passengers is approx. 8500 pax which may be increased to 9200 pax after upgradation of the facilities and procedures. Inter alia broadly speaking, it means that in peak hour the runway can handle 4250 to 4600 departure passengers in peak hour. Refer Point (ii)

b. As per the data made available by MIAL, The T1 complex consists of T1 A+ T1 B+ T1 C out of which T1 A is not in use, and the balance infrastructure i.e. T1 B+ T1 C combined has a total (A+D) peak hour capacity of 900 pax per hour (8500-7600). Refer Point (iv)

c. As per data made available by MIAL, the T-2 has a Domestic Departure peak hour capacity of 3400 pax per hour which is expected to be increased to 4000 pax per hour. **Refer Point (v)**

d. From point (a) to (c), it is imperative to get to your notice that there is a difference of approx. 850 - 600 departure peak hour passengers and MIAL plans to develop a new Terminal for more than 7000 peak hour pax i.e., approx. 3500 departure pax in peak hour which means that after the construction of T-1, the total peak departure passengers will be approx. 7500 departure peak (T2- 4000+ New T1 -3500 pax) pax as against the Runway capacity of approx. 4600 pax departure peak which seems to be on the higher side. **Refer Points (v) and (vi)**

e. The above calculations have been made assuming that in the peak hour, there will be only domestic scheduled traffic movements.

4. AAI accepts the reasoning for demolition of T1 infrastructures and its reconstruction. However, it can be done in a phased manner.
5. It is felt that the MIAL proposal can be redesigned to take up the project of reconstruction of Domestic Terminal complex in a phased manner by initially demolishing Terminal T-1A first of all.

MIAL's Comment

Point 1B 2: AAI has acknowledged MIAL's proposal for re-construction of Terminal-1 that coincides with the opening of a new airport at Navi Mumbai. MIAL submits that in light of safety concerns and need to address the traffic demands of the Mumbai Metropolitan Region, it is the opportune time to undertake this project.

Point 3a: Current peak hour departure passenger number of 4,250 derived by AAI needs to be reviewed as the peak hour departures and peak hour arrivals are spread out over different time periods. Further, mix and type of Aircraft operating in the respective peak hours will also influence the one-way runway capacity (Departure or Arrival)

As per the current flight schedule approved for CSMIA, there are 23 domestic departures and 5 international departures translating to the total 28 departures in the peak hour (0700/0600 hours). Based on the different types of aircraft operating in this hour, the total available departure seats number corresponding to 28 departures is approx. ~5,400.

Point 3b: AAI while computing peak hour capacity of current T1 has assumed that peak hours of both the terminals (T1 and T2) are same. Please refer to the actual departure schedule enclosed as **Annexure A**. Terminal-1 currently handles departure of 10 ATMs in the peak hour (0700 hours). Based on the type of aircraft operating at this hour, the total available departure seats number corresponding to these 10 departures is approx. ~2,000. We request that the assumption used by AAI that the peak hours of both the terminals coincide needs to be reviewed to arrive at more optimized results.

Point 3c: No comments

Point 3d: It is reiterated that the assumption of AAI that peak hour arrivals and peak hour departures will coincide is to be reviewed by the Authority. As per the Design Day Flight Schedule (DDFS) study done by MIAL, domestic departure peak hour ATMs are expected to be 36. Assuming, 180 seats per ATM on a conservative basis (seats for Code C domestic ATM vary from 180 to 189 and seats in International ATM are much higher depending on Code of the aircraft), total peak hour domestic departure passengers translate to approx. ~6,500. MIAL has stated that the domestic departure peak hour capacity of T-2 will enhance from 3,400 to 4,000. Balance demand

of ~2,500 domestic departure peak hour passengers (6,500-4,000) need to be handled from new T1. We request the Authority to consider following factors while assessing the design and sizing of the terminal building.

1. Different peak hours for departures and arrivals,
2. Different peak hours for different terminals (T1 and T2)
3. Aircraft mix operating at the respective peak hours

Point 3e: As evident from the above details, the domestic scheduled traffic movements need to be reviewed by the Authority considering the factual data enclosed herewith.

Point 4 & 5: AAI has recognized the need for new Terminal-1 but has suggested reconstruction in phases. As highlighted in the above responses, demand projections and safety concern, necessitate construction of a new terminal.

Further it is reiterated that T1 A, B and C are not complete/full-scale terminals independently.

This demand is managed between T1B SHA2, T1 C and T1B SHA1. The complexity of fragmented operations between these terminals leads to inefficiency of operations and constraints optimization of assets.

T1 A is isolated as passengers from T1B or T1C cannot use T1A landside due to various constraints like lack of depth of drop off ramp and lack of parking facilities due to vicinity of metro station. Further equipment at T1 A like check-in counters and X-ray machines are beyond repair and have outlived their useful life. Due to these reasons T1A cannot be used for operations.

T1C only has security hold area and other processes happen in T1B. Further due to the specific spatial constraints and the shape of the available land parcel, it is very difficult to reconstruct T1 in a phased manner.

However, MIAL has noted the comments from the Authority and AAI. It will evaluate all possible options during the detailed design, subject to construction efficiency, cost benefit analysis, optimization of land parcel and stakeholders' safety.

3. Rent Lease deed

AAI's Comment

Para 9.2.40 of consultation Paper regarding usage of land 23930 sqmtrs

It may be noted that supplementary Lease deed in respect of 23930 sqmtrs land has been executed on 27/06/2024 (Copy enclosed). As per supplementary Lease deed, the usage of land shall be governed by the terms of OMDA and lease deed dated 26.04.2006. Accordingly MIAL can use the land for Aeronautical and Non-aeronautical purposes. However, Land Area utilized for provision of Non-Transfer Assets shall not exceed ten percent (or such different percentage as set forth in the master plan norms of the competent local authority of Mumbai, as the same may change from time to time) of the total land area constituting the Demised premises as per clause 2.2.4 of OMDA.

MIAL's Comment

As per AAI, additional land demised to MIAL can be used for both aeronautical and non-aeronautical purposes.

AAI has also acknowledged that certain portion of the land has **already been utilized** for public purposes. As per AAI letter to MIAL dated 22nd May 2024:

"7,070 sqm has already been utilized for public purposes i.e. exclusive connectivity for Terminal-2, for benefit of Airport users at large at Mumbai Airport."

In future, land will be used for aeronautical purposes like building Check in and Baggage Handling facilities.

Accordingly, MIAL has considered it as a common expense with an aeronautical allocation of 87.43%. This approach is similar to what the Authority has followed while approving the aeronautical opex of common activities outside the terminal building.

B. Counter Comments on comments from IATA

MIAL's Comment

MIAL asserts that most of the comments from IATA are unprofessional and unwarranted allegations which are not only unrelated to the current tariff determination exercise but largely targeted to demean the spirit of the Consultation process. IATA's feedback appears to challenge the Authority's established approach over the past 16 years across various airports and control periods, while undermining independent and scientific studies regarding cost of equity, allocation methodologies for expenses and assets, among other aspects. If the Authority were to accept these comments at face value, it could imply that the issuance of the Consultation Paper is a futile exercise. The comments from IATA are nothing more than baseless assertions lacking any evidence-based feedback, which clearly violates the legitimate mandates set forth by the Authority.

Although many of IATA's comments do not merit a detailed response, MIAL remains committed to upholding the integrity of the Consultation Process. Consequently, MIAL has provided counter-comments for each of IATA's observations. Also, IATA has raised concerns regarding MIAL's management of airport operations. It is submitted that IATA is not affected by the aeronautical charges levied, as these charges are ultimately borne by the passengers. Further, IATA is not espousing public cause which is evident that there is no control on the skyrocketing airfares charged from the passengers by its members, and they make hue & cry in the tariff determination process of airport(s) under the guise of passengers. This cannot be tolerated by the Authority. Thus, the comments to CP made by IATA are required to be ignored in toto. Nonetheless, we would like to clarify that the vision of MIAL Airport is centered on safety, passenger experience and convenience.

4. Civil Appeals in the Hon'ble Supreme Court of India

IATA's Comment

IATA supports the approach by AERA to continue the tariff determination exercise consistent with the decisions taken in the Tariff Order for the Third Control Period. We fully agree that the final decision regarding the issues raised by the Authority in the Civil Appeal will be taken once the matter attains finality in the proceedings before the Hon'ble Supreme Court.

We believe that this approach is in the public interest, as there are significant implications for user charges depending on the final decision of the Hon'ble Supreme Court. Airport users should not be burdened with excessive recovery of charges, given the fact that these charges which will

be borne by the passengers, cannot be refunded in case Civil Appeals filed by the AERA are upheld or decided in its favor.

MIAL's Comment

The Authority has challenged the Hon'ble TDSAT Judgement dated 6.10.2023 before the Hon'ble Supreme Court. However, it is an admitted position that no stay has been granted against the judgment & order dated 6.10.2023 passed by the Hon'ble TDSAT. Thus, in view of catena of judgements & established legal position that in absence of stay by the higher court, the parties to the judgment are bound by it and have to unequivocally implement the same. Thus, the Authority should have implemented the judgement & order dated 6.10.2023 of the Hon'ble TDSAT. However, the Authority has taken a view to wait for the outcome of the appeals filed by them, which amounts to violation of the said judgment.

In this regard, it is imperative to note that as per Order 41 Rule 5 of the Code of Civil Procedure, 1908, unless there is an interim order, mere pendency of the appeal before the Hon'ble Supreme Court will not amount to the stay on the operation of the order passed by the Hon'ble TDSAT.

In view of the above legal position, while the Authority is duty bound to implement the Hon'ble TDSAT Judgement, MIAL requests the Authority to implement the same in the Tariff Order to be passed for the Fourth Control Period.

With respect to the issue of excessive recovery of charges raised by IATA, based on the flawed logic that these charges which will be borne by the airport users cannot be refunded, is completely baseless as true up mechanism ensures over recovery by airport operator is adjusted along with carrying costs in subsequent control period

Further, kindly refer point 1 of MIAL's comments to CP.

5. Related Party Transactions

IATA's Comment

While MIAL as the JVC prescribed within the OMDA may sub-contract out its activities, "... it shall not relieve MIAL from its obligations in respect of the provision of such Airport Services".

Deploying related parties as sub-contractors for various airport services continues to be a preferred option by private airport operators to maximize their returns and dilute the overall revenue in the regulatory account; aeronautical revenue as well as non-aeronautical revenues that are recognized to offset aeronautical costs.

Perhaps there is merit for AERA to address this risk/gap by setting the baseline to when the private airport operator first took over the management of the concessioned airport i.e. regardless of the sub-contract arrangement post the handover. For example: 100% of the non-aeronautical revenue will be recognized for the calculation of S-factor, instead of a portion received by MIAL based on its share or royalty arrangement post-handover. This would draw behaviors that better reflect a competitive market and protect airport users from the abuse of the dominant position of the airport operator.

MIAL's Comment

Sub-contractors are selected through transparent and fair practices as per the provisions of OMDA. In order to protect the interest of various airport users, there are safeguards in place in OMDA in case selected sub-contractor is a related party.

As per schedule 12 of OMDA on contracting procedures, if a shareholder of the MIAL (or any of its Group Entities) intends to tender for the contract, an independent probity auditor must be appointed to review and monitor the tender to ensure a complete arm's length arrangement.

Schedule 12 of OMDA is reproduced as below, "*Where a shareholder of the JVC (or any of its Group Entities) intends to tender for the contract, an independent probity auditor must be appointed to review and monitor the tender to ensure a complete arms length arrangement. It is clarified that the independent probity auditor shall not be a Group Entity of the JVC or any of its shareholders. JVC shall agree to the appropriate terms of reference and the selection procedure of the independent probity auditor as laid down by AAI.*"

MIAL can enter into contract with Related party only once the concerns of AAI are addressed and transaction has been approved by Board of Directors. Clause 8.5.7 of OMDA is reproduced below:

*"The JVC shall prior to entering into or modifying any contract with a Group Entity of the JVC or any of its shareholders (other than AAI), inform AAI about the key terms of such contract and disclose the draft contract to the AAI. In relation to such contracts, AAI shall have the right to object to any key terms that it can reasonably demonstrate are not equitable, are inconsistent with or contrary to the letter or spirit of this Agreement or not on arms length, and the JVC shall address the reasonable concerns of AAI prior to execution of such contracts. The JVC shall further ensure that any contract with a Group Entity of the JVC or any of its shareholders (other than AAI) shall only be entered into after the board of directors of the JVC (the "**Board**") duly approves such contract itself"*

MIAL complies with the above provisions and all the related party transactions are done at arm's length price which is also certified by independent probity audit report.

The comment from IATA that the Authority need to relook into the risk management is indirectly questioning the integrity of the OMDA signed with AAI and State Support Agreement signed with the President of India.

