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27th April 2026

To

Director (P&S, Tariff),
Airports Economic Regulatory Authority of India (AERA),
3rd Floor, Udaan Bhawan,
Safdarjung Airport,
New Delhi - 110003

Sub: Counter Comments on stakeholders' comments in relation to the Consultation Paper No. 08/2025-26 dated 17th March 2026 in The Matter of Determination of Aeronautical Tariff for Navi Mumbai International Airport, Navi Mumbai (NMIA) for the First Control Period (01.04.2025 - 31.03.2030)

Dear Sir,

This is in respect to the Consultation Paper No. 08/2025-26 dated 17th March 2026 in the Matter of Determination of Aeronautical Tariff for Navi Mumbai International Airport, Navi Mumbai (NMIA) for the First Control Period (01.04.2025 - 31.03.2030).

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 Navi Mumbai International Airport Pvt. Ltd.



Ashu Madan
Authorized Signatory



NAVI MUMBAI INTERNATIONAL AIRPORT PVT. LTD.

27th April 2026

Response to comments from stakeholders

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Disclaimer

This document has been prepared by Navi Mumbai International Airport Private Limited (NMIAL) as counter comments to the comments provided by various stakeholders in respect to AERA's Consultation Paper No. 8/2025-26 dated 17th March 2026 in the matter of determination of Aeronautical Tariff for Navi Mumbai International Airport, Navi Mumbai (NMIA) for the First Control Period (01.04.2025 - 31.03.2030).

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 NMIAL. This document includes statements, which reflect various assumptions and assessments by NMIAL 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 NMIAL 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, NMIAL cannot be held responsible for any errors or omissions. NMIAL 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 NMIAL of the various assumptions undertaken by the Authority in the CP.

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

A. Counter Comments on comments from IATA

NMIAL's Comment

1. Traffic Forecasts

IATA's Comment

... IATA further notes that the traffic forecasts do not appear to fully reflect the operational capacity available within Phase I and II infrastructure. International benchmarks demonstrate that well-designed single-runway airports with multiple line-up points, high-speed exits, and no curfew can accommodate significantly higher ATM volumes than those assumed for NMI in the 2027–2030 period.

... In light of the above, IATA suggests that:

- ... Greater transparency of the behavioural and operational assumptions underpinning the forecasts would enable stakeholders to provide more meaningful and informed feedback.*
- Where traffic forecasts are not realized, the current framework places a disproportionate share of downside risk on airlines and passengers through under-recovery being carried forward into future periods. In light of NMI's delayed COD and greenfield ramp-up, continued prudence is essential to ensure cost recovery aligns with actual traffic materialization and does not unduly burden early users.*

NMIAL's Comment

The Authority has undertaken a detailed and rigorous examination of the traffic forecasts for NMIA, based on the comprehensive traffic study conducted by ICF and submitted by NMIAL. Further, it is pertinent to note that the traffic forecasting exercise conducted by ICF was not undertaken in isolation. Inputs from airlines and other stakeholders were sought upon and incorporated as part of the forecasting process, including operational considerations relevant to a dual-airport environment. Accordingly, the resulting forecasts already reflect a balanced view of expected airline behaviour, market development constraints, and ramp-up challenges typically associated with a greenfield airport.

IATA's contention that traffic assumptions may be optimistic, while simultaneously asserting that existing infrastructure capacity is underutilized, is internally inconsistent. A position that simultaneously argues for both overestimation of demand and underutilization of capacity undermines the credibility of the concern.

In respect of the concern that downside traffic risk disproportionately impacts airlines and passengers through under-recovery being carried forward, it is reiterated that the true-up mechanism is a foundational element of the Authority's tariff framework. True-up of over-recovery or under-recovery based on actual traffic and financial outcomes during tariff determination for subsequent Control Periods is an inherent safeguard prescribed under the Tariff Guidelines. This mechanism operates symmetrically and is designed to protect all stakeholders by ensuring that airport operators neither retain windfall gains nor suffer permanent revenue shortfalls due to forecasting variances. The carry-forward of under-recovery is a regulatory necessity to preserve the long-term financial viability of airport infrastructure, without which sustained service provision and capacity augmentation would be jeopardised. It is also important to emphasise that early users of a greenfield airport inevitably face a degree of transitional cost exposure, as capital investments are incurred ahead of full traffic materialisation. This is a well-recognised feature of infrastructure development globally and does not, by itself, constitute an inequitable allocation of

risk. The Authority has mitigated this risk by ensuring traffic assumptions more than available capacity, exclusion of Phase-III capacity from the current Control Period, and reliance on phased development principles consistent with actual readiness.

The Authority has considered aggressive traffic going upto annual 26 million passenger throughputs in the major part of the control period. Whereas the available terminal capacity is limited to 20 million per annum. In case IATA suggests rationalizing the traffic, then it will be counter-productive for airlines and users as yield per pax will increase which will lead to increase in recovery. Hence it is not clear if IATA has really applied rational thinking while commenting on the traffic related matter.

It must also be recognized that early-stage traffic uncertainty is an inherent and unavoidable characteristic of greenfield infrastructure. Early users benefit from fully available infrastructure and therefore cannot be completely insulated from the transitional cost dynamics associated with initial ramp-up.

2. Affordability and Early Year Pricing at NMI

IATA's Comment

... Against this background, IATA submits that the pricing framework should place greater emphasis on affordability and demand responsiveness in the initial years' operation. In particular:

- Early-year aeronautical charges, including UDF, should be moderated to reflect the limited traffic base and the role of NMI as a secondary airport during the ramp-up phase.*
- UDF levels warrant particular caution, as high passenger-facing charges in the early years can severely dampen demand and slow the development of the airport's catchment.*
- Pricing should be progressively scaled with actual utilization, rather than prioritizing upfront cost recovery from a relatively small volume of early users.*

... In this regard, a key question is whether the proposed level of charges appropriately reflects the competitive outcomes that regulatory intervention is intended to replicate.

NMIAL's Comment

We note IATA's acknowledgement of the Authority's extensive interventions to moderate NMIA's proposed cost base, including reductions in capital expenditure, operating expenditure and the Fair Rate of Return. These adjustments underscore the Authority's conscious effort to balance airport viability with user affordability within the established regulatory framework.

At the outset, it is important to reiterate that aeronautical tariffs at NMIA have not been determined on the basis of upfront or accelerated cost recovery, but through application of the Authority's prescribed methodological approach, which is explicitly designed to smooth recovery over the Control Period and across successive periods through the true-up mechanism. Early-year tariffs therefore reflect a controlled allocation of cost recovery aligned with a prudent ramp-up of traffic, rather than disproportionate front-loading of charges on early users. Any artificial reduction in early-year tariffs would not eliminate costs but would defer recovery, potentially resulting in sharper increases in subsequent control periods.

The Authority has already exercised restraint by adopting conservative traffic forecasts, excluding Phase-III infrastructure from the current Control Period, and moderating recoverable costs, thereby mitigating undue tariff pressure during the ramp-up phase.

IATA's recommendation to suppress early-year tariffs, particularly User Development Fees (UDF), overlooks the fundamental principle of cost reflectivity. The tariff determination framework does not permit arbitrary deferral of cost recovery, as doing so would merely shift the burden onto future users and create inter-generational inequity.

NMIA's terminal and passenger infrastructure is:

- substantially complete from COD,
- available to early users in full.
- early users derive full benefit from infrastructure that is substantially complete and operational from the commencement of services.

It would therefore be inequitable for later users to subsidize infrastructure already consumed by earlier users.

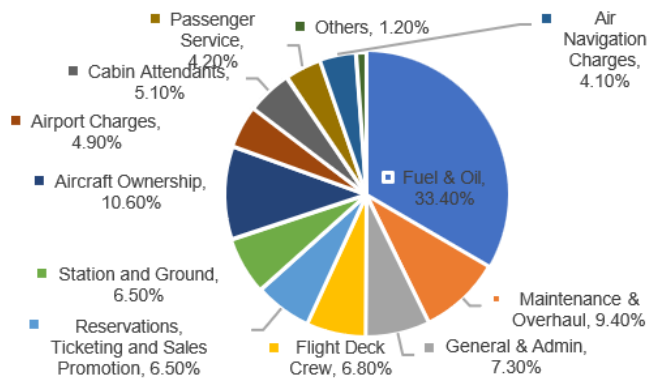
Further, for airlines, NMIAL has proactively proposed a Variable Tariff Plan (VTP) aimed specifically at incentivizing the commencement of new international routes from NMIA. This mechanism directly addresses IATA's stated concern regarding early-year route development and demand stimulation, by allowing targeted, route-linked tariff relief without diluting the overall cost-reflective tariff framework approved by the Authority. The VTP ensures that incentives are:

- Targeted, rather than blanket in nature,
- Linked to incremental traffic and network development, and
- Time-bound and performance-oriented, thereby aligning airport support with demonstrable airline commitment.

Such targeted instruments are inherently more efficient and equitable than across-the-board tariff suppression, which would effectively shift the burden of cost recovery onto later users or future control periods. A uniform reduction of early-year charges, as suggested by IATA, would not eliminate costs but merely defer recovery, potentially resulting in sharper tariff corrections in subsequent periods.

NMIAL has consciously designed its tariff structure keeping the interests of airport users at the forefront. In this regard, it is pertinent to note that NMIAL has proposed tariffs for FY 2026–27 at the same level as the ad-hoc tariffs approved by the Authority for FY 2025–26. This has been done deliberately to avoid any sudden tariff shock to airport users during the initial years of airport operations and to facilitate gradual traffic build-up in the early stages of development. Such an approach is consistent with the International Air Transport Association (IATA)'s principle of affordability, which emphasises moderation of airport charges during the initial phase of airport development to support traffic growth

We would like to emphasise that airport charges cost is relatively 4-5% of the overall cost of operation of Airline. This has been supported by IATA's own analysis.



Accordingly, the assertion that tariff levels materially constrain demand or route development is economically overstated.

3. CIDCO's Pre-development Costs Treatment and Recovery

IATA's Comment

... IATA submits the following for AERA's consideration:

- *Soft-loan Treatment (return and RAB):* Given that the Concession Agreement explicitly characterizes these pre-development works as being financed by a Soft Loan, IATA submits that these costs are more appropriately treated as a debt-like obligation for tariff purposes, i.e., serviced over the concession term without inclusion in the RAB and without application of a regulatory return on capital. Recognition of an item as capital expenditure for tariff determination does not necessarily require that it earns a full regulatory return through RAB treatment, particularly for the airport operator. This is particularly relevant where the underlying financing is expressly structured as soft-loan funding at 0% interest.
- *Interaction with Compensation to CIDCO:* The concessioning authority receives a premium of 12.60% of Gross Revenue, which reinforces the need for caution against double compensation when determining whether and how any return is applied to CIDCO-linked pre-development costs through aeronautical tariffs.
- *Allocation Aeronautical vs Non-aeronautical:* Allocation of these costs between aeronautical and non-aeronautical activities should be carefully reviewed, as site preparation and land development works benefit the wider airport ecosystem and should not be loaded disproportionately onto aeronautical users, particularly where the works relate to the overall 1,160-hectare site rather than aeronautical facilities alone.
- *Recovery profile:* Recovery of CIDCO pre-development costs should be delayed and spread over an extended horizon, ideally aligned to the concession duration, rather than being frontloaded during the initial years of operation with such low volume. This would better align recovery with traffic materialization and utilization of the infrastructure, ensuring overall affordability and the ability to capitalize on the full growth potential of the greenfield airport.

NMIAL's Comment

- Inclusion of Pre-Development Works Costs in the RAB is in accordance with the stipulated provisions of the Concession Agreement, as reproduced in the CP, as well as below:

Para 12.9.7: "Assets forming part of the pre-development works and financed by the soft loan shall be considered as a part of capital expenditure for the purposes of the determination of aeronautical charges by AERA".

Accordingly, the inclusion of these costs within the RAB is not a matter of discretionary interpretation, but a contractual stipulation that has been duly recognised by the Authority in the Consultation Paper.

Further, the amount of Rs. 3,420 Crores that the Authority has currently considered towards cost of Pre-Development Works has been specified in the Concession Agreement, and not any arbitrary amount. Relevant extract reproduced below.

12.9.1 The Concessionaire acknowledges that the Authority has undertaken certain pre-development works at the Site as specified in Annex of Schedule B ("Pre-development Works"), and the Concessionaire hereby accepts the receipt of the Site under Clause 10.2 subject to the continuation of such Pre-development Works. Subject to the provisions of Clause 12.9.2, the amounts paid/ payable by the Authority for the implementation of the Pre-Development Works upto an amount of Rs. 34,20,00,00,000/- (Rupees Three Thousand Four Hundred Twenty Crore), shall be deemed as a soft loan ("Soft Loan") for the purposes of this Agreement. The Authority acknowledges, agrees and undertakes that it shall provide the Soft Loan in accordance with the provisions of this Clause 12.9.

