



17 April 2026

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

Subject: Submission towards AERA Consultation Paper No. 08/2025-26 dated 17.03.2026 in the matter of determination of Aeronautical Tariff for Navi Mumbai International Airport, Navi Mumbai (NMI) for the First Control Period (01.04.2025 – 31.03.2030)

Dear Sir,

Greetings from IndiGo.

This is with reference to AERA Consultation Paper No. 08/2025-26 dated 17.03.2026 in the matter of determination of Aeronautical Tariff for Navi Mumbai International Airport, Navi Mumbai (NMI) for the First Control Period (01.04.2025 – 31.03.2030).

It is noted from the Consultation Paper that the installed capacity for Phase I & II is 20 Million Passengers Per Annum (MPPA). Based on the current operational data, it is our opinion that the current traffic projections are very conservative. As on date, more than 140 daily movements are being handled at NMI equalling to about 9.4 million seats per annum. Even after taking a seat factor of 90%, the no. of passengers that will be handled at NMI is nearly 8.5 million passengers in the 1st year itself. With the commencement of international operations at NMIA, aggressive fleet expansion by Indian carriers in the near term including wide body aircraft, we are of the opinion that the traffic trigger will be achieved much before the projected timelines. Therefore, we strongly believe that the airport's projected installed capacity will get fully utilised at an early date.

Additionally, it is observed that NMI was initially expected to be inaugurated by early to mid-2025. However, 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.

In addition to the above we would also like to submit the following points for AERA's consideration:

1. Landing Charges

- (i) As illustrated below, 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.

Charges (FY27)			NMI	BOM	DXN	% Variance (NMI over BOM)	% Variance (NMI over DXN)
Landing (<100MT)	INR/MT	Dom	1400	402	760	248%	84%
		Int	1850	603	870	207%	113%

- (ii) As shown below, NMI has proposed an increase in Landing Charges for both domestic and international flights by approximately 20% from existing charges in FY 2027-28 and a 10% YoY increase for subsequent years up to FY 2029-30. 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.

	FY 2026-27 (Till 30.06.26) Existing Rate	FY 2026-27 (01.07.26 to 31.03.27)	FY 2027-28 (01.04.27 to 31.03.28)	FY 2028-29 (01.04.28 to 31.03.29)	FY 2029-30 (01.04.29 to 31.03.30)
Domestic (INR/MT)	1,400	1,400	1,676	1,844	2,028
<i>YoY % increase</i>		<i>0%</i>	<i>20%</i>	<i>10%</i>	<i>10%</i>
International (INR/MT)	1,850	1,850	2,215	2,437	2,680
<i>YoY % increase</i>		<i>0%</i>	<i>20%</i>	<i>10%</i>	<i>10%</i>

- (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). The current charges proposed without any reference to MTOW discourages short haul connectivity (Intra-Maharashtra) with deployment of small aircraft thereby diluting vision of establishing a Hubs in India.
- (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.

2. Parking Charges

	FY 2026-27 (Till 30.06.26) Existing Rate	FY 2026-27 (01.07.26 to 31.03.27)	FY 2027-28 (01.04.27 to 31.03.28)	FY 2028-29 (01.04.28 to 31.03.29)	FY 2029-30 (01.04.29 to 31.03.30)
Domestic/International (INR/Hr/MT)					
0-2 hrs	0	0	0	0	0
2-4 hrs	19	19	23	25	25
Variance % from YoY		0%	21%	9%	0%
> 4 hrs	23	23	28	30	30
Variance % from YoY		0%	22%	7%	0%

- (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.”



3. User Development Fee (UDF)

(i) As shown below, while UDF rates proposed by NMI are considerably higher than those at BOM.

UDF (INR) – FY27		NMI	BOM	% Variance (NMI over BOM)
Embarking	Domestic	620	175	254%
	International	1225	615	99%
Disembarking	Domestic	270	75	260%
	International	525	260	102%

(ii) As shown below, NMI has proposed an increase in UDF Charges for both domestic and international flights by approximately 20% from existing charges in FY 2027-28 and a 10% YoY increase for subsequent years up to FY 2029-30. We suggest that the escalations in the first control period should not exceed 10% each year to promote growth from the airport.

		FY 2026-27 (Till 30.06.26) Existing Rate	FY 2026-27 (01.07.26 to 31.03.27)	FY 2027-28 (01.04.27 to 31.03.28)	FY 2028-29 (01.04.28 to 31.03.29)	FY 2029-30 (01.04.29 to 31.03.30)
DOMESTIC	Per Embarking	620	620	742	817	898
	<i>Variance from YOY</i>		0%	20%	10%	10%
INTERNATIONAL	Per Embarking	1,225	1,225	1,467	1,613	1,775
	<i>Variance from YOY</i>		0%	20%	10%	10%
DOMESTIC	Per Disembarking	270	270	323	356	391
	<i>Variance from YOY</i>		0%	20%	10%	10%
INTERNATIONAL	Per Disembarking	525	525	629	691	761
	<i>Variance from YOY</i>		0%	20%	10%	10%



(iii) UDF Rate card for each Financial year:

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) Collection Charges: We would like to invite AERA's attention to note (1) of UDF charges as below:

The rate of collection of UDF charges has been proposed to be as per the agreement between Airport Operator and Airline, and we hereby request AERA to kindly consider the collection charges to be specified at the rate of Rs. 5.00 per embarking passenger, in line with the existing rate of collection charges being remitted by other similar Airport operators.