The comments of IATA undermine the established principle of price discovery through transparent bidding process.

Further, IATA's assertion that 100% **of the sub-contractor's revenue** should be considered for cross subsidization is imaginary and without any merits and defies the provisions of OMDA & SSA, which clearly provides that the 30% of **non-aeronautical revenues of MIAL** can alone be considered for cross subsidization.

6. Fuel Farm Services

IATA's Comment

We support the correction by AERA in recognizing the fuel farm revenue as aeronautical revenue.

MIAL's Comment

The comments provided by IATA on this issue lack logical reasoning and fail to present a coherent basis for their arguments.

Revenue receipts from Fuel farm business are primarily in the form of land lease rentals. Based on the nature of activity, which is primarily the leasing of the land, revenue should be treated as non-aeronautical revenue. The Authority has followed the same approach in the previous control periods.

Further, kindly refer point 12 of MIAL's comments to CP.

7. Asset allocation

IATA's Comment

While the usage of surface area can be considered as a relatively simple and common approach, it raises important concerns in the context of allocation costs at airports. Intuitively, the use of surface areas would not make sense in a competitive environment. If a company has two identical warehouses, one providing storage of luxury goods and the other of low value goods, it would make sense in an accounting approach to allocate the real estate costs across both equally. However, it would not make sense to allocate all other costs according to the same rule. This becomes even more obvious when considering that in airports most commercial activities are inextricably linked to air transport. When various lockdowns were lifted worldwide, airside revenues did not pick up in the same way that off-airport retail has.

Along the same lines – the costs of some services such as security provide benefits to both aeronautical and non-aeronautical activities, as do services that serve both passengers and staff. This complexity is rarely reflected in allocation rules and passenger security costs are deemed to be 100% aeronautical while restaurants and dining facilities are 100% non-aeronautical.

In a nutshell, a pure accounting-based approach that ignores economic externalities and links between activities will result in rules that are unfair. For the same reasons that competition authorities carefully scrutinize companies that attempt to vertically integrate or practices linked to tied selling, applying overly simplistic rules on the basis of surface areas will result in a bad outcome for consumers. It is of extreme importance that this fundamental issue is understood and acknowledged by AERA and that measures are taken to implement a fair cost allocation system for both assets and operating costs.

IATA would welcome the opportunity to bring alternative examples for AERA's consideration.

MIAL's Comment

Design of Terminal is as per requirements mentioned in Schedule 1 (Development Standards and Requirements) of OMDA and facilities at the terminal are to be designed to IATA level of service standard C for the 30th busy hour in the design year. For any non-aero facility which is constructed within the terminal building, cost of such facility should be considered as non-aero. However, since these facilities are housed in the terminal building it does not mean that the cost of terminal building has to be divided into Aero and Non-aero assets. MIAL submits that the entire building

has to be an Aero Assets. Even without any non-aero facilities there would not have been any change in size and cost of terminal. The Authority's approach to bifurcate the terminal building based on areas of these activities in the terminal building is in the interest of airport users at the expense of airport operator.

IATA assertion w.r.t. applying overly simplistic rules on the basis of surface areas to allocation of expenses and assets is not correct. Allocation of expenses is done in an exhaustive and holistic manner where in each expense incurred by MIAL it is allocated into aeronautical, non-aeronautical and common expense. Only common expenses (which is only portion of total expenses) are allocated based on various drivers like Terminal Building Ratio, Gross Block Ratio etc. Assets are allocated into aeronautical, non-aeronautical and common purely based on the usage of these assets. Common assets are allocated based on Terminal Building Ratio. This is a fair and practical approach to complete the exhaustive and complex exercise of tariff determination in time bound manner.

Security expenses for services provided by sovereign agencies like CISF, being a reserved service as per Concession Agreement, are incurred from ASF. Funds collected from levy of ASF are managed by NASFT and Airport Operator does not have control over the same. Security expenses of private security agencies (PSAs) employed by airport operator are not considered 100% aeronautical but the same are classified based on nature of activity. For e.g. expenses of PSAs guarding the air cargo complex are considered non-aeronautical.

IATA's proposed approach of bifurcating the runway cost is unimaginable because even if all non-aero services in the airport are taken off, passengers will still travel from the airport and airport operator will have to ensure safety, security and convenience of passengers.

8. FRoR

IATA's Comment

While we are supportive of AERA's proposal on the cost of debt, we would like to reiterate our objection as to how the cost of equity is being calculated. As evidenced in the entire chapter, both costs and revenues are being trued up, which eliminates the risks borne by MIAL. This has to be reflected in a much lower return on equity allowance. This point is further elaborated in our comments on WACC for the Fourth Control period.

MIAL's Comment

It seems that IATA may not have fully reviewed the Consultation Paper and might have some pre-existing assumptions about the regulatory guidelines. The true-up process primarily addresses variances in costs considered as efficient by the Authority. The Authority has not provided true-up for all costs as evident from the various disallowances made by the Authority in the subject CP. Further bad debts on account of non-payment of airport dues by airlines are not realized as revenues by MIAL and same are also not allowed as part of O&M expenses by the Authority. Hence IATA's assertion that costs and revenues are being trued up is not correct. Furthermore, MIAL faces other operational, regulatory, and market risks that justify a reasonable return on equity.

The Authority has allowed the cost of equity at 15.13% as per IIM-Bangalore study against MIAL proposal of 18.30%. IATA's comment to rationalize the cost of equity is already taken into account by the Authority.

Further, kindly refer points 8,9, 27 and 28 of MIAL's comments to CP on Cost of Equity and Cost of Debt respectively.

9. Aeronautical O&M expenses

IATA's Comment

Employee Cost:

IATA notes that the cost incurred by MIAL is lower than the cost approved for the Third Control Period. This could be attributed to the rationalization realized during the pandemic and the subsequent recovery of the number of employees corresponding to the passenger traffic. What is missing is the ability for stakeholders to determine if more can be done to contain and optimize the costs. In reviewing Table 97, IATA would like to get the assurance that the following employees' costs classified under AERO have been classified correctly, reflecting the following:

Is expenditure on horticulture solely to support the airside/aero areas? If it is to support the entire airport, such as the terminal and surrounding areas, it should be classified as Common expenses.

o Engineering & Maintenance: similar to the above, we believe would be more appropriate to be classified under Common expenses?

o Health & Safety: generally, this is aerodrome-wide, all-encompassing, both aeronautical and non-aeronautical activities and should therefore be classified under Common expenses.

o Quality and Customer Care: we request that the scope of these employees be identified and the 'customers' being served by them be defined – whether this includes aero only or including non-aero.

o Medical Services: these are aerodrome-wide, hence should be under Common expenses.

o Corporate Aviation Terminal: costs to be demarcated to this group of users and appropriately recovered – without cross-subsidization by other users.

o We also note the elimination of "airport services" staff. Do these relate to activities/services that are not provided anymore by the airport or has this staff been absorbed by other activities. If the latter, we recommend AERA to review whether these have been correctly allocated.

In terms of the evolution of the number themselves (Table 97), we note a significant reduction in quality and customer care. We would appreciate understanding what activities this staff were involved in and why they were not needed.

MIAL's Comment

The classification of employee expenses for the Third Control Period has been carried out in accordance with the principles established in the independent study conducted by the Authority during the same period. Therefore, IATA's suggestion to re-evaluate these well-founded principles undermines the credibility of the extensive work and rigorous studies undertaken by the Authority.

Airport Services activity has been outsourced to third party and therefore there are no in-house employees from FY 23-24 onwards.

Further, employees in Quality and Customer Care department have been rationalized considering the needs of the business.

IATA's Comment

Corporate cost allocation:

- We see that employee numbers at MIAL have reduced by around 200 staff. However, that is not necessarily due to the efficient running of operations at the airport, but simply that some of the activities have been "outsourced" through the "corporate cost". We are concerned that such cost is opaque and does not allow an appropriate scrutiny. We request AERA to further clarify how it has come to the conclusion of these costs as "efficient".

We also note that a number of drivers have been used by MIAL to allocate corporate costs between AEL, AAHL and MIAL (such as employee numbers, IT users, PBT, etc.). However, the Authority has then used single driver to sub allocate those costs between Aero and non-aero (i.e. number of employees). The authority may need to revisit this.

- In a similar manner, we would also like to understand what are the Financial taxes being allocated to MIAL, which appear to be significant.

- We support AERA proposal not to allow the cost for the legal team of group companies AEL (Rs. 1.99 Crores) and AAHL (Rs. 3.58 Crores), which is in addition to the cost of employees of the legal department available at MIAL, already considered under the employee expenses. More scrutiny is needed as there could be further duplication of costs within corporate costs.

Utility expenses:

- While we note that actual costs have been lower than what AERA allowed (which are proposed to be trued up), we would encourage AERA to launch a comparator study of Indian airports to see whether electricity consumption at BOM is efficient relative to other major regulated airports.

Rental expenses:

- IATA would question loading costs such as rental paid for accommodating custom offices, guest house rentals, onto the airport users.

Advertisement expenses:

- IATA maintains our position that, as the sole monopoly service provider and with healthy traffic growth and constrained capacity, there is limited need/benefit derived from advertisements of aeronautical activities. If MIAL chooses to do so to benefit its brand, it should be rightfully funded by MIAL and not the users.

Administrative Expenses:

- In reviewing Table 107, we would like to better understand the details of the following expenses:

- o Travelling and Conveyance

- o Professional Charges

- o Legal Expenses

- It is important to emphasise that AERA should be excluding any legal expenses related to court cases linked to appeals to regulatory decisions. Users should not be asked to cover such expenses. We would appreciate for AERA to review whether this is the case.

Airport operator fees:

- We support discontinuing the Airport Operator Fees. We are concerned though, that the Corporate cost allocation appears to be an Airport Operator fee “through the backdoor”.

Operating contracts:

- The Operating Contract Expense submitted by MIAL is lower than the cost approved in the Third Control Period Order by Rs. 47.88 Crores (5.83%), which MIAL submits is because of lower expenditure incurred during the periods affected by the COVID-19 pandemic. We would like to ascertain if this could have gone lower? For example, any clauses in contracts for Force Majeure events? Were these exercises triggered?

- It would be appropriate to review the current arrangement if it still delivers the best outcome, balancing cost efficiency and the overall need of MIAL in enlisting a third-party operator. A business case to support such an arrangement and a detailed assessment of the cost demarcations would be useful to allow users to assess the appropriateness of the arrangement.

Other expenses:

- IATA fully supports rejecting the costs stated under Table 125. Users should not be asked to cover these costs.

Working Capital interest:

- Please refer to our comments on the subject in relation to the 4th control period, as AERA estimates a negative working capital for the 4th control period but then allows a positive working capital on the third control period. This appears to be inconsistent.

MIAL's Comment

Corporate Allocation: Since Corporate Allocation expenses are mostly related to employee benefit expenses of the employees on the group companies who provide services to the airports, it is appropriate to use the same driver for allocation of these expenses. The Authority has been using this approach consistently over various tariff orders of other major airports. IATA's questioning of the principles adopted by the Authority in determining tariffs for major airports is unwarranted. The Authority must ensure the application of consistent principles across all airports and control periods to maintain fairness and uniformity.

Finance, tax and internal audit is one of the sub-head of corporate costs. A common pool of employees working in fundraising, taxation matters, and internal audits are on payrolls of group companies rather than having these employees on payroll of each airport.

Utility Expenses: Electricity operates as a regulated sector, with rates varying significantly across different regions, states, and utilities based on approvals from regulatory bodies such as the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). Consequently, IATA's proposal to benchmark electricity rates with other airports is logically flawed and disregards these regulatory frameworks, as it fails to account for the diverse regulatory environments, local energy sources and their mix in overall consumption, and demand patterns that influence electricity costs at each airport.

MIAL is implementing several initiatives to reduce electrical consumption. These include the installation of more efficient LED lighting, which significantly lowers energy usage compared to traditional lighting. Additionally, MIAL is increasing its reliance on in-house renewable energy sources, to further reduce its carbon footprint and enhance sustainability

Rental expenses: Offices for custom officials and guest houses for AAI staff are required as they are important stakeholders in the airport ecosystem. In the absence of sufficient space at airport premises, MIAL has taken certain spaces on rent in the vicinity of the airport so as to accommodate the needs of these airport stakeholders.

Advertisement Expenses: Advertisement expenses includes expenses related to various advertisements in leading newspapers mainly for inviting bids for competitive bidding process for execution of various contracts. ACI passenger survey expenses required to be done as per OMDA.