The AERA Act also recognizes the priority of Concession Agreement provisions for the purpose of tariff determination, as reproduced below:

13. Functions of Authority—(1) The Authority shall perform the following functions in respect of major airports, namely:—

(a) to determine the tariff for the aeronautical services taking into consideration—

...

(vi) the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise;

...

The AERA Act as highlighted above mandates that tariff determination must take into account the provisions of concession agreements. Any deviation from these provisions would undermine contractual sanctity and erode investor confidence in the regulatory framework governing public-private partnerships.

- With regards to interest on Soft Loan due to deferment of repayment, the reason for deferment is that the financial close of NMIA's external borrowing had a stipulation from the lenders – that Loans from Shareholders shall be repaid only after repayment of the debt to the outside lenders is complete. Debt from Senior lenders was of a long tenor - ~20 years, while original repayment date of loans from shareholders, more particularly, Soft Loan as per the Concession Agreement was 11 years from the Appointed Date of July 2018 – i.e. July 2029. Hence, NMIAL had no option other than to opt for deferment of repayment of shareholders loan. The deferment was granted to NMIAL by CIDCO, in line with the Concession Agreement, with interest payable such that NPV as on Appointed Date of Soft Loan is protected.

The characterization of these costs as a "soft loan" does not negate the fact that they represent real capital deployed for enabling the project. Excluding such costs from the RAB or denying an appropriate return would result in regulatory under-recovery and would be inconsistent with established principles of cost-based regulation.

- The 12.6% Revenue Share to CIDCO has no relation to the Soft Loan from CIDCO towards Pre-Development Works cost. Revenue Share is payable to CIDCO as the Concessioneering Authority

and it is contingent on the actual revenue earned by NMIAL, while recovery of Pre-Development Works costs, relates to reimbursement of historical capital expenditure incurred by CIDCO for making the airport land parcel encumbrance-free and development-ready thereby making the airport concession viable for prospective bidders. The two streams operate independently, serve different purposes, and are governed by separate provisions of the Concession Agreement. Conflating revenue share with capital cost recovery is therefore conceptually irrelevant and incorrect. Recognising Pre-development Works costs in the RAB does not result in any incremental or duplicative benefit to CIDCO beyond what is contractually envisaged and regulatorily permissible.

- Regarding aeronautical allocation and consideration of entire cost of Pre-Development Works, the Authority has provided detailed justification in the Consultation Paper (Para 5.3.11 onwards). We request IATA to go through the CP thoroughly before raising such comments and appreciate the amount of analysis conducted by the Authority and/or its representative for the thoughtful reading of the stakeholders.

4. Related-party Arrangements and Non-Aeronautical Revenue Outcomes

IATA's Comment

... AERA should base its analysis on the intrinsic growth potential of non-aeronautical revenues, independent of any commercial arrangements entered into by NMIAL (by their own choice) with its master services concessionaire. Such arrangements are immaterial to the regulatory assessment and to users. While it is entirely within NMIAL's commercial prerogative to structure its non-aeronautical operations as it sees fit, the consequences of any revenue leakages, inefficiencies, or underperformance arising from these arrangements should not be borne by aeronautical users through higher charges.

NMIAL's Comment

IATA's concerns regarding related-party arrangements and their impact on non-aeronautical revenues overlook the safeguards already applied by the Authority. The Authority has examined these arrangements for compliance with probity norms, competitive processes, and arm's-length principles.

Adoption of a Master Services / Master Concession (MSA) framework is a conscious and well-established commercial strategy, adopted to allow the airport operator to focus on its core regulatory and operational mandate—namely, the development, operation, and management of safe, secure, and efficient airport infrastructure. The outsourcing of specialised non-aeronautical activities to experienced service providers, whether group entities or otherwise where appropriate, reflects sound business practice. The use of MSA enables:

- operational efficiency and professionalisation of specialised services,
- transfer of commercial and operational risk away from the regulated airport entity,
- predictable and stable revenue streams during the ramp-up phase of a greenfield airport, and
- reduced managerial and execution complexity for the Airport Operator.

Provided that such arrangements are entered into following transparent processes, appropriate governance approvals, and arm's-length principles—conditions already verified by the Authority—the choice of commercial structure remains a legitimate prerogative of the Airport Operator.

NMIAL further submits that the approach advocated by IATA—namely, applying hypothetical benchmarks or notional revenue thresholds to override actual contractual outcomes—is inconsistent with settled regulatory jurisprudence. The Telecom Disputes Settlement and

Appellate Tribunal (TDSAT), while examining airport tariff matters under the Authority's jurisdiction, has consistently upheld the principle that legitimately executed contractual arrangements for non-aeronautical services must be respected, and that regulators should refrain from imposing arbitrary assumptions or artificial revenue normalization unless there is clear evidence of imprudence, inefficiency, or non-arm's-length conduct.

TDSAT has recognised that non-aeronautical revenues are inherently market-driven and contingent on commercial arrangements, demand conditions, and risk-return trade-offs. It has further cautioned against regulatory overreach in substituting actual commercial outcomes with assumed or "optimal" revenue scenarios.

Further, related party transactions are a common feature in the overall aviation industry. For example, Lufthansa Aero Technic's provision of MRO Services to Lufthansa Airline, as referred to in response to Point 16 below.

5. Capital Expenditure (CAPEX), Phasing and RAB

IATA's Comment

<i>CP Reference</i>	<i>Airport Proposal</i>	<i>Observation and Regulatory Significance</i>
<i>Chapter 4 – Tables 11 & 12 (Traffic & capacity)</i>	<i>Capacity expansion is largely deferred to Phase III</i>	<i>The traffic and capacity framework does not fully reflect the operational potential of Phase I and II infrastructure. International benchmarks show that single-runway airports with multiple line-up points and high-speed exits can accommodate substantially higher ATM volumes than assumed for NMI in the 2027–2030 period. This creates a risk of overstating capacity constraints and underutilizing existing assets. Therefore, IATA submits that airfield capacity assumptions should be reassessed prior to new runway delivery.</i>
<i>Chapter 4 – Traffic forecasts</i>	<i>No explicit provision for transfer passengers</i>	<i>Transfer passengers do not appear to be reflected as a demand segment in the traffic forecasts. Excluding this segment risks understating achievable traffic volumes and inflating unit costs. IATA submits that the potential for transfer operations should be reconsidered as part of the forecast framework.</i>
<i>Chapter 4 – Table 13 (Cargo)</i>	<i>Cargo growth largely aligned to Phase III delivery</i>	<i>Cargo volumes appear conservative despite available airfield capacity prior to Phase III. This may constrain revenue development and infrastructure utilization. IATA submits that interim cargo growth potential should be assessed in line with achievable ATM levels before Phase III commissioning.</i>
<i>Table 25 – Site-wide enabling works</i>	<i>Full capitalization of site preparation works at COD</i>	<i>Portions of the site-wide works enable future phases of development beyond the current control period. Allowing the full cost to enter the RAB upfront risks premature recovery from early users. IATA submits that RAB entry for phase-enabling elements should be delayed until the associated capacity is brought into use.</i>

<i>Clause 5.4.4 – Site preparation allocation</i>	<i>Approx. 90% aeronautical allocation</i>	<i>Site preparation benefits both aeronautical and non-aeronautical development, including city-side and commercial areas. The proposed allocation risks overstating the aeronautical cost base. IATA submits that a lower aeronautical allocation should be considered.</i>
<i>Clause 5.4.4 – IT / Data centre</i>	<i>100% aeronautical allocation</i>	<i>IT and data center infrastructure typically support multiple airport functions, including commercial activities. Treating these assets as entirely aeronautical risks misallocation of costs. IATA submits that a split aero / non-aero allocation would better reflect actual use.</i>
<i>Table 77 – Passenger Terminal Building (PTB)</i>	<i>Useful life 35.5 years</i>	<i>The proposed useful life appears shorter than benchmarks applied at comparable greenfield airports (e.g. Noida). A shorter useful life accelerates depreciation and tariff recovery. IATA submits that useful lives should be aligned with benchmark practice.</i>
<i>Table 77 – Boundary wall</i>	<i>5-year useful life; 100% aeronautical</i>	<i>Boundary walls protect both aeronautical and non-aeronautical areas and typically have longer service lives. The proposed treatment risks over-recovery. IATA submits that both useful life and allocation should be reviewed and benchmarked.</i>
<i>Table 77 – Access road</i>	<i>5-year useful life</i>	<i>Access roads generally have longer economic lives than proposed. A short useful life accelerates recovery without clear justification. IATA submits that a longer, benchmark-consistent useful life should be adopted.</i>
<i>Section C – Level of Service references</i>	<i>Use of “LoS C / Optimum”</i>	<i>The terminology appears inconsistent with the updated ADRM framework, which has moved away from alphabet-based LoS classifications. While not a tariff-material issue, methodological clarity is important. IATA submits that the latest ADRM descriptors should be used consistently.</i>

NMIAL's Comment

Airfield Capacity Assumptions for Phase I & II

The phased development approach adopted for NMIA is consistent with global best practices and reflects prudent capital planning. IATA's reliance on generic international benchmarks to argue for higher capacity utilization fails to account for local operational realities, including airspace constraints, traffic mix, and system maturity. For example, Delhi Airport has 4 runways and it does annual Air Traffic Movement of approx. 460,000, Mumbai Airport has only 1 runway however it does annual Air Traffic Movement of approx. 330,000, Hyderabad Airport has two runways and currently it handles annual Air Traffic Movement of approx. 200,000.

Capacity planning cannot be based on theoretical maxima but must reflect operational feasibility and safety considerations. The incremental development approach ensures that capacity expansion is aligned with demand while avoiding premature capital deployment and associated tariff burdens.

IATA's simultaneous assertion that traffic is overestimated and that capacity is underutilized further highlights internal inconsistencies in its position.

IATA is unsure whether to advocate for higher traffic projection or rationalize the traffic projection. In the initial para of the document, they expressed concern for higher traffic assumed during the Control Period and now they are advocating that single runway can handle more ATM than projected. IATA seems to be raising questions in every aspect without realizing they are contradictory to each other, and this raises serious doubts on the authenticity of the comments raised.

Treatment of Transfer Passenger Traffic

We have factored in a portion of traffic as transfer passenger traffic in the overall mix and so has the Authority. The proportion of transfer traffic has been assessed based on NMIAL-specific factors such as the scale of origin–destination traffic, depth of airline networks, and schedule connectivity.

Cargo Traffic Assumptions Prior to Phase III

Cargo development is driven less by runway availability and more by terminal readiness, landside logistics, customs facilitation, warehousing ecosystems, and shipper consolidation behaviour. The traffic forecast including cargo volume take the gradual ramp up into consideration. Further, as with passenger traffic, any upside in cargo demand will be captured through actual performance and reflected through true-up.

RAB Treatment and Aeronautical Allocation of Land Development Works

Please refer to the detailed, well-reasoned and comprehensive explanation provided by the Authority in the CP (Para no. 5.3.11 onwards), which is based on the Authority's rigorous examination and assessment.

Aeronautical Allocation of Data Centre for IT

Data Centre infrastructure forms an integral part of core airport operational systems, including airside operations, safety management, passenger processing, security, and regulatory compliance. While such systems may also support commercial activities, their design, resilience, and redundancy requirements are primarily driven by aeronautical and safety-critical functions.

Useful Life Assumptions (General Assets, Boundary Walls, Access Roads)

The Useful Life considered by the Authority is in accordance with its Order No. 35/2017-18 In the matter of Determination of Useful life of Airport Assets and certain airport specific factors like remaining balance life of the Concession period which can vary from airport to airport.

Further, with respect to Terminal Building Useful Life, we are unable to find "35.5 years" in the consultation paper as quoted by IATA in its comments.

Aeronautical Allocation of Boundary Wall

Boundary Wall is constructed for ensuring security of the Airport and is therefore 100% Aeronautical Asset. This allocation is consistently adopted by the Authority in other Major Airports too.

Level of Service (LoS) Terminology and ADRM Alignment

NMIAL has referred to both the terms "Optimum" and "Level C" with the objective of providing clarity by mapping the applicable service levels under both the earlier alphabet-based and the revised Level of Service (LoS) frameworks. This is consistent with what has been mentioned in the Concession Agreement Para 18.6.9 *"The Concessionaire agrees and undertakes that the level of service in the Terminal Building shall, during the Peak Hour, not be inferior to 'Level of Service-C' (optimum standards) as specified by IATA from time to time."*

However, the above comments are duly noted. NMIAL confirms that it has aligned its assessment with the current IATA Airport Development Reference Manual (ADRM) guidance and will ensure consistent use of terminology in accordance with the prevailing LoS framework going forward.

