AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA (AERA)

MINUTES OF THE STAKEHOLDERS' CONSULTATION MEETING HELD ON 06.07.2026 AT 3:30 PM AT AERA STAKEHOLDER CONSULTATION ROOM, AERA OFFICE, UDAAN BHAWAN, SAFDARJUNG AIRPORT, NEW DELHI REGARDING THE CONSULTATION PAPER NO. 02/2026-27 DATED 19.06.2026 IN THE MATTER OF DETERMINATION OF AERONAUTICAL TARIFF FOR RAJIV GANDHI INTERNATIONAL AIRPORT, HYDERABAD FOR THE 4th CONTROL PERIOD (01.04.2026 TO 31.03.2031)

1. For the determination of tariff for aeronautical services, Section 13 (4) of the Airports Economic Regulatory Authority of India Act, 2008 provides for transparency in the tariff determination process by holding due consultation with all stakeholders and allowing them to make their submissions. In pursuance of the same, a Stakeholders' Consultation Meeting in a hybrid mode was convened by the Authority on 06.07.2026 at 15:30 hrs. at the AERA Office, Udaan Bhawan, Safdarjung Airport, New Delhi- 110003 to elicit the views of Stakeholders on the proposals made in the Consultation Paper No. 02/2026-27 issued by the Authority on 19.06.2026 in the matter of determination of aeronautical tariffs for Rajiv Gandhi International Airport, Hyderabad for the 4th Control Period (01.04.2026 to 31.03.2031).

   The list of participants is enclosed at Annexure I.

2. At the outset, Chairperson, AERA extended a warm welcome to all the participants and the team of GMR Hyderabad International Airport Ltd. (GHIAL) led by Mr. Narayana Rao Kada and Mr. Kadhir Kadhiravan, CEO, GHIAL. It was reiterated that the stakeholder consultation meeting has been convened to deliberate upon the proposals contained in the Consultation Paper for the brownfield airport, Rajiv Gandhi International Airport, Hyderabad for the 5 year tariff cycle of 4th Control Period (01.04.2026 to 31.03.2031).

3. It was highlighted that at the end of the 3rd Control Period (2021-26), the GHIAL has achieved a passenger traffic of 30.48 million passengers in FY '26 increasing from 12.43 million passengers in the beginning of 3rd Control Period i.e. FY'22 thereby registering a growth of 18.05 million passengers during the five-year period. Now in the upcoming 5 years (2026-31), the Airport Operator has projected the traffic to grow from 30.48 million passengers to 51.50 million passengers in the last tariff year of the 4th Control Period (2026-31). GHIAL's Multi-year Tariff Proposal (MYTP) for the 4th Control Period accordingly reflects an ambitious capital expenditure programme.

4. It was explained that after carrying out a comprehensive analysis and a detailed prudence-check, AERA has worked out the Aggregate Revenue Requirement (ARR) as reflected in the relevant sections of the Consultation Paper. In GHIAL's projected ARR of ~₹20,000 crore in present-value terms, GHIAL had projected a total capital expenditure of ~₹15,400 crore of which the Aero Capex

component (which is factored into the Regulatory Asset Base) was ~Rs 14,300 crores. AERA, after applying its Tariff Determination Guidelines/Methodology and undertaking a detailed prudence assessment, rationalised the Aero Capex to ~₹12,200 crore, primarily through cost rationalisation of major components, including the Northern Runway & Associated Airside Works, Northern Precinct Development- Landside Works, and other capital expenditure heads. Similarly, the aeronautical O&M expenditure submitted by the airport operator at ~Rs. 9,300 crore was rationalised to ~₹5,200 crore.

5. On Non-Aeronautical Revenue (NAR) front, GHIAL had projected an NAR of ~₹6,100 crore, which included the revenue of ~₹1,400 crore on account of Cargo, Ground Handling and Fuel Services (CGF). As per the provisions of the AERA Act and the extant tariff guidelines, cargo, ground handling and fuel supply to aircraft are categorized as aeronautical services. GHIAL had included these in NAR based on court decision. Since the court matter is sub-judice and yet to attain finality, the AERA in the light of the extant provisions of the AERA Act has considered this ~₹1,400 crore as aeronautical revenue. The balance NAR, as per the airport operator's submission of ~₹4,700 crore, was rationalised upwards to ~₹6,000 crore. Based on this overall rationalisation process, the GHIAL's ARR after complete analysis works out to ~₹10,100 crore (in NPV terms), with a yield per passenger of ~₹463.