Administrative expenses: Most of the travel and conveyance expenses are incurred for regulatory and statutory visits by MIAL staff. These visits often involve meetings with key stakeholders, such as AAI, DGCA, and BCAS, many of whom are based in Delhi. Additionally, MIAL staff are required to travel to attend various trainings and seminars organized by industry bodies like ACI, IATA, ICAO, ASSOCHAM, etc.

Professional and consultancy fees are payments made for the expertise and services of skilled professionals and consultants required for various assignments like doing traffic studies, preparation of Master Plan, Cost estimation, process improvements, etc. They are typically based on the time and effort required and the complexity of the work. Taking services of these experts is beneficial in the long term as MIAL does not have to employ full-time staff for these one-time services.

Legal expenses are incurred mainly to defend the litigation cases filed against MIAL and to initiate litigation to defend & protect interest, commercials, reputation and brand MIAL, which will have direct bearing on the credit worthiness of MIAL. There cannot be any doubt that these are essential expenses and not discretionary or wasteful expenses.

Also refer point 30 of MIAL's comments to CP submitted on 16th April 2025.

Airport operator fees and Corporate Cost Allocation: IATA's allegation of a backdoor arrangement is not only unprofessional but also baseless, as it lacks any evidence-based feedback to substantiate such a serious claim. This kind of unfounded accusation seriously undermines the integrity of professional international body like IATA and can lead to unnecessary confusion and mistrust in the entire ecosystem. It is crucial for such assertions to be backed by concrete evidence to maintain credibility and professionalism in the industry.

The scope of services outlined in the Airport Operator Agreement and Corporate Cost Allocation differ significantly, not only in the nature of the services provided but also in the extent and scale of those services.

Scope of Airport Operator Agreement is very limited, mainly related Operation and Maintenance of terminals, airport utilities and compliance with safety requirements as defined in Schedule 8 of OMDA. However Corporate Allocation Agreement has much wider scope and includes strategic functions/activities like corporate finance, legal, central procurement, green initiative, ESG, Information technology, taxation, management assurance, internal audit, shared service for financial transactions. human resource management. AAHL houses a team of specialized subject matter experts in Aviation sector having domain knowledge and expertise in Airports Operation, Airside Management, Master Planning, Designing, Airport Development, Airport Regulatory, Human Resources, Transition Management, Hospitality, Customer management, Finance Management, Legal expertise, Airline Marketing, etc.

Further it is to noted that Airport Operator Fees has been discontinued from FY22 onwards. Only Corporate Cost Allocation is being charged as part of O&M expense.

The Authority is requested to take reference from DIAL tariff order issued recently in which the Authority has allowed both these costs separately as part of O&M expenses, unlike MIAL where it has only allowed corporate allocation.

Operating contracts: All operating contracts at MIAL are established through thorough due diligence and intense negotiations with vendors, leaving no further scope for cost reduction.

Payments to vendors are made strictly according to the terms of the contract. We assure that the current arrangement delivers the best outcome, balancing cost efficiency with the overall need of MIAL.

As mentioned above in this document and in various responses to previous control periods, there is a very strong mechanism of procurement defined under the OMDA. We hereby request the Authority to kindly advise IATA to please take note of the same critically.

Other expenses: MIAL submits that other expenses related to aeronautical activities should be considered in the computation of Target Revenue.

Working Capital interest: At the start of TCP, MIAL had cash credit/working capital limits of upto Rs. 330 Crs which it used for working capital purposes. The average utilization of these facilities varied with time depending on business requirements and average utilization was in the range of Rs. 180 to Rs. 200 Crs. MIAL has paid interest on working capital of Rs. 17.56 and Rs 17.76 Crs in FY20 and FY21 respectively.

In July-2021, MIAL, with the support from AAHL and AEL, refinanced its existing debts (including outstanding working capital debt of approx. Rs. 180 Crs) with short term bridge to bond facility which was mix of 11% Non-Convertible Debentures redeemable at the end of one year and Term Loans with interest rate of MCLR plus spread of 4.65% (effective interest rate of 11%) repayable at end of one year.

Considering the fact that MIAL was using the working capital facility in past and has been paying interest on the same of approx. Rs. 17.5 Crs with average utilization of facility of Rs. 180 Crs, we have considered the amount of interest on working capital of Rs. 17.5 Crs for FY22, FY23 and FY24.

No working capital has been allowed by the Authority for Fourth Control Period and same would be allowed on an actual incurrence basis.

It is submitted that existing debts (which included working capital portion) will remain outstanding during the fourth control period and airport operators inherently require working capital.

Based on computation of working capital done by the Authority for years FY22 to FY24, it is evidently clear that average working capital requirement will be ~Rs 150 Cr and same is expected to continue in FoCP as well.

10. Traffic for Fourth Control Period

IATA's Comment

Given the common cross-ownership of BOM and NMI, the airport operator will naturally be incentivized to shift traffic from BOM to NMI, considering the much lower rate of revenue share. The mismanagement or lack of proper capacity planning at BOM, such as the unplanned demolition of T1 and airside constraints, is not an acceptable justification for escalation in costs on a per-pax basis. We request AERA to consider this aspect in its assessment, particularly on any behaviors that

reflect the abuse of market power by MIAL and the overall consideration of the bundling of airports in the tariff determination process.

Since T1 is mainly dedicated to Domestic flights, why does the forecast traffic assume a reduction in international passengers? Even worse, the reduction is bigger on the international passenger than domestic ones (-32% and -18% respectively between FY25 and FY27). And worse still, there is no recovery at all on the international passenger forecasts, when there is some on the Domestic side. This has a direct impact on the revenue forecast since there are differentials between international and domestic tariffs as well as the impact of different aircraft types.

There may be some logic behind these numbers but these have not been shared with users. There needs to be much more transparency and justification behind these numbers. If these cannot be justified, then AERA may need to amend the forecast.

On truing up: We note that the growth in traffic is truncated by the demolition of T1 and that it will start to ramp up after the reconstruction is completed (i.e. Oct 2028). We would like to propose AERA not to true up any traffic deviations in the case that the Terminal is not completed by the target date. Otherwise, a blanket true-up approach would not provide adequate incentives to BOM to finish on time (the 1% penalty on uncapitalized assets may not be enough on this particular project)

MIAL's Comment

IATA's allegation of deliberately shifting traffic from Chhatrapati Shivaji Maharaj International Airport (BOM) to Navi Mumbai International Airport (NMI) is baseless and reflects a superficial understanding of the airport business. The traffic projections for the Fourth Control Period by MIAL are based on an independent traffic study conducted by ICF, which indicates that there is sufficient dormant or latent demand in the Mumbai Metropolitan Region (MMR) of 10-15 million passengers that can be accommodated by both the airports.

IATA's concerns regarding the differential growth in domestic and international passengers and its impact on tariffs and revenues highlight a fundamental misunderstanding of the established regulatory framework. Without questioning the accuracy of the traffic study conducted by ICF, it is important to note that the Airport Operator is permitted to recover a fixed Target Revenue as determined by AERA. If MIAL's intention were to earn excess revenues from higher actual international passengers, it would not have proposed a User Development Fee (UDF) for domestic passengers and would have continued with its previous tariff structure, which only included an international UDF. This approach clearly demonstrates MIAL's commitment to a balanced and fair revenue recovery strategy that aligns with regulatory guidelines.

Furthermore, the current regulatory framework includes an in-built mechanism of true-down with carrying costs, which imposes penalties for non-compliance and delays in project execution. This ensures that Airport Operator adheres to its commitments and timelines, maintaining operational efficiency and accountability.

11. CAPEX, Depreciation and RAB for Fourth Control Period

IATA's Comment

IATA greatly appreciates the Authority's efforts and detailed assessments resulting in capital efficiencies reflected in benchmarked rates as a reasonable baseline, taking into account normative costs, operational impact uplift, and removing unjustifiable depreciation and demolitions for assets not in use. We wholeheartedly support AERA's efforts to assess capex plans in detail, including site visits to validate its views. This level of scrutiny is essential and required to ensure users' and consumers' requirements are delivered with the best value outcomes in line with

competitive market rates, to the cost, quality and program agreed. To achieve this and support an effective assessment, more regular and transparent AUCC consultation as per the Consultation protocol is required, and more discipline and transparency to consult in detail during the key stages of a project are needed for airports to comply.

- Having reviewed all the various details, IATA agrees with the authority's overall assessment regarding capital costs for the Fourth Control Period. We would like to take the opportunity to make some specific points in support of this position, given the substantial impact capex has on airlines' passenger experience, operations and aeronautical charges.*

- IATA had attended the AUCC meeting on 13th March 2024 in Mumbai to review MIAL's capex plans that were under development and made multiple observations with requests for further information following coordinating with the Airline Operators Committee. We appreciate the Authority's assessments to hold the airport to account, which are broadly in line with IATA's feedback regarding the capital efficiency and scope of various projects.*

- We appreciate AERA's efforts to encourage MIAL (and all regulated airports) to deliver capital investment outcomes and their benefits on time, to the cost and quality required, as has been committed to. The penalty for non-delivery of capex is a helpful regulatory tool in this respect, however, we respectfully propose an increase from 1% to 3% in order to address the still considerable non-delivery of projects that is a constant trend, notwithstanding pandemic impacts.*

- Moving forward, IATA suggests enhancements to the regulatory process, such as the introduction of an independent fund surveyor to review the capital efficiency of major projects at key development stages, to complement the existing AUCC consultation process, which would provide even greater assurance on an individual project basis and very likely lead to greater efficiencies. An important part of this mechanism is a review of project costs in advance of them being incurred (in addition to an end-of-period review), avoiding the need for a retrospective review once costs have been incurred.*

Increase in ACM through planned projects

Claims of increasing aircraft movements from 46 to 50+ ACMs per hour, as stated in the overall CAPEX proposal, must be substantiated with thorough research rather than making a few references to NATS UK in the document. More comprehensive and specific research is needed to support these claims.

This aspect has not been addressed adequately in the response to our queries at the AUCC, nor is it explicitly clear from the NATS review of airside changes, and feedback on the same has also been sought by AERA from AAI.

A5: Construction of Airside Tunnel – The business case for investment and return on investment in financial terms for users/payback years needs to be thoroughly reviewed and considered. It needs to be assessed in detail how many airlines use it for their regular flights v/s its usage for business aviation.

A7 & A8: Aircraft Maintenance Hangar & Parking Stands at NEC – We would need assurance these facilities will be used by scheduled carriers and are not being developed for the purpose of business & generation.

A number of important questions do however remain unanswered regarding T1 redevelopment and phasing strategy that should be answered in full in advance of T1 redevelopment proceeding, given impacts on capex and traffic, including:

o Phasing strategy to retain existing traffic levels – the airport has not consulted with the airline community or shared sufficient details regarding efforts to phase T1 redevelopment to minimize service level and capacity impacts. This is essential to try and provide the airline community with a less disruptive solution. To what extent can existing traffic be re-provided in T2 with some temporary works and planning?

Are there existing parts of T1 that could be retained?

o The airport operator has been unwilling to provide details regarding infrastructure capacity and demand dependencies between the existing Mumbai and Navi Mumbai airport. It could be viewed that T1 closure is a tactic to force airlines to relocate to the new airport with substantial, potentially unnecessary costs for airlines e.g. costs of switching, cost of increased charges resulting from capex combined with lower traffic in CP4.

• Given that T1 will remain unavailable for an extended period of time, we would like to urge the airport operator to:

o Develop solutions that avoid schedule reductions and safeguard historic rights. Any reduction in capacity should be delayed until at least the start of the Northern Winter 25/26 season (i.e., 26 October 2025). This could ensure that the reduction does not take place after Initial Submission (15 May 2025 for the Northern Winter 25/26 season) and thereby better comply with the MoCA Guidelines for Slot Allocation.

o Implement protocols for transparent communication, including publishing temporary capacity parameters, supporting analysis, and compliance details on the airport or coordinator website in advance of 15 May 2025.

o Take adequate measures to mitigate operational disruptions, and provide formal assurance to airlines that historic rights will be protected for use in subsequent seasons.

As mentioned by IATA in the stakeholder consultation meeting in March 2025, it should be ensured that the dominant market position of Adani Airports as the operator of the '2-airport system' in Mumbai, is not used to force airlines to shift operations to NMI on the pretext of demolition of the T1 at BOM. Any shifting of airline operations should be purely on a voluntary basis, after having consulted with the airline community.

B3: GA Terminal Expansion - We fully support AERA for recognizing this project as a non-aero service. These facilities and the associated infrastructure should be funded by those specific users, and not recovered through aeronautical charges via scheduled traffic.

