

September 29, 2023

Dear Shri Krishan,

We thank you for giving an opportunity to ASSOCHAM members to participate in Stakeholders' Consultation Meeting of Manohar International Airport, MoPA, Goa held on September 15, 2023.

We wish to submit the following two submissions for your consideration.

- 1. Viability of Airport:** - Government of India has given in writing that civilian enclave at Dabolim Airport will continue to function even after commissioning of Mopa Airport. Therefore, Goa will become a unique State in the country to have two international airports conducting civilian operations in close proximity. It therefore, becomes imperative for the airport to sustain in the competitive environment while delivering the best in class service.

In order for the airport to survive, ASSOCHAM requests AERA to ensure commercial viability of Manohar International Airport which is also a mandate as per Section 13 (1)(a)(iv) of the AERA Act.

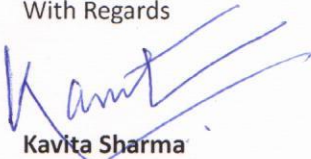
At the same time it is important to account for the actual transactions of the airport and reimburse the costs through appropriate charges. As the airport is new the capital cost forms a major component of the cost drivers which have to be appropriately factored and the industry should be promoted by way of reasonable return to incentivise better performances.

- 2. Cost of Debt:** AERA considered cost of debt of Ahmedabad Airport as average of cost of debt of other five PPP airports viz., DIAL, MIAL, GHIAL, BIAL and CIAL. This approach of AERA is contrary to the Tariff computation guidelines which suggests that the Authority shall consider the forecast for future cost of: (i) debt proposed to be raised during the Control Period; or (ii) such debt which may be subject to a floating rate of interest subject to the Authority being assured of the reasonableness of such costs, based on a review including of its source, procedure and methods to be used for raising such debt.

In view of the above it is suggested that the cost of debt should be taken based on the recently raised debt by the Airport Operator on actuals and not notional, so that the airport is not put to difficulty in running the show.

We hope our request will merit your consideration.

With Regards



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