6. The Chairperson further highlighted that GHIAL's MYTP for the upcoming 5 year tariff cycle included a large and ambitious capex plan covering several capital projects, the pattern of which was similar to another major airport in South India i.e. Bangalore Airport whose tariff determination for the same 2026-31 tariff cycle is also ongoing and whose stakeholder consultation was held last week on 29th June, 2026. Both the airports in view of their robust traffic growth projections have plans for a new Terminal Building and major Airside Infrastructure works accounting for a significant share of their total capex plan. Specifically, Bangalore Airport has outlined capital investments of approximately ₹21,000 crores, while Hyderabad Airport has proposed a similar scale of investment at roughly ₹15,000 crores.

7. A critical observation underscores both airports' capital strategies which is that the major infrastructure projects are being concentrated in the latter half of their respective five-year Control Periods. For instance, Bangalore's capital allocation shows approximately 58-60% of total capital expenditure scheduled for the second half of the period, while Hyderabad also reflects a high proportion of approximately 80% of capital outlay concentrated in the latter half of the 4th Control Period.

8. Under the existing tariff determination methodology, when such substantial capital projects are incorporated into the five-year Aggregate Revenue Requirement (ARR), their cost recovery mechanisms are activated from the first year of the Control Period itself, irrespective of when the assets are capitalised and made operational. This creates a fundamental misalignment with the core

regulatory principle that airport charges should reflect the actual benefit derived by users from using the commissioned assets.

9. The regulatory philosophy dictates that cost recovery should commence only when capital assets are capitalized, operationalized, and are actively delivering value to the users (passengers and airlines). Under the present methodology, passengers travelling in the starting years of the 5 year Control Period bear tariff burdens for major capital infrastructure even when these assets are coming up in the 4^{th} & 5^{th} year of the 5 year tariff cycle and, if for some unavoidable reasons, if these capital projects are delayed and get deferred to the next 5 year Control Period, the passengers & airlines in the current 5 year tariff cycle would have already borne the cost of these capital assets by paying airport charges even though these assets did not materialise during the said 5 year Control Period.

10. To address this inconsistency and ensure equitable cost allocation, the Authority has put forth the concept of Incremental ARR approach which in fact is a refinement to the existing tariff determination methodology, and the same has been incorporated upfront in the Consultation Paper, the details of which have been illustrated at pages 283 to 291 of the Consultation Paper. This methodology ensures that major capital investments are recovered through airport charges only after the assets become commissioned and operational and start benefiting users, thereby linking charges to actual service benefits. This would also encourage timely and efficient execution of projects.

11. The Chairman stated that, to facilitate seamless execution, the AERA intends to have a very simplified implementation framework in which all modalities regarding confirmation of completion/capitalization of the identified large capital projects; process and timelines for issuance of revised tariff order etc. would be mentioned upfront. Further, the main Tariff Order would have separate ARR tables for the identified capital projects which would be made effective from the date of completion of these projects through the issuance of revised Tariff Order. To ensure its application in an objective and simple manner only large capital projects like New Terminal Building, Major Airside Infrastructure works including Runways etc. which are planned for execution in the last 1 or 2 years/ latter half of the 5 year Tariff Cycle would be identified for inclusion in the Incremental ARR Approach and the issuance of revised Tariff Order would not exceed 2 or 3 times in a 5 year Tariff Cycle.

12. Chairperson AERA, requested stakeholders to provide their considered views and comments on this new approach and also suggestions on how the implementation framework can be kept very simple, transparent with all relevant information & processes declared upfront in the main Tariff Order. He clarified that this approach is fully aligned with the foundational principle of airport charges that only when the Capex is capitalised and put-to-use needs to be recovered from the Airport Users through airport tariffs.

