



07 April 2026

To,  
The Chairperson,  
Airports Economic Regulatory Authority,  
AERA Building, Administrative Complex,  
Safdarjung Airport,  
New Delhi- 110 003.

**Subject:** Submission towards AERA Consultation Paper No. 07/2025-26 dated 06.03.2026 in the matter of determination of Aeronautical Tariff for Noida International Airport (DXN) for the First Control Period (01.04.2026 – 31.03.2031)

Dear Sir,

Greetings from IndiGo.

We hereby submit our comments in response to AERA Consultation Paper No. 07/2025-26 dated 06.03.2026 in the matter of determination of Aeronautical Tariff for Noida International Airport (DXN) for the First Control Period (01.04.2026 – 31.03.2031).

**1. Aeronautical charges Comparison between DXN and DEL**

- a. DXN airport and DEL airport will both primarily cater to National Capital Region with substantial overlapping catchment
- b. However, it is noted that aeronautical charges at DXN are considerably higher as compared to DEL.

| Charges (FY27)   |         |     | DXN  | DEL | Difference | % Difference |
|------------------|---------|-----|------|-----|------------|--------------|
| Landing (<100MT) | INR/MT  | Dom | 760  | 347 | 413        | 119%         |
|                  |         | Int | 870  | 570 | 300        | 53%          |
| Embarking UDF    | INR/Pax | Dom | 653  | 129 | 524        | 406%         |
|                  |         | Int | 1200 | 650 | 550        | 85%          |
| Disembarking UDF | INR/Pax | Dom | 282  | 56  | 226        | 404%         |
|                  |         | Int | 520  | 275 | 245        | 89%          |

- c. Considering one round trip operation (domestic) on an A321 aircraft assuming MTOW of 97 MT, 232 seats and 85% Load Factor, this translates to INR 1,88,000 additional cost as compared to DEL (Rs. 475 per passenger).
- d. If an airline was to operate a modest scale of ~15 daily round trips at DXN, the impact would be multiplicative and would amount to ~INR 103 Crore in additional costs as compared to DEL annually.
- e. Also, the aeronautical charges for subsequent years keep getting higher for DXN resulting in further increase when compared to corresponding years for DEL.



- f. Airlines in India already operate in a high-cost and competitive environment with razor thin margins, hence, to offer lucrative airfares in comparison to DEL, airlines would not be able to absorb additional costs to carry the same passenger from DXN instead of DEL. Further, escalating aviation fuel costs amid the prevailing geopolitical scenario have led to a steep surge in expenditures, severely straining airline finances.
- g. This would require carriers to pass on the additional costs to passengers, thereby making overall fares paid by passengers travelling to/from DXN higher than DEL. This will, consequentially, discourage passengers from shifting to using DXN. As a result, the project's vision of effectively catering the NCR catchment is significantly diluted due to the proposed rates.
- h. In our view, Indian carriers would need to keep the all-inclusive airfares on par with DEL if not lower to attract traffic in DXN, given our experience with Hindon where the yields that airlines were able to generate were much lower than DEL.
- i. However, with such high costs leading to reduced demand, DXN will become commercially unattractive for operations at any meaningful scale.
- j. We note that the fair rate of return (FRoR) has been proposed by AERA as 12.69%. As a Greenfield airport that needs to attract existing traffic flow travelling over DEL and to stimulate air travel from its catchment, the first control period needs to be based on cost that allows the above to be undertaken. We therefore recommend that the FRoR be reduced further to around 10% to enable the same, especially in view of the current highly volatile environment where airlines are staring at heavy losses. As the size and scale of DXN is oriented towards serving a large proportion of Delhi NCR, it is important that airlines be able to support this vision through large scale of operation. It is therefore critical that the airlines' risk be defrayed to the best extent possible under the applicable frameworks, at least during the initial phase of operations at DXN.
- k. Since DEL is very well connected via public transport like metro, buses and connecting highways, such supporting surface infrastructure is currently lacking for DXN, hence, resulting in higher out of pocket expense for airport commute over and above higher fares that are expected to prevail as a result of the costs indicated in the CP.
- l. As passengers in India are predominantly price sensitive so a natural preference of DEL over DXN is inevitable due to substantial airfare difference as a resultant of high aeronautical charges in DXN.
- m. For customer pricing to be common, overall cost of operation (cost to airline and cost to customers) should be equivalent between DEL and DXN.



- n. For airlines to stimulate the demand, cost of operation at DXN should be further lowered at least till such time airlines are able to achieve meaningful scale. Airlines should be provided with incentives, particularly in the form of lower aeronautical charges, to allow them to offer competitive fares and attract passengers, thereby enabling an effective splitting of the catchment area between DEL and DXN.
- o. In addition to the above submission, with respect to Note (2) to the proposed Landing Charges, it is requested that the Note be updated as follows:  
*"Landing Charges shall be calculated on the basis of ~~next~~ nearest rounded off MT (i.e., 1,000 kgs)".*
- p. Under Note 1 (Collection Charges) to UDF, the rate of collection of UDF charges has been proposed to be as per the agreement between Airport Operator and Airline, and we hereby request AERA to kindly consider the collection charges to be specified at the rate of Rs. 5.00 per embarking passenger, in line with the existing rate of collection charges being remitted by other similar Airport operators. We would also request an additional rate of collection charges to be specified for disembarking passengers considering the administrative and other costs involved.