6. VVIP Terminal

IATA's Comment

... IATA further notes the Concession Agreement (in its clause 18.8 and 18.9) does not mandate the provision of a dedicated and standalone VVIP terminal, but a Reserved Areas within the Terminal Building under the control of government agencies; To the extent that a standalone VVIP facility is now being contemplated through the Master Plan, IATA submits that the general airport users who are now expected to pick up the costs, have not been consulted on its necessity, scope, timing, or assessment of viable and efficient alternatives. This includes whether a dedicated facility is required at all in the initial or early phases of NMI's operations, given traffic ramp-up and utilization considerations.

NMIAL's Comment

The provision of protocol infrastructure at NMIA is not an extraneous or discretionary addition introduced through the Master Plan. The Concession Agreement explicitly envisages provision of a "VIP lounge" as part of the airport facilities in Para 18.8 and Para 18.9, reflecting the Airport Operator's obligation to meet protocol, dignitary, and government movement requirements associated with operating a major international airport. The form, scale, and configuration of such facilities are to be determined based on operational, security, and regulatory considerations in consultation with the concerned authorities. The nomenclature used—whether "VIP lounge" or "VVIP / protocol facility"—does not alter the functional requirement or the underlying obligation to provide appropriate infrastructure for protocol movements.

VIP lounges are a common feature across most PPP as well as AAI-owned airports in the country. AERA has consistently treated the costs associated with such lounges as aeronautical in nature.

The suggestion that such infrastructure should be excluded from tariff determination disregards both contractual obligations and regulatory precedent.

NMIAL further submits that IATA's assertion regarding lack of consultation is factually incorrect. The reference to the VVIP Terminal was explicitly included in presentations made during the Airport Users' Consultative Committee (AUCC) meetings, at which airline representatives, including IATA members, were present. The inclusion of this element in AUCC presentations ensured transparency on airport planning elements and provided stakeholders an opportunity to seek clarifications.

It is therefore not accurate to suggest that general airport users were unaware of, or excluded from discussion on, the existence or intent of such facilities. At the same time, NMIAL submits that consultation under the AUCC framework is intended to promote transparency and dialogue, and it does not extend to seeking airline consent on infrastructure that is driven by statutory, security, or sovereign protocol requirements.

7. O&M Expenses

IATA's Comment

IATA is supportive of the direction AERA is taking to curb the highly inflated and overstated costs without a demonstration of efficiency. However, airlines remain concerned that the Operating and Maintenance (O&M) costs proposed for NMI during the First Control Period are disproportionately high relative to the airport's early-phase traffic and utilization profile. Despite NMI being a greenfield airport with a delayed COD and a gradual ramp-up in operations, the projected O&M cost base reflects a near steady-state structure, with high fixed and semi-fixed costs being recovered from the outset. When combined with depreciation, return on a large RAB, and concession-linked payments, these costs create significant upward pressure on aeronautical charges, directly impacting airline affordability, route viability, and demand stimulation during the airport's critical start-up phase.

We therefore urge AERA to continue applying a conservative, demand-aligned approach to O&M cost recognition and recovery. This includes maintaining strict scrutiny over manpower, utilities, repairs and maintenance, IT and digitization costs, and related-party O&M arrangements, as well as ensuring robust allocation between aeronautical and non-aeronautical activities.

Inefficiencies, commercial structuring choices, or underperformance should remain the risk of the airport operator and not be transferred to airlines and passengers. A disciplined, phased recovery of O&M costs that aligned with actual utilization rather than future capacity will be essential to preserving affordability, safeguarding the integrity of the Hybrid Till framework, and supporting NMI's sustainable traffic growth over the long term.

NMIAL's Comment

IATA's expectation that O&M costs should scale proportionately with traffic in the initial years reflects a fundamental misunderstanding of airport operations.

O&M cost structure of a greenfield airport during its initial years is predominantly fixed in nature, and independent of traffic volumes. Core aerodrome functions—including safety, security, airside operations, terminal operations, regulatory compliance, and emergency preparedness—must be fully established from the start of operations, irrespective of the pace of traffic ramp-up. These functions cannot be scaled down linearly with traffic without compromising safety, service standards, and regulatory compliance. It is therefore neither realistic nor reasonable to expect O&M costs to scale linearly with traffic during the ramp-up phase.

This is also recognized in ICAO's Airport Economics Manual document 9562, Para 4.50 that airports have large, fixed costs.

Over-constraining O&M recognition in the early years could impair service quality, operational resilience, and compliance, ultimately undermining the very traffic growth and affordability objectives that IATA seeks to promote.

We have seen this similar comment raised by IATA in all the Airport consultations irrespective of the size of the airport without providing written evidence-based comment. Further as mentioned in previous comments, airport charges are relatively 4-5% of the operating cost of the airline operations as per the report and analysis conducted by IATA themselves.

8. Cost of Debt – Treatment of CIDCO's Soft Loan

IATA's Comment

... In the absence of detailed efficiency-based or economic justification, IATA is unconvinced of NMIAL's discretionary decision to depart from the default repayment structure applicable to

CIDCO's soft loan arrangement i.e. repayment at a 0% interest rate payable on the 11th and 16th anniversaries of Phase I COD. Instead, NMIAL has elected to exercise the deferment option, under which the repayment is postponed to the 21st to 25th anniversaries with compounded interest applicable from Phase I COD.

NMIAL's Comment

Pls refer to our comments on Point 2. The deferment of repayment of CIDCO's soft loan was not a discretionary decision but was necessitated by financing conditions imposed by external lenders. The structure ensures alignment with lender requirements while maintaining economic neutrality through appropriate interest treatment.

In case NMIAL is required to replace the CIDCO Soft Loan with outside debt then it would have come at the interest rate of over 10%. Whereas, as assessed by the Authority, the loan from CIDCO carries much less cost of debt of 7.5-8.5%. The decision taken by NMIAL to procure funding from CIDCO at lower cost is reasonable and efficient.

Importantly, even with deferment, the cost of such financing remains lower than comparable external debt. The arrangement therefore reflects prudent financial management rather than inefficiency.

9. Fair Rate of Return (FRoR)

IATA's Comment

... Once assets become operational and are admitted into the RAB, construction and execution risks should no longer be reflected in the cost of capital.

...

Applying an elevated FRoR in these circumstances would therefore risk double recovery, particularly when combined with building blocks such as accelerated depreciation, operating cost pass-through, and concession-linked or minimum-revenue-type payments.

...

IATA therefore urges AERA to recalibrate the FRoR so that it reflects only efficient, demonstrable, and residual post-COD risks, in a manner consistent with established regulatory precedent and international best practice.

NMIAL's Comment

IATA's risk assessment is unduly narrow and analytically incomplete. The arguments put forth by IATA materially mis-characterise both the risk profile of a greenfield airport and the structure of economic regulation.

The cost of capital is not intended to reflect only residual operating risk at a given point in time, but the full risk profile borne by investors over the lifecycle of capital deployment, including development, financing, ramp-up, and long-term demand uncertainty. Equity investors commit capital, without certainty of timely completion, traffic materialisation, or regulatory outcomes, and price their returns accordingly.

IATA's repeated characterisation of NMIAL as operating in a "risk-free" or near-risk-free cost-plus regime is inaccurate. While the regulatory framework provides transparency and predictability, it does not eliminate risk, nor does it guarantee revenue, traffic, or return outcomes. The true-up mechanism corrects for over or under-recovery over time; it does not provide certainty of cost recovery in real terms or timing certainty. In contrast, liabilities such as operations and maintenance (O&M) expenses and interest obligations are required to be serviced as and when they fall due.

Demand risk and traffic uncertainty, in particular, is materially borne by investors in a large greenfield project. Recovery of costs is subject to multi-year control periods, regulatory discretion, and affordability constraints.

IATA's contention that an allowed FRoR results in "double recovery" when combined with depreciation, operating cost pass-through, or concession-linked payments reflects a misunderstanding of the building-block structure of regulation. Each element addresses a distinct dimension of cost recovery:

- Depreciation returns capital over asset life;
- O&M pass-through recovers efficiently incurred operating costs;
- FRoR compensates investors for bearing residual and asymmetric risk.

None of these elements substitute for or duplicate the risk-adjusted return on equity. Removing or diluting FRoR under the pretext that other building blocks exist would undermine the internal coherence of the tariff framework and violate established regulatory principles recognized under statute (AERA Act and AERA Guidelines).

While NMIAL recognises airline concerns regarding affordability in early years, however affordability considerations cannot be used to artificially compress the allowed return below efficient market levels. Doing so would not eliminate costs, but would shift them forward, increase investor risk perception, and ultimately raise the cost of capital for future infrastructure development.

To recalibrate FRoR downward on the basis suggested by IATA would represent a departure from regulatory consistency and would weaken policy credibility at a time when large-scale infrastructure investment remains a national priority.

10. Bundling Risk and Treatment of Dual-Airport Arrangements

IATA's Comment

... IATA submits that maintaining clear regulatory separation between the two airports is essential to preserving any remaining residual competitive environment between the two airports, preventing unintended cross-subsidization, and ensuring that tariff outcomes remain transparent, cost-related, and aligned with the Authority's statutory mandate.

NMIAL's Comment

IATA's concerns regarding bundling of NMIA and CSMIA are premature at this stage, as the Consultation Paper contains no such proposal. Therefore, objections raised against an unproposed regulatory construction do not assist the consultative process and accordingly merit no consideration in the current tariff proceedings.

Without prejudice to the above, grouping of two or more airports for the purpose of tariff determination is a policy-level initiative and any such determination would necessarily be guided by the objectives set out under the AERA Act, including protection of user interests, promotion of efficient and viable airport operation, and long-term sectoral sustainability. Such decisions cannot, and should not, be predicated on speculative competitive narratives or hypothetical concerns raised by a single category of stakeholders.

AERA Act was suitably amended in the year 2021 to provide for tariff determination of Group of Airports. Hence IATA objection on this policy matter reflects its narrow approach and undermines the steps taken or being undertaken by regulators and policy experts towards the growth of the overall aviation industry at India.

IATA must keep in mind the challenges in development of greenfield infrastructure projects in India and the risks associated with it. Such huge investments cannot be permitted to be vulnerable to economic uncertainties when they can be safeguarded through statutory provisions, which is the need of the hour in the overall public interest.

B. Counter comments on comments of Lufthansa Group (LHG)

11. Severe Project Delay and Exclusion of Delay-Related Costs

LHG's Comment

Against the initial completion date of December 3, 2021 for Phase 1, the COD was revised to 25th December, 2025 and the International operations were due to commence from 1.4.2026. However, the international operations have not started till date. LHG therefore submits that there has been a delay of four years and the users cannot be penalized with the cost overruns on account of inefficiency and/ or mismanagement and failure on part of the operator to meet primary project milestones. This is a material breach of the development schedule that must not be subsidized by airlines.

As per CP Para 3.2.1, the Authority correctly notes that users "cannot be asked to pay any aeronautical tariffs before availing of facilities offered by the airport". Because the facilities were not available during this 4-year delay, any interest accumulated is a developer's risk and must not be shifted to airlines through landing and parking fees, not even in the next control period.

NMIAL's Comment

LHG's comments alleging inefficiency, mismanagement, and "material breach" of the development schedule are factually inaccurate and are based on a lack of full understanding of what actually happened between the award of the concession and the commercial operations date (COD).

The Concession Agreement expressly provides for revision of timelines in the event of circumstances beyond the control of the Airport Operator like COVID-19. The revision of the Commercial Operations Date (COD) to 25 December 2025 was formally recognised and accepted by the Concessions Authority and relevant government agencies, following due process under the Concession Agreement. NMIAL categorically rejects the assertion that the revised timelines reflect inefficiency or mismanagement. The project has encountered multiple systemic and exogenous constraints, including—but not limited to—land development complexities, statutory approvals, environmental clearances, pandemic-related disruptions, and coordination with multiple sovereign agencies. These are structural risks inherent in large greenfield infrastructure projects of national importance and are expressly recognised within the Concession framework. Attributing all timeline revisions to operator failure disregards the realities of public-infrastructure development.

The assertion that airlines are being asked to "subsidise inefficiency" is unfounded. The Authority's building-block framework, including conservative traffic forecasts, phased asset capitalization, exclusion of non-commissioned infrastructure, and the true-up mechanism, ensures that only efficiently incurred and operationally necessary costs are considered for tariff determination.

12. Inflated Carrying Costs (Financing Allowance)

LHG's Comment

We submit that any Financing Allowance (IDC) accrued after the original December 2021 deadline be permanently excluded from the RAB. Airlines should not bear the "carrying cost" of a developer's inability to manage topography, clearances, or construction timelines.

NMIAL's Comment

With regards to the timeline, pls refer NMIAL's Comments to Point 11 above.