13. Chairperson, AERA concluded by reiterating that Section 13(4) of the AERA Act provides for ensuring transparency while the AERA is exercising its powers and discharging its functions, and

the current stakeholder meeting is part of the same. AERA would expect all stakeholders to give their valuable comments as per the timelines stipulated in the Consultation Paper. It was informed that this stakeholder meeting was given due publicity including issuance of an advertisement in prominent newspapers twice before the meeting, in order to ensure maximum participation of all stakeholders for making this exercise participative and meaningful. Section 13(4) of AERA Act 2008 further provides that stakeholders be allowed to make their submissions in writing and that all decisions of the Authority are fully documented and explained. It was reiterated that the Consultation Paper and this Stakeholder Meeting is a step in that direction. For each regulatory building block, the Consultation Paper has provided the operator's submission, the Authority's analysis including what has been considered and proposed by the Authority in respect of each regulatory building blocks viz traffic, Capex, depreciation, O&M, tax and non-aeronautical revenue.

On the conclusion of Chairperson, AERA's opening remarks, the Airport Operator i.e. GHIAL was requested to first make their presentation. This would then be followed by various stakeholders giving their comments/views/suggestions on the proposals contained in the Consultation Paper and the subsequent discussions thereon.

GMR Hyderabad International Airport Limited (GHIAL)

14. Mr. Narayana Rao Kada, Group Deputy Managing Director, GMR, thanked the Chairperson, Member, Secretary and the Authority's Tariff team for the efforts in putting together the Consultation Paper and for providing the opportunity to make submissions on behalf of GHIAL. He stated that GHIAL had already submitted its tariff proposals and expressed appreciation to the Authority for working out this comprehensive Consultation Paper and for its visit to Hyderabad Airport for an on-ground understanding of the developments and operational requirements of the airport.

15. He further submitted that GMR Group follows the principle of planning capacity augmentation in advance of actual congestion or capacity shortfall and that, having assessed that the airport would approach its capacity limits during the next Control Period, GHIAL had taken up the proposed expansion programme in the interest of passengers. He stated that the expansion programme had accordingly been conceived as a timely and necessary step to ensure that the airport does not face operational constraints.

16. Mr. Kada emphasised that passenger convenience remains the highest priority for the airport operator. In this regard, he submitted that Hyderabad Airport has focused on adoption of technology-driven operational systems and is among the early airport to move towards upgraded airport control/operations systems with predictive analysis capabilities, which would help improve operational efficiency and passenger facilitation.

17. He further submitted that GHIAL remains committed to adopting new and emerging technologies to enhance passenger convenience and improve the overall airport experience. He also stated that

Ya

GHIAL is working in coordination with the State Government to improve airport connectivity, including through the proposed metro connectivity to the airport.

18. He further submitted that, while it respects the underlying rationale of the proposed user-pay / incremental ARR principle, its implementation in the existing regulatory regime presents certain practical challenges. It was stated that where major assets are put to use and capitalised in the latter part of the five-year Control Period, immediate recovery of the associated costs may result in a sharp increase in tariffs. He accordingly submitted that an appropriate model or calibrated mechanism may be explored so that such increases are moderated and a balanced solution can be arrived at in consultation with the Authority.

Mr. Kadhir Kadhiravan, CEO, GHIAL, was then invited to continue with the presentation.

19. At the outset, Mr. Kadhir Kadhiravan, Chief Executive Officer, GHIAL, thanked the Authority for providing the opportunity to present the airport operator's submissions. He stated that the presentation would be made jointly by him and Mr. Anand Kumar P, Chief Financial Officer, GHIAL, and would cover the proposed expansion of Hyderabad Airport, the facilities planned thereunder, the likely impact of the same and GHIAL's views on the regulatory proposals contained in the Consultation Paper.

20. He commenced by greeting the Chairperson, Member, Secretary, the Authority's Tariff team, fellow stakeholders, airline partners and other participants present in the meeting. He expressed pleasure in presenting GHIAL's submissions before the Authority and stated that the presentation had been prepared after duly taking into account the guidance, directions and advice received during the course of the regulatory process.