E – Ancillary Building Development Work

•E1: Construction of Airport Management Corporate Office Building – It should be noted that the airport has been managed without the need for such an expensive Rs. 1,200 Cr office complex to be built at premium real estate, which should ideally be only used for providing facilities to airport users. Reconstruction of Terminal 1 proposed by the airport operator, could have provided an alternate centralized office space for the airport operator. We would request AERA to review the overall rationale behind such an expenditure. This project is vastly over-specified, and appropriate

reduction and right-sizing should be imposed by AERA, including utilities provision, with appropriate functional finishes.

E2: Construction of NAD Colony – Our understanding is that this primarily houses the CISF/security personnel, with the arrangement having come into being before the introduction of new Aviation Security Fee (ASF), which has had several and significant increases since then. As per MoCA Letter 634903/2020 dated 15th December 2020, the leased accommodation expenses including the official and residential premises for CISF personnel, are a permissible item to be recovered from ASF.

It is therefore recommended that, going forward, the cost recovery of this major expenditure is done by the Airport Operator via leasing agreement with CISF.

E3: Cost of 3 levels of basements for 2 metro stations and Additional Cost of T-1 Metro Station payable to MMRC – Investments for the metro infrastructure should be fully funded by the metro operator on a cost recovery basis through fees imposed on metro users and not all airport users.

HRAB

- We agree with AERA's approach that since T1 and its related assets are being allowed to be demolished, the airport operator ought not to get a return on these assets nor claim Depreciation reimbursement on the same. Therefore, we support AERA's proposal to make a corresponding reduction in the HRAB value. However, we consider that the reduction of the HRAB should happen at the time the existing terminal is closed and not at the time when the new Terminal opens. Otherwise, there would be a depreciation and cost of capital for an asset that is not in use and will cease to exist once it gets demolished.*
- We would therefore like to propose AERA to reduce the HRAB at the time the existing T1 closes (i.e. 2025/26).*

MIAL's Comment

With regards to IATA comment on penalty for non-delivery of capex, it is clarified that there is inbuilt mechanism of true down with carrying cost in the current regulatory framework which results in penalty for non-compliance and delay in project execution.

As an illustration, if Rs. 100 Crores capex is allowed by the Authority, same will increase the Target Revenue by Rs 83 Crores (Return on RAB and Depreciation). However, if Rs. 100 Crores capex is not executed, the Authority will claw back Rs 121 Crores at the beginning of next control period through true down mechanism (i.e., Rs 83 Crores+ Rs 38 Crores.).

Therefore, IATA's proposal of increasing/levying the penalty is already taken into consideration as part of true-up process.

With regards to IATA's suggestion of the introduction of an independent fund surveyor, it is submitted that the scope of independent engineer, appointed by AAI, as per Schedule 21 of OMDA covers the requirements proposed by IATA. Hence there are in-built safeguards in Concession Agreements/OMDA to ensure that projects are delivered with capital efficiency.

NATS Study has demonstrated that CSMIA can achieve 52+ ATMs in next few years if improvements as proposed in the Master Plan by MIAL and change in the airspace procedures by AAI are done in complementary manner. This is supported by the fact that Gatwick has been able

to achieve 55 ATMs. Therefore, IATA's claim that thorough research is required is not substantiated and undermines the studies conducted by subject matter experts in those field.

Use of Apron V3 for GSE Parking: It is to be noted that use of V3 stand for parking GSE equipments is purely due to temporary operational constraints as current GSE area is being used for temporary main fire station. Construction of a permanent main fire station is under progress and GSE vehicles will be shifted to their original location once the construction is complete. It is emphasized that these trivial operational issues are not relevant for the purpose of tariff determination.

Airside Tunnel project - The Tunnel connection will enable multi-terminal operations in both terminals in domestic (D) and international (I) sectors and allow maximum flexibility for the airline allocations between terminals. Connection via tunnel can have substantial saving in terms of fuel expense and equipment for the aviation ecosystem at CSMIA, approximately 2,174k Kms distance less travelled and ~99k hours saved annually, for the stakeholders. Also, the tunnel is expected to reduce carbon emission by 1,928T of CO2 per year and reduction in the fuel consumption by ~725k Liters per year. Airside tunnel will be used for commuting of passengers and baggage delivery of scheduled aircraft only. The tunnel will also develop connectivity to the southern part of the airport (additional parking stands) towards the 09/27 runway.

A7 & A8: Aircraft Maintenance Hangar & Parking Stands at NEC: It is confirmed that these facilities will be used to enhance the capacity of airport in terms of additional parking stands for scheduled aircrafts and to ensure safe airside operations as submitted by MIAL to the Authority as part of tariff determination process of FoCP.

T1 Terminal:

It is incorrect to claim that the demolition of Terminal 1 at CSMIA is unplanned and is not consulted with airlines. The redevelopment project has been carefully planned and involves extensive consultations with various stakeholders, including airlines.

MIAL in AUCC meeting held on 10th March 2024 (also attended by IATA Official) had proposed this project. Hence it is not correct to say that IATA has not been consulted by MIAL. Further all the projects proposed in FoCP are part of the final Master Plan 2024. All the airlines operating from CSMIA are important stakeholders for MIAL and the transition plan was proactively communicated by MIAL through AUCC in March 2024 and various other airport level forums so as to ensure reasonable timeframe is available for smooth transition.

5 mn out of total traffic of 15 mn handled by T1 will be shifted to T2 with various capacity expansion and technological enhancements. This clearly proves that MIAL is making all efforts to ensure disruption in existing traffic levels is minimized.

Although certain parts of the terminal like T1C can be retained. However, it is to be noted that T1C only has security hold area, all the processors like check in, baggage claim, security are in T1B. Hence demolition has to be done in one go. However, MIAL has noted the comments from the Authority and AAI. It will evaluate all possible options during the detailed design, subject to construction efficiency, cost benefit analysis, optimization of land parcel and stakeholders' safety.

IATA's allegation regarding MIAL's unwillingness to share details of infrastructure capacity, demand dependencies, and forcing airlines to move to Navi Mumbai is incorrect. We urge IATA to review the fine details of the Consultation Paper to understand MIAL's comprehensive submissions on its infrastructure capacity and the demand it can handle. MIAL has not forced any airline to relocate to Navi Mumbai. It is IATA's own imagination without any evidence backed written information.

IATA's concerns regarding slot management and the safeguarding of historic rights fall outside the scope of the tariff determination exercise. This forum is not the appropriate venue for addressing operational matters related to airlines. Slot management and historic rights are governed by specific guidelines and regulations which are designed to ensure fair and efficient use of airport capacity.

GA terminal: It should be treated as common asset like terminal building. Further, kindly refer point 14 of MIAL's comments to CP.

Airport Management Corporate Office Building: Currently, MIAL office is situated in Terminal-1B building. T1B building has several structural and nonstructural distresses related to corrosion, leakage and seepage, which have resulted in the formation of longitudinal cracks and spalling of concrete at several places on the building. Hence it is not safe to operate from this building. Accordingly, it is submitted that reconstruction of new terminal and construction of new office is required for the safety of passengers and employees.

The Airport Operator utilizes office spaces to house both aeronautical and non-aeronautical employees. These offices serve as hubs for carrying out activities related to both categories, making them integral to the seamless functioning of airport operations. Accordingly, the Authority has considered Corporate Office as a common asset. We agree with this approach of the Authority.

AAI vide letter dated 29/11/2024 has already issued No objection certificate for Height clearance up to 39 M for the Office site.

NAD Colony: It is clarified that NAD Colony is for AAI staff, not for CISF personnel.

Cost of 3 levels of basements for 2 metro stations: Metro station basement costs have been incurred by MIAL as per MOU signed with MMRCL. These basements are being made purely from the safety perspective. It is very difficult to implement a mechanism to collect fees from the metro users as the aviation stakeholders using these metro stations are major sub-set of total metro users.

HRAB: MIAL submits that no adjustment should be made in the HRAB on account of demolition of T1. Further, kindly refer point 21 of MIAL's comments to CP.

The Authority proposal of removing T1 from HRAB is based on the contention that MIAL should not get double return on existing T1 which is part of HRAB and new reconstructed T1 which will be part of RAB. Since new T1 gets commissioned and becomes part of RAB in FY 28-29, hence rightful adjustment, if any, (subject to the final outcome of the Supreme Court order on the similar matter for T2), is to be made in FY28-29 only. This is in line with stand taken by the Authority in the previous control periods. The comment of IATA is against the principle already adopted by the Authority and is another example of limited understanding of the consultation paper.

12. FRoR for the Fourth Control Period

IATA's Comment

Cost of Equity

Additional risk adjustment:

• We fully support AERA for rejecting the additional 1% upward risk adjustment, which is being sought by the airport operator based on lower growth in traffic at BOM. Level of constraints and saturation, as rightly pointed out by AERA, were well known at the time when the bids were

submitted & the concession for the airport was awarded. Similarly, this should have been taken into account when Adani Airports bought out the airport from the erstwhile airport operator. Besides, the FRoR is meant to establish the level of reward for the level of risk being borne by the regulated company. The alleged limited traffic growth in itself has no impact on the WACC in the context of true ups, as explained below.

Asset Beta:

•On the matter of "risk-reward", we believe that AERA's assumed 15.13% for cost of equity is too generous. For instance, we note that the 15.13% assumes an asset beta of 0.57. As previously explained, the lower the amount of risk allocated to the regulated company, the lower the reward. AERA's regulatory practice of true-up revenues and costs significantly reduces the risks (since deviations are passed on to consumers). However, the asset beta (0.57) applied for BOM was obtained from airports that do not have such risk. Therefore, there is an overestimation of the return on equity allowed to the company.

•In this regard, back in 2024 we requested the consultancy company Swiss Economics (SE) to calculate a level of asset beta commensurate with the risks borne by DEL and BOM (attached to the submission). In order to take into account the different levels of risk between DEL/BOM vs listed, as a consequence of the true-up approach, SE also considered asset betas of utility companies (which tend to be less volatile and therefore less risky). This approach led SE to conclude that an asset beta of 0.4 better reflects the risks borne by BOM.

•It should also be mentioned that when the UK CAA introduced a traffic risk sharing element on the LHR determination (so-called "H7"), it also made an adjustment to the asset beta to reflect the lower risks borne by LHR1.

Risk Free rate:

•The calculation of the 15.13% return on equity also assumed a risk-free rate of 7.56% based on the 10-year Indian government bond. However, nowadays the same bond yield is around 6.5%, which would suggest that using the previous figure would imply an overestimation of the risk-free rate. There is therefore merit in reviewing such rate and we request AERA to consider this before its final decision.

Cost of Debt

•We appreciate AERA for correcting the cost of debt based on rates that would have prevailed if MIAL had continued with the existing loan arrangement as at the start of the TCP. We support AERA's view of seeking to allow what it considers to be an efficient cost of debt.

•If AERA pursues a true up approach, then we support the proposal to true up on the basis of actual or SBI 1-year +150bps (whichever is lowest).

MIAL's Comment

Asset Beta for Cost of Equity: Study done by Swiss Economics consider airports either from developed economies or from China to compute the average asset beta. This approach is not only fallacious but also highlights the bias in the selection of comparative airports to be used for computation of asset beta.

Independent study conducted by PWC considers a well-balanced approach and includes mix of airports from developed economies like France, Spain and Switzerland and developing economies

like Mexico, Malaysia, Thailand. The following are the asset betas of various airports as per PWC study:

S.No	Airport Operator	5-year asset beta on 5 year average DER	5-year asset beta on latest DER
1.	Sydney Airport Holdings Private Limited	0.692	0.719
2.	Auckland International Airport Limited	1.030	1.052
3.	Flughafen Zurich	0.865	0.838
4.	Groupe Aeroports De Paris	0.922	0.922
5.	Aena	0.102	0.121
6.	Asur (Aeroport de l'Est)	1.338	1.340
7.	Københavns Lufthavn	0.423	0.416
8.	Grupo Aeroportuario Del Centro Norte S.A.B. De C.V. Adr	0.960	1.020
9.	Grupo Aeroportuario Del Pacifico, S.A.B. De C.V	1.430	1.428
10.	Aeroporto Guglielmo Marconi Di Bologna S.P.A	0.642	0.649
11.	Fraport Ag	0.686	0.669
12.	Airport Of Thailand Public Limited Company	0.984	1.002
13.	Malaysia Airport Holdings Berhad	0.848	0.893
14.	Flughafen Wien Ag	0.527	0.610
15.	Gruppo Toscana Aeroporti	0.457	0.455

Based on above independent study carried out in March 2021, MIAL considered the asset beta of 0.8 in base CoE as 17.30%. An additional 1% risk premium for Mumbai Airport has been considered due to lesser growth in the past and capacity saturation in the near future resulting in CoE of 18.3%.

Below are some key factors that IATA/Swiss Economics has not considered correctly in the analysis:-

Removing Flughafen Wien (asset beta of 0.1) from the analysis increases the average asset beta of airports from 0.54 to 0.58, aligning it with the Asset Beta proposed by IIM B to the Authority.