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) Reference proviso (b) to Note 1 to User Development Fee (UDF) Charges:

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) Reference Note 3 to User Development Fee (UDF) Charges:

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.”



4. Aerobridge Charges:

- (i) Reference to Note 1 of Aerobridge Charges: NMI has proposed that any fraction of an hour for the purpose of calculating chargeable aerobridge usage be rounded up to the next full hour. This approach does not appear to be justified, as, for instance, a usage of 2 hours and 2 minutes would be billed as 3 hours, thereby imposing an undue cost burden on airline stakeholders. 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.”

5. BME Charges (FEGP & PCA, Code C):

(i) FEGP CODE C

Particulars	FY 2026-27 (Till 30.06.26) Existing Rate	FY 2026-27 (01.07.26 to 31.03.27)	FY 2027-28 (01.04.27 to 31.03.28)	FY 2028-29 (01.04.28 to 31.03.29)	FY 2029-30 (01.04.29 to 31.03.30)
Domestic	2,500	2,500	3,944	4,338	4,338
International	5,750	5,750	8,435	9,279	9,279
YOY % increase Dom		0.0%	57.8%	10.0%	0.0%
YOY % increase Intl		0.0%	46.7%	10.0%	0.0%

It is observed that charges in Year 2 reflect a substantial increase (58% for domestic and 47% for international), which is quite steep and submit that annual BME escalations should be calibrated basis specific, transparently laid down criteria.



(ii) PCA Code C

Particulars	FY 2026-27 (Till 30.06.26) Existing Rate	FY 2026-27 (01.07.26 to 31.03.27)	FY 2027-28 (01.04.27 to 31.03.28)	FY 2028-29 (01.04.28 to 31.03.29)	FY 2029-30 (01.04.29 to 31.03.30)
Domestic	3,750	3,750	5,916	6,508	6,508
International	5,850	5,850	10,122	11,134	11,134
YOY % increase Dom		0.0%	57.8%	10.0%	0.0%
YOY % increase Intl		0.0%	73.0%	10.0%	0.0%

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.

6. CUTE/CUSS/BRS Charges:

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

		FY 2026-27 (Till 30.06.26) Existing Rate	FY 2026- 27 (01.07.26 to 31.03.27)	FY 2027- 28 (01.04.27 to 31.03.28)	FY 2028- 29 (01.04.28 to 31.03.29)	FY 2029- 30 (01.04.29 to 31.03.30)
DOMESTIC	Per Embar king	75.00	75.00	90.00	99.00	99.00
Variance from YOY			0%	20%	10%	0%
INTERNATIONAL (USD)	Per Embar king	1.25	1.25	1.50	1.65	1.65
Variance from YOY			0%	20%	10%	0%

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.



7. Variable Tariff Plan (VTP):

- (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.

8. Additional comments/recommendations:

(i) Fair Rate of Return (FRoR):

We submit that only a reasonable and efficiency-oriented Fair Rate of Return (FRoR) should be allowed to airport operators. It is noted that the Authority has proposed an FRoR of **12.49%** for the First Control Period, derived from the cost of equity and cost of debt of the airport operator.

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. Without prejudice to the above, 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.



(ii) **O&M expenses:**

While we appreciate the Authority's detailed scrutiny and rationalisation of individual O&M line items submitted by NMI, in our view the overall magnitude of the approved O&M expenses appears excessive, particularly at this early stage of operations.

We agree with AERA's observation that expansion of non-aeronautical operations should lead to corresponding and proportionate increase in the recovery of power charges from concessionaires. In this regard, we suggest that NMI may be directed to constitute an internal committee to verify power-related bills and allocations and submit a detailed report to AERA, thereby enhancing transparency and ensuring appropriate cost attribution.

Further, 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.

In light of the above, 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.

(iii) **Non-Aeronautical Revenue:**

We observe that the Non-Aeronautical Revenue ('NAR') projected by NMI is significantly conservative and does not appear to reflect the inherent commercial potential of NMI's location, traffic base, and planned connectivity.

As correctly noted by AERA in paragraphs 9.2.19 and 9.2.20 of the CP, lower NAR directly results in higher aeronautical tariffs, while the airport operator continues to recover full costs and assured returns on RAB. And accordingly, we request AERA to further review the projection for NAR.

(iv) **General Conditions for all Aeronautical Tariffs:**

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.



(v) **Regulatory Treatment of CIDCO Pre-development Costs:**

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.

With best regards,

Sincerely,
For InterGlobe Aviation Limited

A handwritten signature in blue ink, appearing to read "Rajan", with a stylized flourish extending from the bottom right.

Rajan Malhotra
Vice President – Aeropolitical and Industry Affairs