Denying Financing Allowance on above timeline pretext would result in systematic under-recovery of the cost of capital, contrary to the principles of efficient regulation. Once project timelines are revised and duly recognised under the Concession framework and accepted by competent authorities, the revised schedule becomes the valid regulatory baseline for cost recognition.

Financing Allowance exists precisely because investments are deployed well before revenue certainty exists. Airlines cannot, after the fact, seek to reassign development-phase risk to investors by denying time-value compensation, particularly where:

- timelines have been contractually revised,
- costs have been prudently scrutinised, and
- assets ultimately form part of the regulated airport system.

To do so would undermine regulatory certainty and materially impair the bankability of future infrastructure projects.

Even if, hypothetically, the airport had been ready in December 2021, airline operations were severely disrupted due to COVID-19 for the next two to three years. As a result, traffic would have been very low, leading to poor revenue recovery for the airport and significant carrying costs due to under-recovery of the Aggregate Revenue Requirement (ARR). These carrying costs are much higher, as they are effectively borne at the WACC across all regulatory building blocks, whereas the financing allowance is limited only to capital expenditure and that too at a much lower cost of debt.

Further Financing Allowance is the concept recognised in the AERA Guidelines and is rightfully provided by the Authority in adherence to the same. The Financing Allowance has been consistently provided for all recent greenfield airports tariff orders like MoPA GoA, Jewar Noida and now Navi Mumbai.

Financing allowance is a well-established regulatory principle that compensates for the time value of capital invested prior to revenue generation, and its denial would result in systematic under-recovery of capital costs. Lastly, financing allowance is derivation of the quantum of investment made in each year. Till Dec 2021 the total investment made of ~ Rs. 2,994 Crs out of total investment of Rs. 14,575 Crs (i.e. Rs 17,480 Crs less Rs 2,905 Crs (Refer Table 67 from CP). This translated to hardly 20.5% of the total investments done till Dec 2021. The Airport Operator has been prudent in spending during the construction period and have taken all necessary measures to avoid overspend when overall Aviation Industry was standstill during the period of COVID-19 and uncertainty.

The argument that airlines should not bear financing costs ignores the fact that infrastructure investments are made ahead of demand and require compensation to ensure financial viability.

The claim that financing allowance represents "inflated carrying costs" is misplaced, as such allowance is calculated based on actual capital deployment and is essential to ensure that investors are compensated for funds tied up during construction.

Denial of financing allowance would effectively transfer development risk entirely to investors, which is inconsistent with the principles of regulated infrastructure development.

The Authority has already applied prudence checks and allowed financing costs in line with established regulatory precedents across comparable greenfield airports.

13. Pre-COD Losses

LHGs Comment

... We strongly support CP Paragraph 3.3.1, where the Authority formally proposes "not to consider the pre-COD losses" as part of the tariff calculation. Under Clause 15.1.1 and Clause 27.1.1 of the CA, the operator's right to collect fees only begins "on and from Phase I COD"; seeking any pre-operational from the airlines losses violates this contractual limitation.

NMIAL's Comment

Pls refer to Point 1 of NMIAL's Comments on the Consultation Paper, dated 17th April 2026.

14. Non-Aeronautical Revenue

LHG's Comment

Lufthansa Group submits that the Airport operators should maximize land monetization to boost non-aero revenue -retail, parking, real estate etc. Therefore AERA should take into consideration the intrinsic growth potential of non-aeronautical revenues. This is essential for offsetting capital expenditure and reducing the burden on the users.

NMIAL's Comment

Pls refer NMIAL's Comments to Point 4 above.

While the objective of maximizing non-aeronautical revenue is acknowledged, it is not appropriate to substitute actual commercial outcomes with hypothetical projections or assumptions of "intrinsic potential."

Non-aeronautical revenue is inherently dependent on market conditions, demand maturity, and commercial arrangements, and cannot be artificially enhanced without corresponding risk and investment.

15. Operation and Maintenance Expenses

LHG's Comment

The approach of AERA to curb the highly inflated and overstated costs without a demonstration of efficiency is in line with the ICAO's principles of 'cost-relatedness' which stipulates that aeronautical charges should be derived from costs that are directly attributable, necessary, and efficiently incurred for the provision of aeronautical services.

NMIAL's Comment

Pls refer NMIAL's Comments to Point 7 above.

The assertion that O&M costs are inflated fails to consider that a greenfield airport must establish full operational readiness from day one, resulting in a predominantly fixed cost structure independent of traffic volumes.

Critical functions such as safety, security, regulatory compliance, support functions, and emergency preparedness cannot be scaled down in proportion to traffic without compromising operational standards.

The expectation that O&M costs should mirror traffic growth reflects a misunderstanding of airport operations, where cost scaling is non-linear, particularly in the initial years.

16. Related Party Transactions/ Practices

LHG's Comment

... Lufthansa Group (LHG) strongly objects to the systematic awarding of critical airport operations to Adani Group entities, specifically AGACSL (Cargo), AAFSL (Fuel), Adani Digital Labs, and AAHL (MSA) under terms that incorporate "transfer pricing as an added cost." This framework utilizes inefficient "cost-plus" models and restrictive bidding to shift financial risks to airlines while guaranteeing margins for the operator's affiliates.

NMIAL's Comment

LHG's comments reflect inadequate reading of the Consultation Paper, wherein the Authority has explicitly detailed the comprehensive due diligence undertaken in respect of the bidding and award processes for Cargo, Fuel, and Digital Platform Services, and after examination of the tender structures, governance controls, and commercial terms, has found these processes to be fair, transparent, and compliant with regulatory and probity requirements.

The assumption that the use of group entities automatically implies inefficiency or profit shifting is speculative and not supported by evidence.

Similar intra-group service arrangements are prevalent across industries, including aviation, and do not inherently lead to cost inflation when governed by competitive and transparent processes.

Historically Cargo services are provided by AICLASS at AAI Owned Airports, AAI provides the ATC services at AAI and AAI JVC Airports. As long as services as per market determined efficient costs are provided by a competent party, irrespective of its relationship with the service receiver, it does not tantamount to shifting of profits. This pre-conceived assumption by LHG is very myopic and narrow. It is a well-known fact that Lufthansa Aero Technic is MRO service provider to Lufthansa Airline, that does not mean that Lufthansa Group is moving its profit from Airlines to MRO business. Indigo Airlines uses various group capabilities in the hotel, real estate, simulation, crew training services (referred from Annual Report) does not tantamount to shifting of margins.

With regards to MSA for Airport Services, pls refer to Point 23 of NMIAL's Comments on the Consultation Paper, dated 17th April 2026.

17. Single Till

LHG's Comment

The Airports Economic Regulatory Authority of India Act, 2008 (as amended from time to time) provides for the determination of aeronautical tariff by taking into account revenues generated from services other than aeronautical services as well, thereby implying the adoption of a Single Till methodology. Therefore, in light of the statutory provisions and established regulatory principles, the Single Till methodology should be consistently applied for the determination of aeronautical tariffs at Noida International Airport (DXN), a major airport.

NMIAL's Comment

LHG's comment reflects a misreading of the AERA Act, 2008. The assertion that the AERA Act mandates a Single Till approach is incorrect, as the Act provides flexibility to adopt different regulatory frameworks based on policy considerations and concession structures.

While it is correct that the AERA Act empowers the Authority to take into account revenues from non-aeronautical services, the statute does not mandate the application of a Single Till methodology as a matter of law for all Major Airports.

In the case of greenfield and PPP airports such as Noida International Airport and Navi Mumbai international Airport, the applicable tariff framework must necessarily be read in conjunction with the Concession Agreement, provisions of the National Civil Aviation Policy (NCAP) 2016 and AERA Order no. 14/2016-17 dated 23rd January 2017.

Imposing a Single Till regime merely on the basis of a generalized reading of the AERA Act would be inconsistent with settled principles and could undermine the financial viability of new infrastructure projects.

The regulatory objective under the AERA Act is not to maximize cross-subsidization at any cost, but to ensure:

- efficient and viable airport operations,
- reasonable returns on capital,
- transparency and cost reflectivity, and
- long-term capacity creation.

Hybrid/Shared Till frameworks explicitly balance these objectives.

18. Cargo and Consultation Process

LHG's Comment

... the Authority must consider NMIAL's own admission in MYTP Paragraph 5.5 that the intended cargo site "will not be available during the initial phases of airport development," which further justifies a more conservative and realistic volume projection for the First Control Period.

... We would also like to draw the Authority's attention to the issues raised by various stakeholders during the AUCC meeting held on 28 February 2025.

... We request that the Authority provide airlines and other stakeholders a formal opportunity to review and provide counter-comments on the comments submitted by the Airport Operator.

NMIAL's Comment

As can be seen from the presentation made by NMIAL during the Stakeholders Consultation Meeting on 2nd April 2026, the Cargo Terminal and the allied facilities at the Airport are all in complete readiness state. Hence, the claim that cargo infrastructure will not be available in early phases is factually incorrect, as the airport has confirmed readiness of cargo facilities as part of its operational preparedness.

With respect to issues raised during the AUCC meeting held on 28 February 2025, NMIAL has in its Minutes of the Meeting recorded responses to all the stakeholders' queries and concerns. The said minutes have already been submitted by NMIAL to the Authority.

With regards to opportunity to stakeholders for counter-comments on the comments submitted by the Airport Operator, we would like to submit that the Stakeholders Consultation process followed by the Authority is not the only means of assessment of Airport Operator's tariff proposal by the Authority. Rather, Stakeholder consultation is undertaken after the Authority has already completed a rigorous and detailed due-diligence exercise, including examination of submissions, supporting documents, regulatory compliance, and prudence of costs. Further introducing layers

of more comments and counter comments will unduly prolong the tariff determination process and will be ultimately detrimental to the stakeholders' interests since the Control Period has already commenced and any delay in issuance of the final Tariff Order will only increase the tariffs for the Airport Users.

C. Counter comments on comments of Indigo

19. Deferring the start of Control Period

Indigo's comment

... domestic commercial operations commenced only on 25 December 2025, with international commercial operations commencing from 1 April 2026. In this context, we submit that retaining the First Control Period as 1 April 2025 to 31 March 2030 would result in a materially truncated effective control period from an operational and revenue standpoint. Such shrinkage would distort tariff recovery including in subsequent control periods and may adversely impact demand as well as airport users.

We therefore request the Authority, consistent with the approach adopted by AERA in the case of DXN, to align the First Control Period with the actual operational timeline and consider the First Control Period as 1 April 2026 to 31 March 2031. This would ensure regulatory certainty, comparability across greenfield airports, and avoid undue tariff burden on airport users arising purely on account of delayed commencement of operations.

NMIAL's Comment

The determination of the Control Period is a matter squarely within the Authority's jurisdiction. NMIAL will abide by and implement the Control Period as finally determined by the Authority, based on its independent assessment.

It is further submitted that, even if the Authority were to defer the commencement of the Control Period to FY 2027, such deferment would not result in any material or significant variation in the Yield Per Passenger (YPP), based on our preliminary assessment. Also then Capex for Phase III and its related operating costs need to be added in the building blocks.

20. Landing Charges

Indigo's comment

(i) ... the proposed landing charges at NMI are significantly higher than those at BOM, which also serves the Mumbai Metropolitan Region, as well as proposed rates for Jewar Airport (DXN), a greenfield airport similar to NMI.

(ii) ... The tariff increase in FY 2027-28 is very aggressive. The escalations in the first control period should not exceed 10% each year to promote growth from the airport.

(iii) ... There should be differential landing charges based on either Maximum Take-Off Weight (MTOW <100MT & >100MT) or type of aircraft (Narrow body/Wide body).

(iv) ... With respect to Note (2) under proposed Landing Charges, it is requested that the Note be updated as follows:

"Landing Charges shall be calculated on ~~next~~ nearest rounded-off MT (i.e., 1,000 kg)".

(v) Clarification is sought on Note 6 (a) to Landing Charges- AERA is requested to provide clarification on unscheduled flights operated by domestic scheduled operator as the same are currently being charged by Airport Operator. There should be a clarification to this effect since

the exemption is provided to domestic scheduled operators and not restricted to only schedule operations by them.

NMIAL's Comment

(i) The landing charges proposed at NMIA are derived directly from the Aggregate Revenue Requirement (ARR) as determined by the Authority, after applying extensive regulatory scrutiny to capital expenditure, operating costs, and return parameters. The tariff structure reflects a deliberate balancing between landing charges and User Development Fee (UDF) to ensure cost recovery in a manner that distributes the burden equitably between airline operators and passengers. Any artificial reduction in landing charges, without a corresponding reduction in the ARR, would necessarily result in a disproportionate increase in UDF, thereby shifting the same cost burden from airlines to passengers.