## 2. Structure of Variable Tariff Plan:

- a. The proposed VTP for domestic passenger flight offers discounts on only landing charges and is valid only for 2.5 years. It is requested that it should also incorporate UDF (both embarking and disembarking) along with Landing.

While the offer of VTP is noted and much appreciated, its core objective is to stimulate demand during the start-up phase. Accordingly, VTP should be attractive enough to enable airlines to offer competitive fares, thereby stimulating traffic growth and supporting the achievement of stable and sustainable passenger volumes. Therefore, it is **recommended** that validity of VTP should be extended for the whole first control period i.e. 5 years as follows –

| Particulars |              | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-------------|--------------|--------|--------|--------|--------|--------|
| Landing     | 0-10         | RR     | RR     | RR     | RR     | RR     |
|             | 11-20        | 50%*RR | 70%*RR | 90%*RR | RR     | RR     |
|             | 21-34        | 40%*RR | 60%*RR | 80%*RR | RR     | RR     |
|             | 35-50        | 30%*RR | 50%*RR | 70%*RR | 90%*RR | RR     |
|             | 50 and above | 20%*RR | 40%*RR | 60%*RR | 80%*RR | 90%*RR |
| UDF         | 0-10         | RR     | RR     | RR     | RR     | RR     |
|             | 11-20        | 80%*RR | 90%*RR | RR     | RR     | RR     |
|             | 21-34        | 70%*RR | 80%*RR | 90%*RR | RR     | RR     |
|             | 35-50        | 60%*RR | 70%*RR | 80%*RR | 90%*RR | RR     |
|             | 50 and above | 50%*RR | 60%*RR | 70%*RR | 80%*RR | 90%*RR |

\*RR = Rack Rate



- b. Point 3 under terms and conditions of proposed VTP mentions that if frequencies are reduced year on year, then VTP will not be applicable. It is pertinent to mention that airlines adjust their network basis to prevalent market conditions or any other external factors. Therefore, this condition is very stringent and unfairly penalizes airlines and could lead to a more conservative approach which may result in slow build-up of capacity and consequentially low passenger volumes
- c. Point 6 under terms and conditions of proposed VTP mentions night parking as a requirement for VTP. It is recommended that the same should be omitted.

### 3. Parking charges

| Hour Slab | Comparison of Charges per MT per Hour (In INR) |     |     |
|-----------|--|-----|-----|
|           | NMI  | DEL | DXN |
| 0-2 Hrs   | Nil  | Nil | Nil |
| 2-4 Hrs   | 19   | 18  | 25  |
| 4-6 Hrs   | 23   | 18  | 50  |

- a. The base parking rate at DXN is higher when compared to NMI (Greenfield Airport) and DEL (Twin Airport).
- b. The parking cost of a 97MT A321 parked for 6Hrs at NMI would be ~INR 8000, at DEL would be ~INR 6900 and at DXN would be ~INR 14500.
- c. This high parking cost at DXN when scaled up for planned operations by Indian airlines would only get higher and become commercially discouraging.
- d. Additionally, with reference to Note (4) under the proposed Parking Charges, it is suggested that parking charges be calculated based on the nearest 15-minute interval and applied on a pro rata basis.
- e. Apart from the already high parking charges, an overstay with a multiplicative of 10x is being levied by DXN, which is quite high, as longer parking can occur due to multiple reasons such as- airport-related issues, traffic congestion, or bad weather. Airlines have very little control over these types of situations and should not be required to pay such very high amount. Levying overstay charge with multiplicative of 10x is too exorbitant and unfair. We therefore request AERA to kindly waive off the overstay charges, considering that the parking tariff beyond four (4) hours is already levied at twice the normal rate. Since the increased rate inherently covers the intent of discouraging prolonged parking, the additional overstay penalty becomes duplicative and may please be reconsidered.



- f. The eligibility criteria for availing one night parking bay, as per Note (9) to Parking charges for all aircraft, is a minimum of 6 departures. It is clarified that it is not possible on a single aircraft given the block hours required to fly domestic medium to long hauls, therefore, **it is requested that point no. 9 should be omitted/reduced to 2 departures per day per aircraft parked.**
- g. If airlines have to consider DXN as a hub, airlines will need to factor in availability of, or conversely lack of, flexibility required to ensure successful hub operations, including the ability to hold aircraft on ground at short notice, which in the proposed CP will qualify as unauthorized parking. Levy of exponential charges will discourage airlines from planning operations at large scale.

4. Additional Point on Passenger numbers:

The passenger traffic projection (Table 15) in the consultation paper seems too high, we project that the passenger growth initially would be slow and gradually increase considering that DEL will continue to expand in the years to come. We have assumed the ATM to be same as per the consultation paper (Table 26) and reworked the figures. It may kindly be noted that we have taken a larger adjustment in FY27 because the airport is not operational for the whole financial year and there will be staggered growth –

| Particulars (in MPPA) | FY27 | FY28 | FY29  | FY30  | FY31  | TOTAL |
|-----------------------|------|------|-------|-------|-------|-------|
| Domestic PAX          | 4.07 | 8.38 | 12.70 | 15.65 | 17.67 | 58.48 |
| International PAX     | 0.11 | 0.35 | 0.54  | 0.69  | 0.80  | 2.50  |
| Total PAX             | 4.19 | 8.73 | 13.24 | 16.34 | 18.48 | 60.98 |

*Note - The growth track mentioned above has been derived assuming that the cost is also at par with DEL.*

With best regards,

Sincerely,  
For InterGlobe Aviation Limited

Rajan Malhotra  
Vice President – Aeropolitical and Industry Affairs