The Authority conducted separate studies for BOM and DEL, resulting in individual asset betas for each airport. In contrast, the IATA study does not differentiate between the two airports and fails to consider adjustments for capital expenditure, passenger capacity, funding mechanisms, and regulatory regimes for BOM airport.

The Authority study correctly used only airports as comparators, while the IATA study's inclusion of electricity network operators and diversified power companies, which belong to different sectors, is incorrect and seems intended to lower the average asset beta.

Based on the above submission, consideration of the power sector itself is completely incorrect on the part of IATA Submission for calculating the Asset Beta of DEL & BOM.

Also refer point 27 of MIAL comments submitted on 16th April 2025

Cost of Debt: We would like to reiterate the highly dynamic nature of MCLR and Credit Spread. Both these factors are beyond the control of the company. Hence, we request the Authority to consider actual costs of debt in true up exercise of Fourth Control Period. TDSAT Judgement dated 6th October 2023 has ruled that Cost of Debt should be allowed on actual basis. Also refer point 28 of MIAL comments submitted on 16th April 2025.

13. O&M Expenses for the Fourth Control Period

IATA's Comment

Employee cost

- *With the demolition of T1 for the period 2025-2028 and the forecasted reduction in traffic, we expect the employee count to be rationalized (considering MIAL mentions that 200 additional staff would be needed at time the new T1 is completed, it would make sense to assume a reduction in staff at the time the existing T1 closes).*
- *There is no explanation on why a 6% increase in salaries and corporate costs is assumed. If at all, it should be limited by the level of inflation.*
- *Also, any project-related staffing for the reconstruction of T1 should be capitalized by the project cost and depreciated over the life of the asset. A CAGR of 15.33% increase requested by MIAL is unconceivable.*

Utilities Expenses

- *The utilities expenses should reflect the reality of the negative growth/lower traffic as a result of T1 demolition, for example, usage of water, electricity, repair and maintenance, rather than continuing to see year-on-year growth. We commend AERA for making the necessary adjustments to reflect this aspect. What we would like to see is more in-depth analysis and consideration of efficient operations to drive these costs down, i.e. on a per passenger basis.*
- *IATA noted the current approach to the treatment of utility expenses. While the concessionaires are being charged directly for their consumption, which reduces the gross consumption charges attributed to Aeronautical, we believe that the Utility Expenses (after subtracting the above) should also be subject to the cost allocation treatment. The rationale for this being that the concessionaires must pay their fair share of the utilities to support the shared facilities, i.e. common terminal area (which facilitates the access of the customers to their shops, etc.)*

Repairs and Maintenance

- *We see that AERA is allowing MIAL's assumption of Repairs and Maintenance increases CAGR of 10.34%, which still appears to be excessive. We consider that further analysis is required to understand the need to increase the level of maintenance and how such expenses will improve the reliability of the assets. The latter could be measured through appropriate KPIs.*

Rents and Taxes

- *With regards to the leased land, this should be allocated 100% non-aeronautical as there is no identified aeronautical use. Users should not be charged for any expense that is not linked to any aeronautical service.*

CISF deployment costs

- *We appreciate AERA review with respect to MoCA's directive that expenditure towards the Cost of Deployment of CISF personnel deployed at GA Terminal, Cargo, and MRO to be borne by the Airport operator, and not to be charged to the ASF collected from embarking passengers under scheduled operation.*

Legal Costs

- *IATA has made comments in the past that legal expenses should not be included in the O&M expenses and considered as a pass-through. We strongly support AERA's decision to exclude these legal expenses from its tariff determinations. Airport operators should not be allowed to recover legal expenses from users that are, by their very nature, paid towards the airport operators' legal cases with other aviation stakeholders. This decision is aligned with the specific provisions in recent concession agreements awarded by the government of India.*

Corporate Costs

- *As expressed in our comments for the Third control period, we are concerned about the inclusion of such opaque costs. While we note that AERA has adjusted MIAL's proposals, we do not see why such costs need to increase by 6% annually. At most, AERA should consider applying the level of inflation.*

Digitalization Cost Allocation

- IATA is generally in alignment with AERA in the approach of allocating operating expenses to aeronautical users, particularly the structured MCDA model that is applied in determining the split for Digitalization cost allocation.
- Whilst recognizing that AERA has done a commendable job, IATA believes that the allocation to the aeronautical side is still on the high side and does not fairly reflect the resources attributed to non-aeronautical activities.
- MIAL should provide a quantitative description of the targeted improvements and the projected increase in NAR specifically triggered through such digitalisation and use of the app. MIAL has only made broad and indicative statements such as 'enhance airport user experience', 'make real-time information available to passengers', 'facilitate state-of-the-art digital point of sales', etc.
- As per the description provided by MIAL, most features of the app to be developed overlap with existing initiatives for biometric facilitation – leading to a duplication of efforts and resources. Features such as flight tracking and baggage belt information are basic utilities already provided by airline apps and global aggregators.
- No technological innovation or public value has been demonstrated to justify the Rs. 659 crore expenditure via a related party, which is significantly higher than global benchmarks, for similar platforms. Leading international airports (e.g., Changi, Heathrow, Schiphol) have implemented real-time flight tracking, baggage monitoring, and digital wayfinding for a fraction of this cost.
- Despite an increase in the adoption of travel-related mobile apps, airport-specific apps haven't been popular with passengers due to their limited use case. As a consequence, more and more airports have stopped offering mobile apps. During the pandemic, this trend accelerated as the majority of airports focused on cost reduction and re-prioritization of investments.
- We implore AERA to set the expectation of a gradual decrease in the allocation to aeronautical users to better reflect the sizeable growth of non-aeronautical activities. Where the ratio allocated to aeronautical by MIAL is lower than AERA's, it is best to utilize MIAL's ratio for e.g. R&M expenses, operating contracts, and rents, rates & taxes.

Advertising Expenses

- Despite the existence of the cap for advertisement expenses, IATA would question the value of advertisement expenses by MIAL, i.e. in attracting traffic, given the capacity constraint and its dominant market position. If it is to increase MIAL's brand value, this has no direct linkage to service provision, and hence it should not be passed on to users. More appropriately, it should be funded from MIAL's profits if it so chooses, similar to the approach by AERA on rejecting CSR-related expenses
- Continuing on our comment concerning the Advertisement Expenses, if and when MIAL justifies the necessity of specific expenses that benefit/add value to the aeronautical activity, the link should be made clear with the expected results/benefits stated. This is also keeping in view of the plan to shift a significant portion of operations to the airport which could pose any competition, i.e NMI – though owned by the same airport operator.
- In the absence of such justifications, the proposed allocation for Advertisement Expenses should be fully attributed to non-aeronautical, or at the least set at a lower aeronautical share e.g. 30% (opposite of the hybrid till allocation).

Working capital interest

- We note AERA's calculation of the working capital requirement. Since the resultant is a negative working capital, AERA then concludes that there should be no interest (actually, AERA may need to consider an interest income).
- What we are unclear about is that in Chapter 4 of the consultation document, AERA allows for a positive working capital and a consequent interest expense. If AERA considers that an efficient working capital is a negative one, then it should not be truing up the working capital interest for the third control period.

MIAL's Comment

Employee Cost: It is to be noted that Mumbai, known as the financial capital of India, has significantly higher cost of living compared to other cities. Therefore, the increase based on

inflation of 4-5% is not sustainable. The increase in no. of employees has been justified to the Authority as part of the process.

Utilities Expenses: MIAL has already taken the impact of T1 demolition on consumption of electricity and water. MIAL has proposed aeronautical allocation of utility expenses in proportion to their consumption in respective activity.

Repairs and maintenance: AERA allows 6% of Opening RAB as R&M expenses. In case of MIAL, R&M expenses allowed by AERA are less than the above threshold. For example, in the case of tariff determination of Ahmedabad, Lucknow, various AAI airports IATA agreed with the Authority approach to O&M expenses which include Repair and Maintenance as 6% of Opening RAB.

It seems like IATA is unsure about its approach as general reference to KPIs based approach is given without specifically mentioning about the KPIs to be used.

Rent & taxes: The leased land is being used for aeronautical activities like Customs, AAI staff etc. and therefore it is part of an operating expenditure proposed for the Fourth Control Period.

CISF deployment costs: It is to be noted that the security expense related to deployment of CISF is a statutory requirement, it is aeronautical in nature and cannot be considered non-aeronautical.

Legal Costs: The legal expenses incurred by MIAL are part and parcel of operation & maintenance expenditure and claimed on an actual incurrence basis. Legal expenses are incurred mainly to defend the litigation cases filed against MIAL and to initiate litigation to defend & protect interest, commercials, reputation and brand MIAL, which will have direct bearing on the credit worthiness of MIAL. There cannot be any doubt that these are essential expenses and not discretionary or wasteful expenses.

MIAL and all other stakeholders are bound by OMDA and SSA in respect to the tariff determination process of MIAL. No other agreement can be looked into and/or relied upon in this regard. Further, kindly refer point 30 of MIAL's comments to CP.

Corporate Costs: Since Corporate Allocation expenses are mostly related to employee benefit expenses, it is appropriate to use the same driver for allocation of these expenses. The Authority has been using this consistently in various tariff orders.

Digitalization Cost Allocation: MIAL has given detailed reasons for the cost and allocation methodology of the Digitalization cost.

Based on agreement with third party service provider who will provide digital transformation services, MIAL will incur annual expense for maintenance and development of the Digital platform. This platform will provide wide array of services, both aeronautical and non-aeronautical to passengers. MIAL has proposed aeronautical allocation of 82% which is based on activity wise manpower allocation of each type of service which in turn is based on complexity of service being offered.

Most of the intangible services like software development, professional and consultancy services, Data Processing etc. are human resource intensive activities and cost of these services is directly proportional to manpower deployed to develop them.

Even if the approach adopted by the Authority is followed, aeronautical allocation of Digitization expenses should be 60% instead of 30% if certain shortcomings in the Authority's approach are corrected.

Refer detailed comments in point 19 of MIAL's response to Consultation Paper submitted on 16th April 2025.

Advertising Expenses: Advertisement expense includes expense incurred for bidding process and ASQ passenger surveys and should be included as part of O&M expenses to the extent incurred on aeronautical activities.

Working capital interest: Airport Operator inherently requires working capital to run operations. Refer point no. 9 above and detailed comment point 35 of MIAL's response to Consultation Paper submitted on 16th April 2025.

14. NAR for the Fourth Control Period

IATA's Comment

Similar to our comments on the O&M section, we consider that AERA's ability to determine whether the proposed levels of non-aero revenues are adequate could be significantly enhanced by carrying out comparisons against other Indian regulated airports (and international ones). While AERA scrutinizes the % changes assumed annually, it does not really challenge whether the starting point is the best the airport could deliver. A benchmark, supported by a bottom-up analysis, could help on this. We highly encourage AERA to consider carrying out such analysis.

Average Transaction Value

- *IATA holds a similar view as expressed by AERA, that the projected NAR by MIAL is on the conservative end. As a rule, if aeronautical costs are subject to inflationary increases (the 4.4-4.5% proposed by AERA), similarly, we would expect that the non-aeronautical costs would have incorporated this aspect in the NAR annual increases, i.e. to cover its costs plus returns, etc. At the moment, the proposed growth rates by MIAL (average 2%) don't seem to reflect this reality.*

- *Hence, we support the higher growth adjustments proposed by AERA (average 4.5%), recognizing that some growth rates could potentially be much higher (inflation + growth), referencing our point on the impact of inflationary increases on non-aeronautical costs and their effect on the NAR.*

NAR Projection for Lounges

- *On the matter of forecast NAR for Lounges, AERA has correctly highlighted the reduction in the base year revenue (reduction of 47.38%) as a matter of concern, which has not been addressed or justified by MIAL, despite multiple requests and reminders.*

- *It is worth noting that the ADANI Group acquired a stake in the lounge concessionaire after the concession was awarded in FY25. This is another example of a potential transfer pricing associated with related party transactions which IATA has raised earlier in this submission.*

- *IATA supports the treatment by AERA in assuming the higher base for estimation and calculation of future NAR from this line item.*

Marketing Funds

- *The Airport operator has collected a marketing fund from concessionaires to support promotional activities and controls the expenditures made from it. Since FY 2018-19, the fund is recorded as*

a balance sheet item, with unspent funds balance amounting to Rs. 50.24 crores carried forward year-to-year without being fully utilized.

•The current arrangement leads to the reduction and artificial dilution of NAR, and other airport operators could easily expand this arrangement to result in the hiving off the NAR, leading to its overall reduction, justifying that the costs will be covered by earmarked funds. This is not in the best interest of users and is not in line with the regulatory treatment by AERA to preserve the NAR.

