

Letter No: AIHQ/GRC/2026/1241

Date: 16 April 2026

To,
The Chairman,
Airport Economic Regulatory Authority,
Safdarjung Airport,
New Delhi – 110003

Subject: Air India Group's Comments on AERA Consultation Paper No. 08/2025-26 on Determination of Aeronautical Tariff for Navi Mumbai International Airport (NMI) – First Control Period (01.04.2025 – 31.03.2030)

Dear Sir,

Greetings from Air India.

Air India Group (Air India and Air India Express) sincerely appreciate the continued efforts of the Airport Economic Regulatory Authority (AERA) in regulating and strengthening the aviation sector. We have reviewed the proposal for determination of aeronautical tariffs for Navi Mumbai International Airport (NMI) for the first control period (01.04.2025 – 31.03.2030), we commend AERA's approach in moderating the proposed increase in aeronautical charges.

While we applaud AERA's recent directive, to defer for 3 months, 25% of domestic landing & parking charges to the next CP, we nonetheless would like to highlight the severe and unprecedented challenges the aviation industry has & continues to undergo. This is given the current geo-political instability & dramatic rise in Aviation Turbine Fuel (ATF) prices, among many other operational restrictions.

Air India Group's inputs/suggestions are as listed below:

- 1. Cost of Equity – Airline Willingness:** We respectfully disagree with the assumption of strong airline demand to shift operations to NMI for the following reasons:
 - a) **Split operations leads to increased costs:** until sufficient volume at NMI allows efficiencies of scale, splitting operations between BOM & NMI adds costs and reduces efficiencies
 - b) **Significantly higher aero tariffs at NMI:** costs are higher at the greenfield NMI
 - c) **Insufficient connectivity limits traffic catchment:** until future developments in connectivity (e.g. direct metro connection) are completed, majority of MMR pax will choose BOM.
 - d) **Closure of BOM T1:** has been delayed & in fact will be in a phased manner.
- 2. O&M Expenses – Digitisation Costs should reflect cost synergies and efficiencies:** As Adani Airport Holdings Ltd (AAHL) manages eight airports through an integrated platform, digitisation costs should result in lower expenses.
- 3. Variable Tariff Plan (VTP) needs to be improved to sustain development:** We strongly support and welcome NMIAL's VTP, which is vital for route development and airline sustainability. Considering global crises, aircraft delivery delays and practices at other international airports, we recommend:

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- a) **Extending VTP to 3 years:** for new international routes (<5000 km), instead of 2 years, as well as for international flights (>5000 km) shifted from CSIA to NMI. Many global airports offer multi-year incentives, such as Incheon, Kansai, Hong Kong & Kuala Lumpur (3 years). Such a period is required for viability of routes at a greenfield airport like NMI by the airlines, especially in the absence of a base carrier.
 - b) **VTP for new/shifted domestic sectors:** Currently no VTP has been offered for new/shifted domestic sectors.
 - c) **Frequency based VTP:** we suggest frequency based VTP should be offered on both new & flights shifted from CSIA to NMIA, like DXN's model.
4. **Rationalising landing Charges to align with DXN:** NMI's proposed landing charges are significantly higher than DXN (84% higher for domestic and 113% higher for international in FY27). We recommend rationalizing these charges to align with DXN.
5. **UDF Charges should not distinguish class of travel:** We support a common UDF across cabin classes (i.e., First/Business vs Economy), as differentiated charges do not yield meaningful service improvements as it is not uncommon to see Economy passengers in priority queues (e.g., Fast track services provided by the Airport operator).
6. **Cargo Operating Expenses are very high:** The proposed cost of Rs. 8,000/ton is very high compared to benchmarks (Rs. 4,500–5,500/ton). Annual escalation should be limited to 5–7.5%, not 10%. The expected cost is 270crs per year and recovery is 610crs. Hence the cost should come closer to benchmark airports with similar tonnage.

Higher costs to passenger: Looking at the Yield per Pax (YPP) data, Navi Mumbai (NMI) is consistently higher than Noida (DXN) by a wide margin of almost double.

We request AERA to reconsider the proposed tariffs, particularly landing charges, cargo costs and VTP provisions, to ensure fair, sustainable, and competitive operations at NMI.

We look forward to your support and a positive response.

Thank you,

Yours Sincerely,



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