CSMIA is a mature brownfield airport with legacy infrastructure, materially depreciated assets, and significantly higher traffic density, which naturally allows cost recovery over a much larger throughput base. NMIA, by contrast, is a capital-intensive greenfield airport, with substantial upfront investments being deployed ahead of full traffic materialisation. Comparing its landing charges in isolation against those at CSMIA therefore ignores these structural differences and does not constitute a like-for-like comparison.

Similarly, reliance on proposed tariffs at Jewar Airport is misplaced, as tariff structures and charge mix at greenfield airports vary depending on concession terms, capital intensity and phasing of development. There is no regulatory principle requiring distinct greenfield airports to exhibit identical landing-charge levels.

NMIAL therefore submits that the proposed landing charges at NMIA are reasonable, cost-reflective, and appropriately balanced, and that the comparisons drawn by Indigo do not warrant any adjustment.

(ii) With respect to capping tariff increase % for FY2027-28, imposing a flat percentage cap on annual escalation may create the appearance of short-term relief, but would materially worsen tariff outcomes in subsequent periods. NMIAL further submits that proposed tariff increase in FY2027-28 is also considering the debt servicing obligations associated with the financing of NMIA, which are contractual and binding commitments. Failure to honour the debt servicing obligations would have significant implications for financial stability, creditworthiness, and long-term airport viability. Tariffs must therefore be aligned to ensure timely and adequate cash flow to meet these obligations.

(iii) Regarding differential landing charges proposed by Indigo, we would like to submit that there is no requirement in the AERA Act, Tariff Guidelines, or prevailing regulatory practice that landing charges must necessarily be differentiated by MTOW bands or aircraft categories. While certain airports may adopt MTOW-linked slabs where justified by cost structure or operational imperatives, such differentiation is discretionary, not obligatory. The absence of MTOW segmentation does not render the tariff unreasonable or anti-competitive; rather, it reflects an airport-specific determination of the most efficient and administrable charging structure, taking into account traffic mix, operational simplicity, and revenue predictability.

The assertion that the current landing charges "discourage" deployment of smaller aircraft is unsupported by evidence. Airline fleet and route decisions are driven by a constellation of factors including demand density, yield, crew economics, turnaround efficiency, and network strategy. Landing charges constitute only one component of overall operating cost and, by themselves, are unlikely to determine aircraft selection. The vision of developing aviation hubs in India is best served through coherent network policy, capacity creation, and operational efficiency, not through ad-hoc segmentation of landing charges.

(iv) The practice of calculating landing charges based on the next higher 1,000 kg MTOW slab is a well-established and widely applied convention in airport tariff structures. This approach ensures simplicity, predictability, and administrative certainty. Airport airside infrastructure—runways, taxiways, pavements, lighting systems, and safety areas—is designed and maintained based on certified Maximum Take-Off Weight of aircraft types, not on small variations around rounding thresholds. Accordingly, efficiency and cost causation principles support charging based on the upper MTOW band, rather than allowing downward rounding that does not reflect actual infrastructure usage or stress. Further, this is standard and consistent approach in all the tariff orders.

(v) The exemption under Note 6(a) is explicitly linked to the nature of the operation, not merely the identity of the operator. Unscheduled flights, even when operated by airlines that otherwise hold scheduled operator permits, are operationally and regulatorily distinct from scheduled services. Such flights:

- do not operate under published schedules,
- involve ad-hoc deployment of resources,
- impose different operational and planning requirements on airport infrastructure, and
- are treated as unscheduled operations under established aviation and tariff frameworks.

Extending the exemption to unscheduled operations merely because the operator also conducts scheduled services would dilute the distinction between scheduled and non-scheduled operations and result in unequal treatment across operators conducting similar unscheduled movements.

Therefore, the Note should be interpreted as applying strictly to scheduled domestic operations, and not to unscheduled flights undertaken by scheduled operators.

21. Parking Charges

Indigo's comment

... (i) We would suggest that the Parking charges should be kept constant during the first control period. At airports like Manohar International Airport, while landing charges increase gradually, parking charges remain constant.

(ii) With respect to Note (2) under proposed Parking Charges, it is requested that the Note be updated as follows:

"The charges set forth herein shall be calculated based on the ~~next~~ nearest rounded off MT and for calculating chargeable parking time, part of an hour shall be rounded off to the ~~next hour~~ nearest 15-minute interval and charges shall be applied on a pro-rata basis."

(iii) With respect to Note (3) under proposed Parking Charges, the following sentence should be added as per the industry practice and for sake of clarity.

"While calculating the free parking time, standard time of 15 minutes is added on account of time taken between touchdown and actual parking time on the parking stand. Another standard time of 15 minutes is added on account of taxiing time of aircraft from parking stand to take off point and collectively referred as free parking."

NMIAL's Comment

(i) Parking charges, like other aeronautical tariffs, are derived from the Aggregate Revenue Requirement (ARR) and form part of an integrated tariff structure. Each airport exhibits a distinct cost-recovery profile depending on capital deployment, operating costs, traffic mix, and asset utilisation patterns. Accordingly, approaches adopted at other airports—such as Manohar

International Airport—cannot be transposed mechanically to NMIA without regard to its specific ARR composition and cost trajectory.

(ii) Pls refer to NMIAL's comment (iv) of Point 20 above.

(iii) The proposed Tariff Card explicitly and transparently provides that:

"Parking time will be calculated based on On-Blocks and Off-Blocks time as recorded at the Airport Operations Control Centre (AOCC)."

This methodology clearly establishes that parking charges are levied solely for the period during which an aircraft occupies a parking stand, commencing from on-block time and ending at off-block time. Taxi-in and taxi-out movements are, by definition, excluded from parking time under this approach. By anchoring parking calculation to AOCC-recorded on-block and off-block times, NMIAL has adopted a precise, objective, and verifiable methodology that aligns with regulatory transparency and administrative simplicity.

22. User Development Fee (UDF)

Indigo's comment

(i) ... UDF rates proposed by NMI are considerably higher than those at BOM

(ii) ... We suggest that the escalations in the first control period should not exceed 10% each year to promote growth from the airport.

(iii) ... The Tariff card published for each financial year lacks clarity on booking date for rate change i.e change for each financial year to be applicable from 1st April of each financial year or any other cut-off date.

(iv) ... 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.

Further, AERA is kindly requested to consider that in light of the increasing administrative expenses due to inflation and other reasons (example - 5% inflationary / administrative increase each year), the collection charges may kindly be increased to keep pace with the proposed increase in UDF, as airlines only get a fixed rate, which results in disincentivizing the airlines.

We would also request for an additional rate of collection charges to be specified for disembarking passengers considering the administrative and other costs involved in collection of disembarking passenger tickets.

(iv) ... We request AERA not to make the eligibility to claim collection charges contingent upon the existence of overdues pertaining to any other charges or invoices. Eligibility to claim collection charges should be assessed independently. However, the actual disbursement of such charges may be appropriately restricted until all outstanding dues payable by the airline are fully cleared.

(v) ... We request AERA to incorporate the following additional exemption category in alignment with the list specified under Directorate General of Civil Aviation (DGCA) AIC No. 14/2019 dated 16.05.2019 and DGCA AIC No. 06/2023 dated 29.04.2023:

"(g) Passengers departing due to involuntary re routing, i.e., on account of technical problems or weather conditions."

NMIAL's Comment

(i) Pls refer to NMIAL's comment (i) of Point 20 above.

(ii) Pls refer to NMIAL's comment (ii) of Point 20 above.

(iii) The UDF slabs in the proposed Tariff Card are explicitly defined on the basis of the Travel Date of the passenger.

(iv) We have already proposed a ceiling collection charge of Rs 2.50 per embarking or disembarking passenger. This proposed rate has been determined after due consideration of the limited scope of activities involved in UDF collection, which is largely automated and integrated

within existing airline billing and settlement systems. Collection activity does not materially vary with the level of UDF, nor does it expand proportionally with inflation. The underlying administrative process—recording passenger counts, applying the applicable rate based on travel date, and remittance—is largely standardized and automated. Introducing an inflation-linked escalation or tying collection charges to UDF levels would therefore decouple the charge from actual cost causation and result in over-compensation.

(v) Collection charges are facilitation charges linked to the airline's overall payment discipline. Since airlines collect UDF on behalf of the Airport Operator, eligibility to receive collection charges must logically be tied to clearance of all outstanding dues payable to the airport. Separating eligibility from payment compliance—by allowing eligibility to subsist while other dues remain unpaid—would undermine financial discipline and weaken incentives for timely settlement.

Further it is worth mentioning that when a passenger cancels the tickets, airlines forfeit most of the ticket charges which include portion of UDF. Ideally UDF should have been given back to passenger or paid to Airport Operator. However, Airlines are illegally accounting the UDF of the cancelled tickets as unauthorized revenues which is against the Public Interest. We request the Authority to kindly make airlines accountable for forfeiting the regulated revenue collected from the innocent passengers who have not even travelled in the first place.

(vi) DGCA AICs cited by airlines (AIC 14/2019 and AIC 06/2023) primarily deal with passenger service obligations, facilitation, and airline handling responsibilities—not airport economic regulation or tariff exemptions. UDF is charged based on use of airport facilities, not on the cause of travel or operational contingencies. Passengers who depart due to re-routing:

- still use terminal infrastructure,
- security, immigration (for international), boarding gates,
- and passenger processing facilities.

From a cost-causation perspective, the airport incurs the same—or sometimes higher—costs. Exempting such passengers would mean other passengers subsidise airport services that were actually used.

Further, the proposed exemption is operationally vague. This would increase disputes, complicate billing and reconciliation and undermine transparency in UDF administration.

23. Aerobridge Charges

Indigo's comment

... We recommend that Note 1 be revised as follows:

"For calculating chargeable Aerobridge usage time, any part of an hour shall be rounded off to the ~~next hour~~ nearest 15-minute interval and charges shall be applied on a pro-rata basis."

NMIAL's Comment

Pls refer to NMIAL's comment (iv) of Point 20 above.

24. BME Charges (FEGP & PCA, Code C)

Indigo's comment

... It is observed that charges in Year 2 reflect a substantial increase (58% for domestic and 73% for international), which quite steep and annual BME escalations should be should be calibrated basis specific, transparently laid down criteria.

NMIAL's Comment

The tariff rate card has been carefully designed, with charges reflecting the underlying costs of airport operations. Any reduction in BME charges would necessarily lead to a corresponding increase in other airport charges to recover the same costs.

25. CUTE/CUSS/BRS Charges

Indigo's comment

(i) It is requested that the CUTE charges remain constant for at least 1st Control period.

(ii) We observe that airline's self-handling is substantially lower than the CUTE charges being levied by the airport. We further note charges for international passengers are being levied in USD which is inappropriate as an Indian carrier within an Indian airport should not bear the burden of foreign exchange risk which should be charged in INR.

NMIAL's Comment

(i) CUTE charges form part of the overall aeronautical tariffs and are determined based on the Aggregate Revenue Requirement (ARR) approved by the Authority.

(ii) Comparisons between airport-provided CUTE charges and airline self-handling costs are misplaced and not like-for-like. CUTE systems provided by the airport involve:

- centralised infrastructure,
- redundancy and system resilience,
- cyber security and compliance requirements,
- integration with common-user platforms and multiple stakeholders, and
- responsibility for uptime, upgrades, and regulatory compliance.

Airline self-handling arrangements typically do not internalise or benchmark against these system-level costs and risks. Lower apparent self-handling costs therefore cannot be used as a valid benchmark for disallowing or suppressing regulated CUTE charges.

With respect to charges being denominated in USD for international passengers, NMIAL submits that this is neither inappropriate nor unusual. International passenger handling systems and interfaces involve foreign-currency-linked software licenses, vendor contracts, maintenance arrangements, and technology upgrades that are inherently exposed to foreign exchange risk. Charging such services in USD reflects cost causation and currency alignment and avoids inequitable distortion of recovery through INR conversion volatility. The proposed treatment is cost-reflective, non-discriminatory, and aligned with regulatory principles.

26. Variable Tariff Plan (VTP)

Indigo's comment

(i) The proposed VTP offers discount only on landing charges, it requested that it should also incorporate UDF (both embarking and disembarking along with landing charges) and the VTP validity should be extended for whole of First Control Period.

(ii) We would like to suggest that VTP should also be extended to scheduled domestic flights.

NMIAL's Comment

(i) The objective of the VTP is to encourage specific route introductions and airline deployment decisions, which are primarily influenced by airline-facing charges, particularly landing charges. Further, the VTP is already valid for the whole of the First Control Period. Year 1, 2 and 3 refer to

the individual airline's year of operations of the new international route, not the years of Control Period.

(ii) VTP to scheduled domestic flights is neither necessary nor aligned with the intent of the scheme. Domestic operations already benefit from established demand bases and shorter route development lead times. VTP is designed as a selective intervention to address specific market gaps and operational challenges, particularly in segments where incremental capacity decisions involve higher commercial risk.