•IATA does not agree with the current treatment of the Marketing Fund by AERA and recommends that any fund collected by the airport operator should be treated as revenue. Without earmarking the fund for specific purposes, the airport operator should treat these activities as marketing costs funded from non-aeronautical revenue.

•IATA suggests that the entire NAR, including the marketing fund, should be considered for calculating the "S" Factor and requests AERA to reconsider the treatment of the marketing fund

MIAL's Comment

It is in the interest of Airport Operator to maximize its non-aeronautical revenues. Further projections of Non-Aeronautical Revenue of FoCP are based on the actual revenues realized by the Airport Operator in FY23-24. Mumbai Airport has already reached maturity stage and increase in non-aeronautical revenues, if any, will be very benign in the future. Hence the analysis being referred to by IATA will be redundant exercise.

Transaction related to Lounge concessionaire has been done at arm's length. Kindly refer response provided above in respect to related party transactions and their compliances.

As far as issue of Marketing fund is concerned, it is submitted that MIAL is just acting as an agent where it is collecting money from the concessionaires (deposited in separate account) and spending on various Marketing events to enhance the non-aeronautical revenue which is already included in various lines of businesses (retail, F&B etc.) Funds collected in the Marketing Fund are meant solely for promotional activities and no other revenue is generated from the funds collected, therefore it cannot be considered as non-aeronautical revenue.

15. Target Revenue for Fourth Control Period

IATA's Comment

Annual Tariff Plan (ATP)

We note that MIAL has proposed a differential in Landing Charges for international flight. We would urge the AERA to consider eliminating the difference in landing fees between international and domestic flights. This differentiation of charges is not in line with the ICAO-compliant model. Similarly, we see that landing charges are based on aircraft codes. As per ICAO policies, aircraft codes are not a valid criteria for setting landing charges.

•MIAL has proposed a hike in User Development Fees (UDF) and other aeronautical charges in the fourth control period. We request to confirm that this increase is not implemented retrospectively on the tickets sold before the date of the revised tariff being brought into effect, as airlines would have collected UDF at the prevailing (old) rate.

•We note that there is an incentive scheme included in the tariff scheme: the so-called variable tariff plan. It is unclear as to how such scheme is being funded. As per ICAO's policies, costs associated with rebates should not be allocated to those airline users who do not benefit from them. We request AERA to confirm that the costs of incentives schemes have been excluded from the calculation of the aeronautical tariffs.

Additionally, IATA requests enhancements for AERA to consider for all future airport tariff determinations. It is requested that the tariff card filed by the airport operators must be accompanied by an impact/comparative analysis, clearly detailing the increases compared to current/prevaling tariffs. In its current form of filings of tariff cards, the airport operator tariff plan does not transparently reveal the headline increases sought by the Airport – and this diverges greatly from the otherwise extensive analysis undertaken by AERA in the consultation document.

MIAL's Comment

As per ICAO guidelines *"The charges must be non-discriminatory both between foreign users and those having the nationality of the State in which the airport is located and engaged in similar international operations, and between two or more foreign users."* Clearly ICAO guidelines do not place any restriction with respect to different landing charges for domestic and international aircraft.

ICAO guidelines also do not place any restrictions with respect to charging aircraft based on their codes. Further MIAL has been following this tariff structure since Second Control Period.

UDF will be implemented on a prospective basis after the revised tariff is brought into effect. Kindly refer point 3 in the rate card mentioned as *"Revised UDF charges will be applicable on the tickets issued on or after June 1, 2025"*. This is clearly mentioned in the proposed tariff card, and it is also clearly mentioned on all the approved tariff cards by the Authority when the revised charges are to be implemented. It again reflects the narrow understanding of the tariff card and making unnecessary statements on all matters.

The variable tariff plan is available to all the airlines without discrimination between any airlines. The variable tariff plan aims to promote new routes at the CSMIA which will increase the passengers and non-aeronautical income. An increase in non-aeronautical revenue will benefit the airlines and passengers by bringing overall aeronautical charges lower.

Detailed excel workings of total aeronautical revenues based on existing and proposed rate card has been shared by MIAL with the Authority.

16. Quality Service for the Fourth Control Period

IATA's Comment

Regarding the Authority's summary in 12.3.1 to not consider any adjustment in the Aggregate Revenue Requirement/Target Revenue on account of Quality of Service for the Fourth Control Period, we would highlight that a purely qualitative and perception-based approach, while overlooking quantitative, objective measurement of MIAL's actual performance is ineffective and not reflective of the true passenger experience or operational performance at the airport. Nor does it recognise the customer (airlines) – service provider (airport) relationship.

The purpose of any airport service quality framework is to provide the Airport with a clear understanding of the levels of service and outcomes required to meet the expectations of users (airlines and passengers), in return for the airport charges that they pay. Despite this critical

requirement, there is no accountability, cost-relatedness or recognition of airline customers' requirements in an ASQ-based approach, resulting in a major failure of the Concession Agreement and the current approach.

Further, performance can only be truly measured, and continuous improvement be supported with regular, structured reviews of airport performance conducted between the airline community and MIAL, which is largely lacking.

In this context, we greatly appreciate and value the Authority's efforts to develop an enhanced service quality framework with appropriate metrics and measurement, to ensure the actual performance at regulated airports is recorded and airports are held to account in the consumers and users' interest. IATA would appreciate any insights the Authority may be able to share regarding the early application of its enhanced framework in the context of this review.

MIAL's Comment

As per the Service Quality Requirements stipulated by OMDA, MIAL has to achieve rating of 3.75 in the ASQ passenger survey. MIAL has consistently achieved service quality ratings of close to 5 throughout the third control period. As per OMDA, survey is done regularly on quarterly basis and airport facilities are rated on 7 parameters like navigation items, connectivity, service facilities, value for money, service delivery, environmental factors and airline factors which capture the experience and convenience of passengers on a holistic basis. IATA's assertion with respect to developments of enhanced service quality framework is beyond the scope of the Concession Agreement.

C. Counter comments on comments of AOC Mumbai

17. Airside Projects from Second & Third Control Periods

AOC's Comment

AERA must demand complete transparency from MIAL regarding the status of all Airside projects planned under the Second and Third Control Periods. The lack of updates and incomplete implementation raise serious concerns about efficiency and accountability. It is imperative that AERA obtains detailed status reports, including reasons for delays, from MIAL. 2.5.2

MIAL's Comment

Consultation Paper captures the status of various projects approved by the Authority in the Third Control Period. Reasons for delay or deferment in execution of project have been detailed in the Consultation Paper.

18. Revised Timelines and Penalty Mechanism

AOC's Comment

Given that nearly a year has elapsed in the Fourth Control Period, MIAL must be held accountable to furnish revised start and completion timelines for all Airside projects. AERA must introduce a robust penalty mechanism for non-compliance and delays to deter systemic inefficiencies and safeguard stakeholder interests.

MIAL's Comment

Status of various ongoing airside projects proposed by the Authority in Consultation Paper like Taxiway M, Perimeter Road, Main Fire Station, ILS Runway 14 and various landside projects like NAD Colony, Approach Roads was shown by MIAL in stakeholder consultation meeting on 25th March 2025.

Further there is in-built mechanism of **true down with carrying cost** in the current regulatory framework which results in penalty for non-compliance and delay in project execution.

As an illustration, if Rs. 100 Crores capex is allowed by the Authority, same will increase the Target Revenue by Rs 83 Crores (Return on RAB and Depreciation). However, if Rs. 100 Crores capex is not executed, the Authority will claw back Rs 121 Crores at the beginning of next control period through true down mechanism (i.e., Rs 83 Crores allowed as part of TR + Rs 38 Crores of over recovery).

19. Applicability to Major Infrastructure Projects

AOC's Comment

This accountability framework must also extend to all major infrastructure as mentioned in the MASTER PLAN submitted by MIAL , undertakings including the new Terminal 1, NW Pier at Terminal 2, the Crew Terminal, and other future developments. No project should be allowed to proceed unchecked or without a clear roadmap and consequence for delay.

MIAL's Comment

The timelines and roadmap of each project is part of Consultation Paper issued on 10th March 2025. Master Plan gives the clear roadmap of projects to be undertaken.

Consultation Paper captures the status of various projects approved by the Authority in the Third Control Period. Reasons for delay or deferment in execution of project have been detailed in the Consultation Paper.

20. Review of NAD Colony Project

AOC's Comment

The recurring inclusion of the NAD colony project since the First Control Period without tangible progress calls for an immediate and strict re-evaluation. AERA must question its continued relevance and scrutinize expenditure, if any.

MIAL's Comment

There has been tangible progress in the construction of NAD Colony. Total of Seven (7) towers have to be constructed as part of this project. One tower is completed, five towers are at advance stage of construction and construction of one tower will start shortly.

21. Expenditure on Bays and Hangars – RWY 09/27 (Southern Side)

AOC's Comment

These facilities, primarily serving General Aviation, should not be funded through passenger-related aeronautical charges unless GA operations are definitively shifted to Navi Mumbai. AERA must ensure segregation of costs and enforce this strictly.

MIAL's Comment

MIAL contends that GA terminal is common asset like other Terminal Building. However, this is sub-judiced matter in Supreme Court, we request the Authority to take a considered view on this matter once the same achieves finality after the Supreme Court Judgment.

Also, refer point 14 of MIAL's comment submitted on 16th April 2025.

22. Proposed Airport Management Corporate Office – Misuse of UDF

AOC's Comment

The plan to construct a corporate office at the T1-A site is deeply concerning. This prime airport location must be reserved for public-serving Airport infrastructure such as the new Terminal 1 or expanded Domestic cargo operations. We strongly object to any approval of UDF funds for such internal MIAL administrative projects. AERA is urged to review the proposal and not to be funded through passenger-related aeronautical charges.

Additionally, considering its proximity to RWY 09 approach, AERA must consult DGCA, ICAO, and IATA to verify whether the building infringes on Obstacle Limitation Surfaces (OLS). Air safety must be non-negotiable.

MIAL's Comment

Currently, MIAL office is situated in Terminal-1B building and various other sites within the airport premises. MIAL proposes consolidating its employees into one centralized Corporate Office to streamline airport operations and improve staff efficiency. The office building is also planned to address the growing operational and administrative needs of the airport and of MIAL.

T1B building have several structural and non-structural distresses related to corrosion, leakage and seepage, which have resulted in the formation of longitudinal cracks and spalling of concrete at several places on the building. Hence it is not safe to operate from this building. Accordingly, it is submitted that reconstruction of new terminal and construction of new office is required for the safety of passengers and employees.

The Airport Operator utilizes office spaces to house both aeronautical and non-aeronautical employees. These offices serve as hubs for carrying out activities related to both categories, making them integral to the seamless functioning of airport operations. Accordingly, the Authority has considered Corporate Office as common asset. We agree with this approach of the Authority.

AAI vide letter dated 29/11/2024 has already issued No objection certificate for Height clearance up to 39 M for the Office site.

23. Inconsistency in Stand Utilization (V1, V2, V3L/V3R)

AOC's Comment

While new parking stands (V1 & V2) are being proposed, the closure of recently constructed stands (V3L/V3R) and their conversion into GSE parking raises questions of planning inefficiency. AERA must obtain a detailed explanation from MIAL and hold it accountable for any misuse of funds or mismanagement of resources.

MIAL's Comment

It is to be noted that use of V3 stand for parking GSE equipments is purely due to temporary operational constraints as current GSE area is being used for temporary main fire station. Construction of a permanent main fire station is under progress and GSE vehicles will be shifted to their original location once the construction is complete. It is emphasized that these trivial operational issues are not relevant for the purpose of tariff determination.

24. Metro Station Construction Costs – UDF Misuse

AOC's Comment

The continued carry-forward of metro-related construction costs into this control period is unjustified, especially as the metro line does not serve as a dedicated Airport line. MIAL is also expected to commercially benefit from the surroundings of the metro stations. Public money, especially collected under UDF, must not be used to subsidize commercial ventures. We urge AERA to categorically disallow such costs from being passed on to passengers.

MIAL's Comment

It is clarified that the costs proposed by MIAL will be exclusively used for the purpose of the construction of basements of metro stations which will enhance the safety of metro operations. Construction of basements of metro stations is within scope of MIAL as per MOU signed with MMRC. MIAL has provided various letters received from MMRC to the Authority as part of on-going tariff determination exercise where it is clearly mentioned that the basements are required for various operational and safety purposes. Basements were not required to be constructed, and MIAL would not have incurred this cost if same had not been for safety purposes. Use of the basements are expected to be predominantly for aeronautical purposes like utility services, storage facility, etc.

D. Counter comments on comments of FIA

FIA's comment

We commend AERA's considered approach in rationalizing the Regulatory Asset Base (RAB), O&M expenses, and Non-Aeronautical Revenue (NAR), as well as for revising the cost of debt to 9% from the originally proposed 10.15%, in alignment with comparable evaluations across Adani-operated airports such as Jaipur. This thoughtful reduction in the proposed aeronautical tariffs will bring much-needed relief to both airlines and passengers, helping to soften the financial strain on the sector.

MIAL's Comment

The Authority has capped Cost of Debt to 10.15% against 11.93% of MIAL's Submission. We would like to reiterate the highly dynamic nature of MCLR and Credit Spread. Both these factors are beyond the control of the company. It is to note that the current one-year MCLR is already at 9% whereas the Authority has considered MCLR of 8.65% as was prevalent at the start of Control Period. Hence, we request the Authority to consider actual costs of debt.

Further, MIAL submitted detailed comments on costs of debt on 16th April 2025.

E. Counter comments on comments of BAOA

25. GA Terminal and GA Hangars

BAOA's comment

Proposal to Build a General Aviation (GA) Terminal at CSMIA

On behalf of the Business Aircraft Operators Association (BAOA), we reiterate our strong objection to the proposed General Aviation (GA) Terminal at CSMIA as a non-aeronautical asset, which is legally untenable and fundamentally flawed. The most critical concern for General Aviation (GA) and Business Aviation (BA) operators at CSMIA has been the acute shortage of parking stands—a longstanding issue that remains unaddressed. Despite this persistent challenge, no AUCC meeting has been convened to discuss additional GA parking, nor have any new GA parking stands been developed over the last 13 years. It is wholly unjustifiable that MIAL is now pursuing a GA Terminal instead of prioritizing the expansion of GA parking infrastructure, which directly impacts safety and operational efficiency.

MIAL's Comment

Additional Parking stands are proposed on the southern side of Runway 09-27 (refer project titled: Proposed additional Aircraft Parking Stands in the Southern side of RWY 09-27 in the Consultation Paper). Project was discussed in AUCC meeting dated 13th March 2024 and has been allowed by AERA in the Consultation Paper.

BAOA's comment

Moreover, penal parking charges, introduced by AERA in 2012 as a temporary deterrent due to safety concerns, were imposed without explicit approval from the safety regulator (DGCA). Instead of serving their intended purpose, these charges have been converted into a revenue-generating mechanism for MIAL. BAOA's appeal against these charges remains pending before the Hon'ble Supreme Court, yet the charges continue unabated. It is imperative to highlight that the revenue accrued from these penalties should have been systematically reinvested in additional parking slots, rather than being diverted towards a, not so urgent, GA Terminal.

MIAL's Comment

It is imperative to note that landing and parking charges collected from GA/private aircraft operators are considered aeronautical. Total aeronautical revenues from various aeronautical charges are allowed only to the extent of Target Revenue computed by the Authority as per the provisions of SSA. Earned aeronautical revenues are used for development of the entire airport.

BAOA's comment

Additionally, the classification of the GA Terminal as a non-aeronautical asset is legally untenable and contradicts established regulatory principles. Unlike scheduled airlines, non-scheduled operators are not allowed self-ground handling due to security regulations, making this categorization fundamentally flawed. AERA must reject this misclassification to ensure regulatory compliance in asset categorization.

MIAL's Comment

We agree with the comments of BOAO with respect to classification of GA terminal. The Authority may kindly allow GA Terminal as Common Asset as contended by MIAL time and again.

BAOA's comment

We are also copying these comments to DGCA, urging that penal parking charges must not become a permanent revenue model at a public airport. The continued imposition of these charges for over 12 years—without any initiative to resolve the underlying safety concern of inadequate parking—sets a dangerous precedent.

In the interest of operational fairness, regulatory compliance, and safety, BAOA strongly urges AERA to reject the GA Terminal proposal in its current form and mandate the development of additional GA parking capacity as the immediate priority at CSMIA

MIAL's Comment

It is reiterated that parking stands proposed on the southern side of Runway 09-27 will be used for parking both scheduled and non-scheduled aircrafts. Hence development of GA parking is already part of Master Plan of MIAL

With respect to need of new GA terminal, it is highlighted that current GA terminal is very small single level facility handling both domestic and international passengers from the same terminal. There is mixing of domestic and international passengers in the processing area and also since levels are not segregated, there is mixing of arriving and departing passengers resulting in violation of BCAS guidelines. Hence, there is need for a bigger GA terminal which has separate processing areas for domestic and international passengers and segregated levels for arriving and departing passengers. In addition to GA flights, there is an increasing trend for using bigger Charter flights (Code C equivalent, with 180 average seating capacity) by the corporates, which are currently being operated from T2. With commissioning of the new GA terminal, these bigger charter flights can be operated from new terminal. It will also have dedicated areas for customs, security, and immigration for the quick and efficient movement of passengers. Accordingly, MIAL proposes to expand the existing GA Terminal.

Also, refer MIAL comments point 14 dated 16th April 2025.

BAOA's Comment

Relocation of Parking Arrangements for Mumbai-Based Operators

The proposed redevelopment at CSMIA includes the relocation of existing GA/BA operators who use Mumbai as their home base. While infrastructure development is necessary, it must not come at the cost of displacing operators without viable alternatives or imposing undue financial burdens on them.

We emphasize that:

- *Any temporary or permanent relocation of GA/BA operators must be accompanied by a viable, operationally efficient alternative, provided at no additional cost to the operators.*
- *The cost of relocation must be borne by the airport operator as part of the redevelopment plan, rather than being unfairly transferred to GA/BA operators.*
- *Longstanding CSMIA-based operators must not face operational disruption or financial penalties due to airport redevelopment.*

With Navi Mumbai International Airport (NMIAL) planning dedicated parking bays for Mumbai-based GA/BA operators, AERA must ensure that CSMIA's redevelopment plan aligns with NMIAL's infrastructure development. The transition for affected operators must be seamless, cost-neutral, and operationally efficient.

Any attempt to impose additional costs on GA/BA operators under the pretext of relocation would be legally indefensible and could invite regulatory and judicial scrutiny. We urge AERA to explicitly prohibit any cost burden on operators resulting from redevelopment activities at CSMIA.

MIAL's Comment

Demolition of GA hangars allotted to various parties is essential to facilitate airside enhancements and capacity augmentation at CSMIA, including the construction of a parallel taxiway south of Runway 09/27 and additional parking stands for scheduled aircraft. Further the current location of GA hangars are obstacle limitation surfaces (OLS) to runway transitional surfaces and is non-compliant as per DGCA observations. Hence to address the compliance issues and to augment airside capacity, relocation of GA hangars is imperative.

MIAL's decision is driven by critical infrastructure enhancements, essential for mitigating delays, augmenting runway capacity, and improving overall experience of common passengers and users at CSMIA.

Refer DGCA observations (**Annexure B**)

Both MIAL & NMIAL are separate entities hence MIAL cannot comment on parking bays which will be allotted by NMIAL.

26. Ground Handling & Cargo Charges

BAOA's comment

Legal Position on Categorization of Ground Handling (GH) and Cargo Charges

The ongoing legal dispute between MIAL/DIAL and AERA over the categorization of Ground Handling (GH) and Cargo Charges—whether aeronautical (as per the AERA Act) or non-aeronautical (as per OMDA)—raises fundamental regulatory concerns.

It is critical to note that:

The AERA Act, enacted by Parliament in 2009, is a binding statutory framework governing airport economic regulation.

OMDA, merely an interim contractual arrangement, was approved by the Union Cabinet before the enactment of the AERA Act.

MIAL and DIAL must align with the statutory provisions of the AERA Act, ensuring uniform regulatory compliance across all public airports developed under the PPP model. Contractual provisions under OMDA cannot override Parliamentary legislation, and continued reliance on outdated contract-based classifications is legally untenable.

At the same time, AERA must assure airport operators that its regulatory framework will:

- *Safeguard public interest, ensuring fair pricing and accessibility.*
- *Enhance operational efficiency, promoting sustainable industry growth.*
- *Protect the financial viability of PPP airport operators, maintaining investor confidence.*
- *Ensure the committed Fair Rate of Return (FROR) on investments, in line with established regulatory norms.*

A balanced regulatory approach will ensure that operators comply with legal requirements, while their long-term financial sustainability is maintained.

MIAL's Comment

This matter is sub judice and MIAL will refrain from giving additional comments on this matter.

27. Other points by BAOA

BAOA's Comment

Stakeholder Consultation

According to Appendix 1 of AERA's Tariff Guidelines, 2011, and CAR Section 4 Series B Part I, airport operators are required to consult stakeholders from the need-identification stage onward. BAOA has not been provided with information on the options under consideration, nor was it invited to any Airport Users Consultative Committee (AUCC) meeting referenced in the Consultation Paper.

MIAL's Comment

AUCC invite was shared with BAOA vide email dated on 23rd February 2024. AUCC meeting was also attended by BAOA (Refer Annexure 1 of Consultation Paper for list of participants who attended AUCC on 13 March 2024) therefore BAOA's allegation that it was not invited to AUCC meeting is incorrect.

BAOA's comment

Master Plan 2024

We note from the Consultation Paper that MIAL submitted a revised Master Plan to AAI and MoCA in September 2024, proposing significant capacity expansion. However, this Master Plan has not been shared with BAOA, despite its status as a key stakeholder representing GA operators. The views of MoCA on this plan also remain unknown to AERA, as noted in the Consultation Paper.

Some of the proposed projects include:

- *Additional parking stands on the southern side of RWY 09-27*
- *Additional parking adjacent to Apron J*
- *Construction of taxiways parallel to RWY 14-32 and TWY W1*

A review of the Consultation Paper and the CSMIA Grid Map indicates that these taxiways are located far from the GA parking stands and do not impact existing GA hangars. Moreover, MIAL's stated rationale for cancelling GA parking—based on these projects—is not supported by any reference to such works in the Consultation Paper or the Master Plan.

Additionally, the recarpeting of RWY 09-27, as per the Master Plan, is scheduled only for May 2028.

Para 6.3.59 of the Consultation Paper mentions that MIAL has initiated steps to shift GA hangars to NMIAL. We wish to draw attention to AAI's letter dated 30.01.2025 to AERA, which clearly states that no development not envisaged in the approved Master Plan may be undertaken, as per Article 8.3.7 of OMDA.

MIAL's Comment

MIAL is required to share the Master plan only with MoCA and AAI as per the provisions of OMDA. The proposed location for taxiway overlaps with the existing location of GA hangars, which is supported by the details mentioned in master plan. Please note that GA hangars are non-compliant airside assets as per DGCA observations (Refer **Annexure B**).

BAOA's comment

Parking Charges and Transition

Given the historical congestion at CSMIA and the imminent start of NMIAL operations in June 2025—while dedicated GA infrastructure at CSMIA is only expected to commence construction by August 2025—we submit the following:

- Interim Alignment of Charges: Parking charges at NMIAL during this transition period should be aligned with prevailing rates at CSMIA to ensure parity and operational continuity.*
- Cost-Free Relocation: As represented by MIAL in the Consultation Paper, relocation of Mumbai-based GA operators to NMIAL should be undertaken at the airport operator's cost, not that of the operators. If parking is cancelled at CSMIA without suitable arrangements, GA operations will be severely disrupted.*

MIAL's Comment

Both MIAL & NMIAL are separate entities hence MIAL cannot comment on parking charges levied at NMIAL.

It is also important to note that MIAL is under no obligation to provide alternative relocation to private aircraft operators and they can make appropriate arrangements based on their business requirements.