27. Fair Rate of Return (FRoR)

(i) Indigo's comment

... It is our submission that while such a fixed or assured return structure favours the airport operator, it creates an imbalance for airlines, which continue to face sustained financial stress and are required to absorb such returns through higher aeronautical tariffs.

We submit that assured, cost-plus returns reduce incentives for productivity improvement, operational efficiency, and cost optimisation, as operators are insulated from demand and efficiency risks. Such regulatory outcomes ultimately result in higher tariffs borne by airlines and passengers.

NMIAL's Comment

Airport operators are exposed to material demand, macroeconomic, traffic, inflation, regulatory and financing risks that airlines, by virtue of fleet flexibility and route mobility, do not face to the same extent. Airports incur sunk capital costs that cannot be redeployed or downsized in response to traffic volatility, pandemics, geopolitical disruptions, or policy constraints. A reasonable FRoR is therefore not a privilege but a prerequisite for sustaining infrastructure quality, safety, and service continuity.

Attributing airline financial stress to airport FRoR or aeronautical tariffs is misdirected and analytically flawed. Airline profitability is driven primarily by fuel costs, fleet decisions, network strategies, market competition, and yield management—not by regulated airport charges, which typically constitute a small and stable proportion (4-5%) of airline operating costs.

(ii) Indigo's comment

... we request AERA to consider the following:

(a) In the present industry context, assured returns on investment should be discouraged;

(b) The Indian airport sector has now matured, and given the strong demand outlook for NMI as acknowledged in the CP, the business risk is significantly lower, particularly as NMI capacity is likely to be fully utilized well within the First Control Period;

(c) Debt-equity ratios and financing assumptions should be based on actual weighted averages rather than notional benchmarks; and

(d) In the alternative, if AERA is unable to accept the above, we request that AERA undertake an independent study for determination of an appropriate FRoR, exercising its statutory powers under the AERA Act, 2008 consistent with previous studies commissioned for other major airports.

NMIAL's Comment

(a) Already addressed in our para above.

(b) We have already submitted a detailed report justifying proposed Cost of Equity to the Authority, which takes into consideration all the risks faced and to be faced by us, therefore translating into the Cost of Equity proposed by us.

(c) This is a policy matter determined by the Authority as part of its Tariff guidelines. Further, we support the Authority as the use of consistent debt–equity benchmarks across airports, rather than actual financing outcomes, remains essential to preserve efficiency incentives, regulatory discipline, and tariff reasonableness, and should continue to form the basis of FRoR determination.

(d) We welcome if the Authority conducts an independent study for cost of equity based on CAPM for each airport as directed by TDSAT in the recent judgements. Alternatively, the Authority can rely upon the report provided by various greenfield airport operators like MoPA, Jewar and Navi Mumbai.

28. O&M Expenses

Indigo's comment

... we highlight that this being the First Control Period for a greenfield airport, all assets and equipment are new. Accordingly, projected Repair and Maintenance (R&M) costs appear disproportionately high. Experience from major airports such as DIAL, MIAL, and BIAL demonstrates that O&M costs in initial control periods are often over-estimated, with subsequent true-ups showing materially lower actuals resulting in inflated tariffs in earlier years.

... we request the Authority to undertake an independent assessment of efficient O&M and R&M costs prior to final tariff approval for the First Control Period, to prevent avoidable tariff inflation and safeguard user interests.

NMIAL's Comment

The Authority has already done necessary benchmarking and analysis while proposing the O&M cost. Indigo's request to re-assess the cost is absolutely undermining the efforts made by the Authority and reflecting the level of confidence Indigo has over the regulatory mechanism.

29. Non-Aeronautical Revenue (NAR)

Indigo's comment

... we request AERA to further review the projection for NAR.

NMIAL's Comment

Similar matter is responded in Point 4 above and Point 23 of NMIAL's Comments on the Consultation Paper, dated 17th April 2026.

30. General Conditions for all Aeronautical Tariffs

Indigo's comment

Further, in reference to note 4 of General Conditions for all Aeronautical Tariffs, it is recommended that invoices be issued on a monthly or fortnightly basis as standalone statements, with payment terms of 15–30 days.

NMIAL's Comment

Such a requirement unduly prioritises airline cash-flow considerations while disregarding the legitimate working capital, reconciliation, and operational constraints of airport operators.

Regulatory conditions should not interfere with commercial credit norms absent clear evidence of systemic issues. Accordingly, invoicing frequency and payment terms should remain commercially negotiated, subject to overarching principles of transparency and reasonableness, rather than being rigidly standardized through tariff conditions.

31. Regulatory Treatment of CIDCO Pre-development Costs

Indigo's comment

CIDCO's pre-development costs carry a zero percent interest rate under the Concession Agreement, and allowing a regulatory return through RAB inclusion would contradict the agreed financing structure and impose unjustified costs on airport users. The recovery of these costs should not be front-loaded during the early years of operations when traffic volumes are still ramping up. Instead, the costs should be amortized over the concession period to ensure cost reflectivity, protect users, and support the airport's long-term growth potential.

NMIAL's Comment

Pls refer to our comments on Point 3.

D. Counter comments on comments of Air India

32. Variable Tariff Plan (VTP)

Air India's comment

... we recommend:

- a) Extending VTP to 3 years*
- b) VTP for new/shifted domestic sectors*
- c) Frequency based VTP*

NMIAL's Comment

Pls refer to our comments on Point 26.

33. Landing Charges

Air India's comment

Rationalising landing Charges to align with DXN

NMIAL's Comment

Pls refer to NMIAL's comment (i) of Point 20 above.

34. UDF Charges

Air India's comment

UDF Charges should not distinguish class of travel: We support a common UDF across cabin classes (i.e., First/Business vs Economy).

NMIAL's Comment

We do not understand the basis of this comment. We have not categorized UDF as per class of travel in our proposed Tariff Rate Card.

35. Cargo Operating Expenses

Air India's comment

... 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.

NMIAL's Comment

The assertion that the proposed cargo O&M cost of Rs 8,000 per ton is excessive is based on unidentified and presumed benchmarking of Rs 4,500-5,500 per ton and incomplete consideration of the Authority's analysis in the Consultation Paper. The Authority has done benchmarking of Cargo O&M costs per ton with other airports, including IGIA and CSMIA. Cost per ton at NMIAL (Rs 8,000 per ton) is quite lower than that of these two airports (about Rs 10,042 per ton). While Air India has not provided any written evidence to justify its proposed cost per ton, and therefore, its observation is otiose.

36. Yield per Passenger (YPP)

Air India's comment

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

NMIAL's Comment

The Yield per Passenger (YPP) for NMIA is not directly comparable with Noida (DXN) as NMIA's YPP includes cost based eligible recoveries for Cargo Handling and Fuel Infrastructure businesses. In case of Noida Airport, both businesses/services are concessioned out and their costs are recovered by respective Concessionaires through separate tariff orders. The inclusion of costs related to these revenue services/streams naturally inflates NMIA's YPP, rendering a like-to-like comparison inappropriate.

Any comparison of tariffs between Noida International Airport (NIA) and NMIA without accounting for airport-specific factors would be superficial. The geographical conditions at NMIA are materially different from those at Noida like hilly terrain, waterlogged land parcels, river flowing in between the site etc.

YPP is derived from the Aggregate Revenue Requirement (ARR) divided by passenger volumes. ARR itself is determined based on capital expenditure, operating expenditure, depreciation, cost of capital, and regulatory assumptions. Accordingly, differences in YPP primarily reflect differences in underlying investment scale, cost structure, and regulatory determinations, rather than any inefficiency or over-recovery.

E. Counter comments on comments of Business Aircraft Operators Association (BAOA)

37. Recognition of GA/BA as Core Aeronautical Segment

BAOA's Comment

... BAOA submits that core GA/BA infrastructure—particularly parking, apron usage, and hangarage—should be recognised as aeronautical in nature, and accordingly brought within a principles-based regulatory framework under AERA.

NMIAL's Comment

The classification of services as Aeronautical or Non-Aeronautical is governed strictly by the definitions provided under the AERA Act.

38. Dedicated GA/BA Infrastructure – Implementation Commitment

BAOA's comment

... BAOA submits that identified GA/BA infrastructure (including parking, hangars, and support facilities) should be:

- *implemented in a time-bound manner;*
- *protected within planning frameworks without post-COD deferment; and*
- *scaled in line with demand growth.*

NMIAL's Comment

Infrastructure development at a greenfield airport must necessarily follow a phased, demand-linked approach to ensure efficient capital deployment and avoid creation of underutilized assets. Mandating time-bound implementation independent of demand realities would lead to premature capital expenditure, thereby increasing the regulatory asset base and ultimately burdening users with higher tariffs.

Post-COD phasing is a globally accepted planning practice and is essential for aligning infrastructure provision with actual utilization levels.

39. Dual-Airport Coordination – NMIA & CSMIA

BAOA's Comment

... In view of common ownership, BAOA submits that:

- (a) GA/BA operations should be strategically distributed across NMIA and CSMIA;*
- (b) infrastructure planning should be complementary and coordinated; and*
- (c) a framework should enable operational flexibility across both airports.*

NMIAL's Comment

Notwithstanding common major shareholding, NMIA and CSMIA are legally, contractually, and operationally distinct airports, governed by separate Concession Agreements, separate Concessioning Authorities, regulatory approvals, Master Plans, and site-specific obligations. Each airport has independently defined concession conditions, capacity constraints, land use plans, traffic profiles, safety layouts, and regulatory commitments. Decisions relating to allocation of traffic, infrastructure planning, or operational flexibility must therefore be assessed airport-specific and cannot be bundled or jointly optimized merely on the basis of ownership structure.

Without prejudice to above, as a Good Industry Practice, NMIAL has done a detailed traffic assessment for Mumbai Metropolitan Region (MMR) as a whole. Based on the outcome of such study and the likely demand and supply in the region, the necessary infrastructure has been planned in a phase wise manner.

40. Long-Term / Upfront Parking Framework (MYTP-Aligned)

BAOA's comment

5.1 BAOA proposes the introduction of an optional long-term parking framework (up to five years) aligned with the MYTP structure.

5.2 Such a framework may include:

- (a) upfront parking charges;*
- (b) assured allocation; and*
- (c) transparent categorisation.*

NMIAL's Comment

Introducing long-term commitments of up to five years, including upfront charges and assured allocations, would unduly constrain operational flexibility, risk inefficient capacity lock-in, and limit NMIAL's ability to dynamically manage apron and parking resources in line with actual demand and broader airport operational priorities.

Further, tying such arrangements to the MYTP framework is inappropriate, as MYTPs are designed for revenue and tariff regulation, not for the pre-commitment or reservation of scarce operational infrastructure.

41. Regulation of Third-Party / Concessionaire-Based GA/BA Charges

BAOA's comment

... BAOA recommends that AERA may consider prescribing, as part of the Multi-Year Tariff Plan (MYTP), an approved optional services framework for GA/BA, under which:

- (a) value-added or premium terminal services are offered on an opt-in basis; and*
- (b) access to essential aeronautical facilities remains available without mandatory linkage to such services.*

...

BAOA further submits that all concessionaire-based arrangements must remain subject to clear regulatory oversight, ensuring that charges are transparent, non-discriminatory, and appropriately linked to underlying services.

NMIAL's Comment

The regulatory jurisdiction of AERA is limited to aeronautical services as defined under the Act, and extending regulation to optional or premium GA/BA services would exceed the statutory mandate.

Non-aeronautical and value-added services are inherently commercial in nature and are best governed through market-based mechanisms rather than tariff regulation.

BAOA's proposal to prescribe an "optional services framework" within the MYTP is fundamentally misconceived and reflects a clear misunderstanding of the scope and purpose of tariff regulation, which is limited to aeronautical services and does not extend to structuring commercial offerings.

The MYTP framework is not an instrument for designing or approving optional or premium service models, and any attempt to embed such constructs within tariff determination would constitute regulatory overreach into areas that are inherently commercial and market-driven.

The suggestion that value-added or premium services should be formally "approved" by the Authority is **entirely unwarranted**, as such services are, by definition, non-aeronautical, and therefore fall outside the regulatory tariff domain.

The implicit assertion that access to essential aeronautical services is being or may be linked to premium services is baseless, speculative, and unsupported by any evidence, and appears designed to create a regulatory issue where none exists.

BAOA's demand for regulatory oversight over all concessionaire-based arrangements is overboard and **legally untenable**, as the Authority's jurisdiction is confined to ensuring that aeronautical

tariffs are reasonable and non-discriminatory—not to micromanage every commercial contract entered into by the airport operator.

Concessionaire arrangements for non-aeronautical or value-added services are **standard industry practice**, structured through competitive processes and governed by commercial principles.

Imposing blanket regulatory oversight on such arrangements would:

- undermine commercial flexibility,
- discourage private investment and innovation

BAOA's repeated emphasis on "transparency" and "non-discrimination" is **misplaced**, as these principles are already fully embedded within the existing regulatory framework for aeronautical services, and cannot be used as a pretext to extend oversight into non-regulated domains.

The proposal, in effect, seeks to **convert optional, market-driven services into regulated constructs**, which would blur the distinction between aeronautical and non-aeronautical activities and fundamentally distort the Hybrid Till framework.

Accordingly, BAOA's recommendations are legally unsustainable, operationally impractical, and contrary to established regulatory boundaries, and should be rejected in entirety as an attempt to inappropriately expand tariff regulation into commercial domains beyond the Authority's mandate.

42. Principles-Based but Justified Tariff Differentiation

BAOA's comment

BAOA supports a principles-based tariff framework, allowing differentiation where justified by:

- (a) infrastructure or service levels;*
- (b) congestion or capacity considerations; and*
- (c) approval within the MYTP framework.*

NMIAL's Comment

The Authority already applies a principles-based approach within its tariff determination for Aeronautical Services. The scope for differentiation must remain strictly within the framework prescribed under the AERA Act, Concession Framework and the MYTP methodology approved by the Authority.

The MYTP framework is intended to regulate essential aeronautical services and is not designed to govern optional or premium service offerings. Mandating inclusion of optional services within the tariff framework would blur the distinction between regulated and commercial activities, leading to regulatory overreach.

BAOA's submission, while superficially framed as support for a "principles-based framework," is in reality a **veiled attempt** to introduce selective tariff differentiation tailored to the commercial interests of a niche user segment, rather than grounded in statutory or regulatory principles.

The proposed grounds for differentiation—such as infrastructure levels, congestion, or capacity—are already inherently embedded within the cost-based tariff determination methodology, and cannot be selectively invoked to justify bespoke pricing outcomes for specific users.

BAOA's attempt to seek differentiation based on such factors ignores the fundamental regulatory principle that aeronautical tariffs must be cost-related, non-discriminatory, and uniformly applicable, unless explicitly justified under the statutory framework.

Allowing discretionary or user-specific tariff differentiation, as implicitly advocated by BAOA, would open the door to arbitrary pricing, regulatory inconsistency, and preferential treatment, which is contrary to both the letter and spirit of economic regulation.

Accordingly, BAOA's submission on tariff differentiation is **conceptually flawed, legally unsupported**, and contrary to established regulatory practice, and should be **rejected in entirety** as it seeks to distort a uniform, cost-based tariff framework into a preferential regime for select users.

43. Principles-Based but Justified Tariff Differentiation

BAOA's comment

... BAOA submits that AERA may consider introducing performance-linked incentives and disincentives within the tariff framework.

NMIAL's Comment

We had submitted our detailed representation to the Authority via letter dated 30th October 2025. We request the Authority to consider the same.

44. Transparency and Standardisation

BAOA's comment

BAOA submits that AERA may consider mandating:

- (a) clear classification of GA/BA services;*
- (b) disclosure of all applicable charges; and*
- (c) elimination of non-standard or indirect charges.*

...

NMIAL's Comment

The existing regulatory framework already ensures transparency and non-discrimination for Aeronautical Services and extending mandatory prescriptions to non-aeronautical GA/BA services is neither warranted nor consistent with the AERA Act or the Concession framework.

Extending such requirements to non-aeronautical services would interfere with commercial arrangements and exceed regulatory scope.

The demand for disclosure of "all applicable charges" reflects a mischaracterization of the existing regulatory framework, under which all aeronautical charges are already transparently disclosed and approved through tariff orders, and therefore BAOA's submission ignores the robust disclosure mechanisms already in place.

To the extent BAOA seeks disclosure of charges beyond the regulated tariff framework, such a request amounts to an **unwarranted intrusion into commercial arrangements**, which are outside the statutory scope of tariff regulation and are appropriately governed by market dynamics.

The proposal to eliminate so-called "non-standard or indirect charges" is **vague, undefined, and conceptually flawed**, as it fails to recognize that airports, by necessity, design **context-specific commercial arrangements** to efficiently manage capacity, operational complexity, and service differentiation.

Accordingly, BAOA's proposals in this regard are not only unnecessary but also inconsistent with the statutory framework and should be rejected in entirety as they seek to expand regulatory oversight into areas that are fundamentally commercial in nature.

45. Unauthorized Overstay Charges

BAOA's comment

... "Unauthorized Overstay Charges" merit reconsideration.

It is submitted that:

- The concept of such charges has no uniform regulatory basis and was selectively introduced at Mumbai (CSMIA), which itself is currently under judicial challenge before the Hon'ble Supreme Court, and hence lacks finality.*
- The proposed framework at NMIAL attempts to replicate a contested and non-standard mechanism, without establishing regulatory justification or policy rationale.*

... the determination of "usual parking base" should not be left to discretionary or undefined mechanisms, but must be:

- Formally regulated under AERA's tariff framework, and*
- Aligned with the broader principles embedded in the concession agreement (OMDA) and aeronautical service obligations.*

... we reiterate our support for a structured parking allocation mechanism, including:

- An option for operators to secure designated parking status at NMIAL through upfront payment of parking charges for a defined period (e.g., 3–5 years);*
- Such a framework to be clearly determined and approved by AERA, including:*
 - Quantum of upfront charges*
 - Corresponding duration of assured parking rights*
 - Number of parking positions available under such arrangements*
 - Transparent and equitable allocation methodology*

... the currently proposed Unauthorized Overstay Charges are penal in nature, arbitrary in structure, and unsupported by a uniform regulatory framework, and therefore:

- Should be withdrawn in their present form.*
- Any parking beyond allocated or free duration, if chargeable, should be governed through graded, time-based slab structures (24 hrs, 48 hrs, 72 hrs, etc.), as followed at other major airports in India.*

NMIAL's Comment

(i) BAOA's contention that unauthorized overstay charges lack a "uniform regulatory basis" is factually incorrect and deliberately selective, as such charges are a well-established regulatory mechanism to ensure efficient utilization of scarce apron and parking infrastructure. Such charges are necessary to prevent indefinite occupation of parking stands, which would otherwise disrupt airport operations and reduce overall capacity availability. In the absence of such charges, operators would have no economic disincentive against prolonged or indefinite occupation of parking stands, leading to sub-optimal utilization, congestion, and denial of access to other users. Airport parking is a shared and dynamic resource that must be managed based on operational priorities and also contractual commitments.

Any dilution or removal of such charges would:

- incentivize inefficient behavior,
- increase congestion risk, and
- ultimately necessitate recovery of the same costs through higher general aeronautical charges, thereby penalizing all users.

Further overstay charges are classified as aeronautical revenues. In case overstay charges are reduced then the corresponding increase is to be provided for other charges like landing, parking, UDF etc. to match the PV of ARR.

(ii) The attempt to discredit the concept of Unauthorized Overstay Charges by referring to a matter allegedly under judicial consideration at another airport is **irrelevant and misleading**, as the mere existence of litigation does not invalidate a regulatory practice, nor does it preclude its application elsewhere in accordance with established principles.

(iii) BAOA's demand to rigidly define and regulate "usual parking base" within the tariff framework reflects a fundamental misunderstanding of airport operations, where parking allocation is inherently dynamic and must respond to real-time operational conditions. Attempting to codify such operational parameters within tariff regulation would introduce rigidity, reduce responsiveness, and impair efficient airport management, particularly in a complex, capacity-constrained environment. The Concession Agreement and regulatory framework already provide sufficient guidance on service obligations, and there is no requirement or precedent for micro-regulating operational allocation decisions at this level of detail.

(iv) BAOA's simultaneous opposition to overstay charges and advocacy for long-term reserved parking through upfront payments is inherently contradictory and self-serving. While opposing mechanisms that discourage prolonged occupation, BAOA seeks to institutionalize exactly such prolonged occupation through guaranteed multi-year allocations, which would:

- lock in scarce capacity,
- exclude other users, and
- significantly reduce operational flexibility.

Granting assured parking rights for 3–5 years would create artificial scarcity, distort access equity, and undermine efficient capacity utilization, particularly at a new airport where demand patterns are still evolving. The proposal effectively seeks preferential treatment for a specific user segment under the guise of "structure" and "transparency," which is inconsistent with non-discriminatory access principles.

(v) The suggestion to replace overstay charges with broad time-based slabs (24/48/72 hours) is operationally inferior, as it:

- fails to address real-time congestion,
- delays corrective price signals, and
- enables inefficient use of parking resources for extended periods.

Summary:

BAOA's submissions on this issue are internally inconsistent, operationally impractical, and transparently self-serving, seeking to:

- avoid economic discipline through overstay charges, while
- simultaneously securing preferential long-term access to scarce infrastructure.

The proposals are contrary to fundamental principles of efficiency, equity, and cost-reflectivity, and if accepted, would severely impair airport operations and distort fair access to infrastructure.

Accordingly, BAOA's recommendations should be rejected in entirety, and the proposed overstay charge framework should be retained as an essential and legitimate component of efficient airport tariff design and operations.

46. Clubbing of Aeronautical and Non-Aeronautical Charges

BAOA's comment

... we invite AERA's attention to the communication recently issued by Navi Mumbai International Airport Limited / Adani Airport Holdings Limited (attached) to GA/BA operators, proposing substantial open-space parking charges and advance payment arrangements for access to non-exclusive and non-demarcated apron areas.

... AERA is therefore respectfully requested to:

- expressly examine and determine all GA/BA parking / apron / stand charges at Navi Mumbai Airport through the tariff order;*
- require full cost justification and stakeholder disclosure for such charges; and*
- specifically prohibit any coercive or indirect commercial arrangements requiring pre-payment, subscription, deposits or separate contractual commitments for access to aeronautical infrastructure outside the approved tariff framework.*

... General Aviation Terminal (GAT) services should be clearly segregated between:

- (a) essential aeronautical services necessary for aircraft handling, safety, security and passenger processing; and*
- (b) premium / optional / hospitality-related services.*

... We respectfully submit that the final tariff order may also encourage:

- mandatory online slot allocation systems;*
- real-time stand / parking availability visibility;*
- digital coordination and access protocols; and*
- objective access and service standards.*

NMIAL's Comment

This is not a matter within the Consultation Paper and hence need no comments from NMIAL. Further the annexure provided in the BAOA letter is neither signed nor on any letter head. The Authority may suitably advise BAOA to limit its comments to the issues highlighted in the consultation paper and also do not provide comments in the public domain which will jeopardize its legal position in respect to confidentiality and commercial arrangements of other parties.

Matters relating to commercial arrangements, including non-aeronautical charges and contractual terms, fall outside the scope of the current consultation and tariff determination process.

Regulatory intervention in such matters would be inappropriate unless they directly impact aeronautical tariffs within the defined scope of AERA's mandate. The point wise response is as under:

1. Allegation regarding "substantial charges" and advance payment arrangements

- BAOA's reference to alleged communications proposing "substantial charges" is **unsupported, selective, and lacks evidentiary credibility**, particularly as the annexure relied upon is neither formally authenticated nor part of the consultation record.
- The characterization of standard commercial arrangements—such as advance payments or structured access—as "coercive" is **misleading and commercially naïve**, given that such mechanisms are widely adopted across airports globally to ensure efficient utilization of scarce apron and parking infrastructure.

- Airports operate under **capacity constraints and operational priorities**, and therefore retain full commercial discretion to structure access arrangements in a manner that ensures:
 - optimal utilization of limited apron space,
 - operational predictability, and
 - avoidance of congestion and inefficiencies.

2. Demand for AERA to regulate all GA/BA parking and apron charges

- BAOA's request that AERA "expressly examine and determine all GA/BA parking / apron / stand charges" is **legally untenable**, as the Authority's jurisdiction is clearly limited to **aeronautical services as defined under the AERA Act**, and does not extend to every form of commercial arrangement relating to infrastructure usage.
- Not all GA/BA-related services fall within the regulated tariff domain; several elements—including **open parking usage, preferential access, or capacity reservation—are commercial constructs**, not standardized aeronautical services.
- Expanding tariff regulation to such areas would constitute **regulatory overreach**, distort market-based mechanisms, and undermine the commercial viability and operational flexibility of the airport.

3. Objection to advance payments, deposits, or contractual commitments

- BAOA's attempt to prohibit advance payments or contractual commitments reflects a **fundamental misunderstanding of infrastructure economics**, where upfront commitments are often necessary to:
 - allocate scarce capacity efficiently,
 - ensure commitment from users, and
 - prevent opportunistic or inefficient usage of limited resources.
- Such arrangements are **neither coercive nor discriminatory**, but rather standard commercial practices adopted across sectors where infrastructure is finite and demand is variable.
- Eliminating these mechanisms would:
 - encourage speculative booking,
 - lead to sub-optimal utilization of parking stands, and
 - ultimately reduce availability for genuine operational requirements.