F. Counter comments on comments of BAR

BAR's Comment

- 1. What is the rationale for the increase in landing and parking charges (Page 138), especially when international ATMs are projected to remain relatively flat until FY29? (As per Table 144 on Page 138 of the Consultation Paper, MIAL earned ₹4,957.41 Cr from Landing Charges and ₹240.58 Cr from Parking & Housing Charges during FY20–FY24. These numbers are part of the true-up for the Third Control Period and form a significant share of aeronautical revenues.)*
- 2. How does AERA justify an RoE of ~16.2% when global comparable are 11–12%? (Pages 119–120) (AERA discusses Return on Equity (RoE) on Pages 119–120. MIAL proposed ~16.2% RoE using a higher cost of equity benchmark, whereas international comparable often use 11–12%.)*
- 3. Is the cost-benefit of the proposed Airside Tunnel (₹894 Cr) adequately validated against alternatives? (Page 182) (The proposed Airside Tunnel project, valued at ₹894 Cr, is discussed on Page 182 under CapEx proposals. This tunnel is intended to improve airside connectivity between the terminals and stands.)*
- 4. Are the new Code C parking stands resulting from NEC hangar acquisition (₹120 Cr) sufficient to meet projected international traffic growth? (Page 182) (MIAL has proposed acquiring the NEC hangar at ₹120 Cr (Page 182) to create new Code C aircraft parking stands. The impact on capacity and efficiency should be validated.)*

5. *Will tariff hikes be phased to align with actual traffic growth rather than upfront increases? (Page 146) (Passenger and ATM traffic projections for the Fourth Control Period are analyzed on Pages 145–149. Projections appear optimistic relative to historical growth.)*
6. *How are aeronautical and non-aeronautical costs being split transparently across IT, Security, and Digital CapEx? (Page 250) (Allocation of CapEx (aero vs. non-aero) and digitalization costs is covered under Pages 250–260. There is concern over transparency and justification for classifying digital assets.)*
7. *How has MIAL justified the level of User Development Fees (UDF) proposed in this control period? (Page 337) (Page 337 provides the UDF revenue targets for the Fourth Control Period, showing MIAL's intent to maintain or slightly increase UDF.)*
8. *Are UDF increases tied to measurable improvements in passenger experience (e.g., ASQ ratings)? (Page 330) (ASQ scores and service quality parameters are discussed on Page 330, where MIAL outlines quality improvements tied to tariff revisions.)*
9. *Is there a plan to differentiate UDF based on terminal use (T1 vs. T2) or domestic vs. international flows?*

MIAL's Comment

1. There is no increase in landing & parking charges, it has been recovered based on ATMs in the third control period.
2. MIAL has proposed 18.30% cost of equity against which the Authority has approved only 15.13% based on independent study by IIM Bangalore.
3. Airside Tunnel is part of the final Master Plan 2024. Cost benefit analysis in terms of time saving for passengers for commuting between the terminals, lower fuel consumption of airside vehicles and enhanced safety of airside operations justify the need of terminal.
4. The new NEC hangar will increase the availability of the parking stands and help MIAL to meet the long standing demand of airlines for having additional night parking stands.
5. Tariff hike is computed considering the overall Target Revenue and expected traffic for Fourth Control Period and therefore it is aligned with the traffic growth. Projections are higher than Third Control Period due to impact of COVID in Third Control Period
6. With respect to capex related to IT, security, and Digital MIAL has shared detailed list of projects justifying the need of the project and also shared backup of the proposed costing. These details were reviewed in detail by the Authority while classifying the assets.
7. MIAL has proposed approx. 35% decrease in landing & parking charges and increase international UDF from 187 to Rs. 650. Also, UDF to be levied on domestic passenger of Rs. 325. The revised tariff structure is in line with other airports where UDF to landing & parking charges split is 50 to 55 % for UDF and balance for landing & parking charges.
8. All the aeronautical charges, including UDF recovered from the passengers and other airport users help the airport operator to make investments which result in enhanced passenger experience.
9. No, there is no plan to differentiate UDF based on terminal use (T1 or T2). However differential UDF is proposed for domestic and international passengers

G. Counter comments on comments of BCBA

BCBA's comment

Over the past several years, stakeholders have consistently raised concerns regarding the severe infrastructural inadequacies, operational in-efficiencies, and unjustified rate increases imposed on the trade community. Any tariff hike at this stage will add to logistics cost affecting the Ease of Doing Business and key National initiatives like Make in India and Digital India.

.....

Any additional or hidden charges levied on trade should be eliminated, unless justified by a transparent and service linked cost structure.

MIAL's Comment

As per OMDA, Cargo is a non-aeronautical service which is beyond the scope of this tariff determination exercise and hence MIAL will not comment on this matter.

H. Counter comments on comments of APAO, BIAL, DIAL

MIAL's Comment

Airport Operators (such as DIAL, BIAL), Industry Body (APAO) have supported MIAL's submissions and comments on certain key matters relating:-

1. Non-implementation of Hon'ble TDSAT Judgement by the Authority is not correct.
2. Legal Expenses should be allowed.
3. Costs of debt should not be capped at 10.30% and it should be allowed based on actual.
4. Financing charges of bridge to bond facility should be allowed.
5. True-up of non-aeronautical revenues of FoCP only if the same are higher than that projected by the Authority is to be removed.
6. Balanced and progressive tariff Card Submission.

MIAL has also submitted its detailed explanations and justifications on all the above matters as part of its response to the Consultation Paper. MIAL requests the Authority to consider the well reasoned comments provided by MIAL which are duly supported by the aforementioned stakeholders.

Annexure A - Current Departure Schedule

Terminal 1

	Terminal 1											
	IndiGo		Alliance Air		Akasa Air		Star Air		SpiceJet		Total (T1)	
Time	Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats
0000	1	232			1	189					2	421
0100												
0200	1	220			1	189					2	409
0300												
0400	2	372									2	372
0500	2	440			2	378			1	189	5	1007
0600	3	684			1	189			2	378	6	1251
0700	8	1706	1	70	1	189					10	1965
0800	3	650			3	567			1	189	7	1406
0900	1	232			1	189	1	50	1	189	4	660
1000	5	1160									5	1160
1100	5	1114			2	386			1	78	8	1578
1200	5	1114			1	189					6	1303
1300	1	220	1	70	4	759			1	189	7	1238
1400	4	870									4	870
1500	5	1102							2	267	7	1369
1600	3	650					1	50	1	189	5	889
1700	5	1022			2	378					7	1400
1800	3	696									3	696
1900	5	1102			3	575					8	1677
2000	4	824							2	378	6	1202
2100	4	824			2	378					6	1202
2200	3	696							1	189	4	885
2300	1	220			1	197					2	417
	74	16150	2	140	25	4752	2	100	13	2235	116	23377

Terminal 2 Domestic

Terminal 2 Domestic							
IndiGo		TataGroup		Total T2 Domestic		Total Domestic (T1+T2)	
Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats
		2	346	2	346	4	767
2	406	1	164	3	570	3	570
2	406	3	512	5	918	7	1327
2	440	0	0	2	440	2	440
3	650	1	188	4	838	6	1210
4	824	12	1986	16	2810	21	3817
5	1056	12	2028	17	3084	23	4335
4	870	6	1022	10	1892	20	3857
8	1660	1	164	9	1824	16	3230
3	638	6	958	9	1596	13	2256
7	1382	5	794	12	2176	17	3336
2	452	7	1206	9	1658	17	3236
2	406	8	1394	10	1800	16	3103
4	824	6	996	10	1820	17	3058
3	650	4	656	7	1306	11	2176
6	1242	6	956	12	2198	19	3567
7	1474	7	1206	14	2680	19	3569
2	406	5	796	7	1202	14	2602
6	1196	10	1720	16	2916	19	3612
5	1010	5	834	10	1844	18	3521
5	998	4	696	9	1694	15	2896
1	220	7	1262	8	1482	14	2684
2	406	6	1022	8	1428	12	2313
3	592	1	162	4	754	6	1171
88	18208	125	21068	213	39276	329	62653

International

International											
IndiGo		TataGroup		Akasa Air		SpiceJet		Foreign Airlines		Total	
Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats	Dep	Seats
		1	188					4	982	5	1170
4	744	2	584	1	189			4	1284	11	2801
2	372	2	487			1	189	8	2044	13	3092
1	232	1	189					2	362	4	783
3	548	2	351			1	189	7	2248	13	3336
		1	328					3	605	4	933
1	186	0	0					4	891	5	1077
2	717	2	328					1	134	5	1179
2	418	2	420							4	838
3	594	0	0					3	651	6	1245
2	372	1	188					2	543	5	1103
1	186	0	0					3	848	4	1034
		2	454							2	454
		3	639					3	607	6	1246
		1	328					2	562	3	890
1	186	1	162							2	348
		3	532					1	360	4	892
1	232	3	513					1	150	5	895
		1	162	2	394					3	556
2	418	1	164	1	197			1	312	5	1091
1	186	3	607	1	189			2	593	7	1575
3	640	2	340					2	334	7	1314
2	372	0	0					2	728	4	1100
		0				1	189	6	1881	7	2070
31	6403	34	6964	5	969	3	567	61	16119	134	31022

Total T2	
Dep	Seats
7	1516
14	3371
18	4010
6	1223
17	4174
20	3743
22	4161
15	3071
13	2662
15	2841
17	3279
13	2692
12	2254
16	3066
10	2196
14	2546
18	3572
12	2097
19	3472
15	2935
16	3269
15	2796
12	2528
11	2824
347	70298

Total T1+T2	
Dep	Seats
9	1937
14	3371
20	4419
6	1223
19	4546
25	4750
28	5412
25	5036
20	4068
19	3501
22	4439
21	4270
18	3557
23	4304
14	3066
21	3915
23	2461
19	3497
22	4168
23	4612
22	4471
21	3998
16	3413
13	3241
463	93675

GOVERNMENT OF INDIA
 DIRECTORATE GENERAL OF CIVIL AVIATION
 OPP. SAFDARJUNG AIRPORT
 NEW DELHI - 110003
 TELEFAX: 091-011-24653883
 EPBX 24622495/ Ext.275



भारत सरकार
 नागर विमानन महानिदेशालय
 सफदरजंग एयरपोर्ट के सामने
 नई दिल्ली-११०००३

संख्या : AV.20025/02/2006-AL

दिनांक : 30.08.2022

The Accountable Executive
 Mumbai international Airport Pvt. Ltd.
 1st floor, Terminal 1-B
 CSI Airport, Santacruz (E)
 Mumbai-400099

[Kind Attn: **Shri Suryanarayanan Pichumani, AVP-Airside Operations**]

Sub: Grant of Temporary Exemptions to M/s Mumbai International Airports Ltd. for non-compliance for provisions of CAR Section 4, Series B, Part-1 at CSMI Airport, Mumbai.

Sir,

Reference is made to exemption applications & safety assessment documents forwarded vide letter no. MIAL/AO-AOS/REC/22/1326 dated 12th August 2022 to consider the subject approval.

The applications and safety assessment documents for non-compliances submitted have been examined and considering mitigation measures implemented at CSMI airport, Mumbai to reduce the risk associated with identified foreseeable hazards to acceptable level for non-compliances as per process stipulated in CAR Section 4 Series B Part IV, the Competent Authority has granted the following Temporary Exemptions (T.E's) up to **31st December 2026** to MIAL for non-compliances of CAR Section 4 Series B Part 1 at CSMI Airport, Mumbai:

S.No.	Non-Compliance	CAR Ref. No.
1.	Security fence on southern side of RWY 27 beginning is located within the runway strip.	CAR Section 4, Series B, Part-I Para 3.4.6
2.	Security fence on eastern and western side of RWY 14 beginning within the runway strip.	CAR Section 4, Series B, Part-I Para 3.4.6
3.	"Jet Airways GSD and Engg. Structures located on western side of RWY 14/32 are within RWY strip."	CAR Section 4, Series B, Part-I Para 3.4.6
4.	OLS relating to RWY 09/27 - General Aviation, Navy & Air Force Hangars penetrating transitional surface of RWY 09/27	CAR Section 4, Series B, Part-I Para 4.2.21
5.	ATS Technical block and Antenna are penetrating through the transitional surface of RWY 14/32.	CAR Section 4, Series B, Part-I Para 4.2.21

6.	General Aviation aircraft are parked on GA apron (Old Airport) without standard clearances BTN stands.	CAR Section 4, Series B, Part-I Para 3.13.6
----	--	---

Further, MIAL is directed to ensure the compliance of following conditions during the granted period of exemptions so that level of aircraft safety at CSMI Airport is not degraded due to these deviations from standards.

1. The mitigation measures as defined in safety assessment and Standard Operating Procedure be meticulously followed at all time.
2. The extant of runway strip be kept free from objects.
3. Conspicuity of marking and lighting of obstacles be regularly maintained.
4. The portion of runway strip that abuts with runway/shoulder be properly flushed with the surface of the runway/shoulder.
5. Navigation aids be maintained and calibrated in accordance with CAR Standards.
6. Promulgate the information of exemptions through NOTAM/AIP Supplement in accordance to CAR Section 9 Series I Part 1 to inform airport stakeholders and include in part 3 (c) of aerodrome manual of airport. Also, DGCA India reference and validity be included in content.
7. Formulate any other aerodrome operating procedure or restriction that is necessary for safety of operations, in consultation with aircraft operators.
8. Depending upon local conditions/environment, review the adequacy of mitigation measures **annually** along with stakeholders and maintain the records of all activities for scrutiny by DGCA.
9. Submit progress report thereafter on actions being taken to address the non-compliances and review of implemented mitigation measures.

Yours sincerely,

(Parmod Kumar)

Deputy Director of Operations (Aero. Stds.)
For Director General of Civil Aviation

Copy to: O/o Deputy Director General, Western Region, DGCA, Mumbai-for information.