4. Segregation of GAT services into "essential" and "premium" categories

- The proposed rigid segregation of GAT services is **artificial and operationally impractical**, as airport services are inherently integrated, with multiple shared systems supporting both aeronautical and commercial functions.
- The classification of services is already governed by the statutory framework, and any attempt to impose additional categorization outside this framework is **arbitrary and unnecessary**.
- Furthermore, premium or optional services are **commercial offerings**, and their pricing and structure must remain outside tariff regulation to preserve innovation and service differentiation.

5. Demand for regulatory prescription of operational systems (slots, visibility, digital coordination)

- BAOA's suggestion that the tariff order should mandate operational systems such as slot allocation platforms, real-time visibility tools, and digital coordination protocols represents a **clear overreach into airport operations**, which are:
 - dynamic,
 - technology-driven, and
 - best managed by the airport operator.
- Such matters fall squarely within **operational and technical domain**, not tariff regulation, and imposing prescriptive requirements through tariff orders would:
 - reduce operational flexibility,
 - stifle technological innovation, and
 - create rigidities inconsistent with efficient airport management.
- NMIAL is already implementing **modern, technology-enabled systems** as part of its operational framework, and such initiatives should not be subjected to prescriptive regulatory micromanagement.

6. Overall Comments on BAOA's Submission

- BAOA's submissions are **internally inconsistent**, as they simultaneously seek:
 - increased regulatory control over pricing, and
 - guaranteed access and preferential treatment for a specific user segment.
- The proposals are **fundamentally biased towards securing commercial advantage for a narrow class of operators**, at the expense of:
 - equitable access,
 - efficient capacity utilization, and
 - overall airport operations.
- Acceptance of BAOA's recommendations would:
 - distort regulatory boundaries,
 - undermine commercial discipline, and
 - ultimately increase costs for all users by restricting efficient allocation of infrastructure.

The Authority is therefore respectfully urged to reject these submissions in entirety, as they do not contribute constructively to tariff determination and instead seek to expand regulation into areas that are neither warranted nor appropriate.

F. Counter comments on comments of Consumer Unity and Trust Society (CUTS)

CUT's Comment

... poor mobile network and internet connectivity affecting essential services such as digital payments and boarding processes...

NMIAL's Comment

As communicated by NMIAL during the Stakeholders Consultation Meeting, we acknowledge that certain issues related to connectivity and on-ground operations persist which are normal teething issues in any large scale project. We expect this to be resolved likely within a timeframe of 6 to 10 months.

CUT's Comment

How can an integrated, multimodal last-mile connectivity framework be designed for Navi Mumbai International Airport to reduce dependence on taxis, improve modal share of public transport, and enhance passenger experience?

NMIAL's Comment

There is a great connectivity between Mumbai and Navi Mumbai through Airport Link Road within NMIA is 5+5 lane access road with 3+3 lanes connecting Ulwe Coastal Road and MTHL (Atal Setu) and 2 lane entry/ exit ramps (Ramp A & Ramp B) connecting to existing Amra Marg.

Next phase of growth shall witness construction & commissioning of western metro line from Mumbai to NMIA (Metro Line 8A), including the elevated CTC/T2 metro station, elevated western metro corridor within NMIA & western metro station, facilitating passengers to walk from CTC/T2 Metro Station to T1& T2 through connecting skywalks. The eastern metro line from Taloja to NMIA (Navi Mumbai Metro Line 2/3/4) shall also be commissioned.

NMIAL is actively engaged and in continuous coordination with the local authorities including urban local bodies, transport authorities, rail and metro agencies, and state government departments, to facilitate and support multimodal connectivity initiatives—such as rail, metro, bus, and road-based linkages—as part of the broader regional transport planning framework. NMIAL remains committed to enabling seamless passenger access within the airport precinct and to cooperating with public agencies to enhance last-mile connectivity. It must also be appreciated that development of such connectivity networks takes significant time.

NMIAL's Comment

Remaining comments do not require NMIAL's response.

G. Counter comments on comments of Dr. DC Patra (DCP)**47. Proposed Fair Rate of Return (FRoR) on Regulated Asset Base (RAB)****DCP's Comment**

... NMIAL operates under 40-year concession framework, whereas tariff determination is undertaken over discrete five-year control periods. In such a context, applying the full WACC based return in the initial years results in a front-loading of tariff burden ...

... WACC derived from a highly leveraged capital structure may not fully reflect the broader economic cost of capital in a demand-evolving environment.

NMIAL's Comment

The above comments emerge from incomplete understanding of the tariff determination framework under the AERA Act.

Recovery of the Aeronautical Capital expenditure incurred by the Airport Operator is primarily through Depreciation which is calculated based on the useful life of each Aeronautical Asset. These useful lives extend well beyond a single Control Period and, in many cases, across multiple decades. Accordingly, capital recovery is systematically spread over the asset life, and there is no front-loading of aeronautical capex/tariff recovery in the early years of operation.

WACC is computed by the Authority based on consistent efficient gearing (debt:equity) ratio of 48:52 across the airports.

48. Related Party Transactions

DCP's Comment

AERA may consider identifying and quantifying the efficiency gains arising from this related-party structure and mandate an appropriate pass-through of such gains to passengers in the form of reduced operating cost allowances. As an indicative approach, a calibrated adjustment, potentially in the range of 10–20% of relevant operating expenses attributable to such transactions, may be examined, subject to detailed financial scrutiny and benchmarking.

NMIAL's Comment

Under the prevailing tariff framework, Operating Expenditure is already subject to prudence checks, benchmarking, and efficiency assessment by the Authority during MYTP determination. The proposed calibration of a 10–20% adjustment, absent a demonstrated inefficiency, would be methodologically unsound, subjective, and inconsistent with evidence-based regulation. The existing regulatory framework already provides adequate safeguards to ensure that only efficient and reasonable costs are allowed.

The comment by the stakeholder reflects limited understanding of the regulatory building blocks. The Authority has increased the Non-Aeronautical Revenue substantially multifold higher than what is projected by NMIAL. The stakeholder should have advocated that the yardstick of 10-20% should be applied for all related party transactions instead of only limiting to certain aspects.

H. Counter comments on comments of Mr. Sumedh Bhagwat (SB)

49. Optimization of the Regulatory Asset Base (RAB) and Capital Expenditure

SB's comment

... The inclusion of ₹71 crore for unawarded digital and physical artwork, and the ₹42 crore provision for a 5th fuel tank (when only 4 were installed during site inspection), must be strictly excluded from the First Control Period RAB until actual capitalization and readiness for use are proven.

... The ₹211 crore price adjustment applied to the EPC-2 contract due to a 32-month delay in issuing the Notice to Proceed penalizes passengers for administrative delays. In accordance with prudent capitalization principles, such escalations should be absorbed by the concessionaire's equity, not capitalized to inflate the aeronautical tariff base.

Penalties for Delayed Capitalization ...

NMIAL's Comment

- (i) Pls refer to Point 3 of NMIAL's Comments on the Consultation Paper, dated 17th April 2026.
- (ii) Delay in issue of Notice to Proceed was due to COVID 19 and prevailing encumbrances at project site due to ongoing site preparation works by CIDCO. These reasons were beyond the control of the Airport Operator.
- (iii) Pls refer to Point 10 of NMIAL's Comments on the Consultation Paper, dated 17th April 2026.

50. Rationalization of Cost of Equity (CoE) and Fair Rate of Return (FRoR)

SB's comment

... NMIAL's attempt to artificially inflate the FRoR by claiming incremental risk premiums for Rehabilitation & Resettlement (R&R), connectivity, and airline willingness must be contested. As the Authority noted, R&R was CIDCO's responsibility, connectivity is resolved by the new MTHL

bridge, and capacity constraints at CSMIA inherently guarantee airline demand. The CoE must remain devoid of these hypothetical premiums.

NMIAL's Comment

NMIAL categorically rejects the allegation that it has sought to "artificially inflate" the Fair Rate of Return (FRoR). The risks identified—relating to R&R outcomes, external connectivity, and airline adoption—are not hypothetical constructs, but practical, outcome-critical uncertainties that materially affect the performance and cash-flow profile of a greenfield airport, particularly in its initial years.

Rehabilitation and Resettlement of nine villages located directly on the airport site constituted a critical and material challenge, as timely and coordinated resolution of on-site habitation was essential for land handover, construction sequencing, and commencement of core airside works. This, along with some other critical activities, were undertaken by CIDCO, who is also a shareholder of NMIAL, in order to make the airport amenable for construction. With these massive and crucial activities, CIDCO has also borne the risk of greenfield airport development and operations.

External connectivity cannot be considered fully resolved by the existence of a single infrastructure asset.

Airline willingness to operate from a new airport is not automatic. Airlines take time to shift operations based on commercial viability, passenger acceptance, operating costs, and network planning. As a result, traffic build-up at a new airport is gradual and subject to uncertainty, which directly impacts revenue and utilisation in the early years.

51. Non-Aeronautical Revenue (NAR) and Terminal Building Ratio (TBLR)

SB's comment

... NMIAL's projected NAR of a mere ₹347 crore (₹31.78 average revenue per passenger) is overly conservative, especially when greenfield airports like MOPA achieve yields of ₹106.85 per passenger. Realistic commercial revenue generation capabilities must be imputed to maximize the 30% cross-subsidy, directly reducing the burden on aeronautical tariffs.

... Inter-Ministerial Group (IMG) norms stipulate that for airports exceeding 10 MPPA, commercial area should be up to 20%.

NMIAL's Comment

Pls refer to Point 11 of NMIAL's Comments on the Consultation Paper, dated 17th April 2026.

I. Counter comments on comments of Mr. Vishal Gupta (VG)

52. VG's comment

Overall, my experience at NMIAL has been satisfactory. The terminal is modern, clean, and well designed, and movement within the airport is smooth and comfortable. The staff were polite and helpful, and the airport felt significantly less crowded compared to Mumbai International Airport. This contributed to a less stressful and more pleasant travel experience.

For residents of Navi Mumbai, NMIAL is a very welcome development. Earlier, travelling to Mumbai airport was cumbersome, time-consuming, and costly, mainly due to traffic congestion, long travel distances, and uncertainty in travel time. In comparison, NMIAL offers a far more convenient option for those living in Navi Mumbai

At the same time, connectivity from Mumbai city to NMIAL still requires improvement. For passengers travelling from Mumbai, the journey can currently be lengthy and expensive, especially for those relying on road transport. Early completion of pending road, rail, and metro connectivity projects will be critical to making the airport easily accessible to a wider set of passengers. I also hope that all remaining construction and finishing works at the airport are completed at the earliest. This will further enhance passenger comfort, service quality, and overall operational efficiency, and improve the experience for both domestic and international travellers. The following areas require specific attention:

... A) Availability of taxi services at reasonable and transparent rates.

B) Lounge access is currently limited and not available across a wide range of cards, unlike at Mumbai International Airport.

C) There is a need for reasonably priced food and beverage options. Even basic items such as tea and coffee are priced excessively (e.g., takeaway tea served in disposable cups priced at premium levels).

D) Mobile network connectivity within the terminal is patchy and needs improvement.

E) Increased flight connectivity is essential to make the airport a viable hub. While this will improve over time, there should ideally be at least one morning and one evening flight to all major destinations and state capitals at the earliest.

F) Security processes have scope for improvement. While current passenger volumes are low, the existing system may become a bottleneck as traffic increases. The requirement for multiple trays per passenger and manual frisking slows down the process...

NMIAL's Comment

We thank Mr. VG for the honest and constructive feedback. Navi Mumbai Airport is a welcome step in the aviation ecosystem development at MMR, particularly Navi Mumbai. NMIAL, its shareholders and its wider group of stakeholders, are committed to providing seamless and world-class connectivity and experience. We believe that most of the issues cited are because of the early stage of the Airport operations and will get resolved in due course.

J. Counter comments on comments of APAO, BIAL, GMR and YIAPL

53. Support by various stakeholders

NMIAL's Comment

Airport Operators (such as BIAL, GMR and YIAPL), Industry Body (APAO) have supported NMIAL's submissions and comments on certain key principle matters relating including but not limited to:-

1. There should not be any cap (like proposed for cost of debt) or minimum threshold (like proposed for Non-Aeronautical Revenues) while encouraging true-up based on actual basis.
2. Pre-COD expenses are legitimate costs which should be considered as a part of tariff computation either O&M or RAB.
3. Considering 30% Non-Aeronautical Revenues, net of Revenue Share to Concessioneing Authority, while calculating Aeronautical Tax
4. Cost of Equity to consider additional risks inherent to greenfield airports
5. Higher inflation rates considering current volatile geopolitical environment
6. Financial impact of the recent 25% reduction in landing and parking charges for domestic flights be appropriately factored into the computation of the Aggregate Revenue Requirement (ARR) for the First Control Period of NMIAL

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