21. Mr. Kadhiravan submitted that the presentation would, inter alia, cover the vision and core values of GMR Airports, the shareholding and governance structure of GHIAL, development timelines, historical traffic growth, connectivity and traffic projections, the economic growth of Telangana and its impact on airport development, technology initiatives, sustainability and ESG initiatives, social responsibility measures, awards and recognitions, the proposed expansion projects during the 4th Control Period, and GHIAL's submissions on the proposed incremental ARR principle.

21.1 **Vision & Core Values**

Mr. Kadhir Kadhiravan commenced the presentation by setting out the vision and core values of GMR Group. He submitted that the Group is guided by certain foundational principles which are central to its long-term success, sustainability and continued growth. He stated that GMR views itself as an institution in perpetuity and as an entrepreneurial organisation committed to creating value and making a difference to society. He further submitted that the Group attaches importance to humility and remains open to receiving feedback, suggestions and inputs from all stakeholders, and in that background, gave emphasis on the present stakeholder consultation of being considerable significance. He also stated that the Group seeks to identify and implement solutions in a prudent and cost-effective manner, while upholding teamwork, respect for individuals and a strong commitment to deliver on the promises and commitments made by it.

21.2 **Shareholding & Governance Overview**

Mr. Kadhir Kadhiravan thereafter explained the shareholding and governance structure of GHIAL. He submitted that GMR Airports Limited is the principal shareholder holding about 74% equity, while Airports Authority of India and the Government of Telangana hold 13% equity each. He stated that the said shareholding structure reflects the character of Hyderabad Airport as one of the country's PPP airports. He further submitted that GHIAL has put in place robust governance processes, under which key decisions are subject to rigorous review, examination and approval at the appropriate levels. The said framework ensures transparency, objectivity and institutional accountability in the functioning of the airport operator.

21.3 **Board of Directors**

He further submitted that GHIAL has a robust governance framework and that all major decisions are subjected to a rigorous process of review and approval, thereby ensuring transparency and objectivity.

Mr. Kadhiravan stated that the Board of Directors includes nominee directors from the Government of Telangana, namely Mr. Vikas Raj and Mr. Sandeep Kumar Sultania, as well as representatives from the Ministry of Civil Aviation and Airports Authority of India. He further submitted that the Board also includes professionally qualified independent directors and directors representing the GMR Group.

He stated that the Board is chaired by Mr. G.M. Rao and includes Mr. G.B.S. Raju and other directors representing the promoter group and shareholder interests. He submitted that the composition of the Board reflects an institutionalised governance structure under which decisions are taken objectively, rigorously reviewed and thereafter implemented.

21.4 **Historical Traffic Growth**

Mr. Kadhir Kadhiravan submitted that Hyderabad Airport is India's first greenfield PPP airport and has continuously expanded its infrastructure in line with passenger growth. He stated that the airport commenced operations on 23.03.2008 and has handled approximately 270 million passengers since inception, scaling from 6.2 million passengers in FY'09 to 30.48 million passengers in FY'26.

He further submitted that Hyderabad Airport has emerged as one of the fastest growing airports in the country and is increasingly developing as a major hub airport. He stated that the present airport capacity is 34 million passengers per annum and that traffic in the last financial year had reached about 30.5 million passengers, which is more than 90% of the existing capacity, making further expansion necessary.

Mr. Kadhiravan further submitted that the proposed expansion is intended to increase the airport's capacity from about 34 million passengers in 2026 to about 60 million passengers by the end of the 4th Control Period. He stated that, even if the actual traffic materialises at a somewhat lower level of around 50 million passengers in the last year of the Control period, the proposed expansion would still be necessary and would require timely planning, financing and fund mobilisation.

He also submitted that Hyderabad Airport has been the fastest growing airport in the country over the last ten years. Referring to the period from 2016 to 2026, which spans two Control Periods, he stated that Hyderabad recorded the highest growth among metro airports in the country, with domestic traffic growth of about 9.49% and overall average traffic growth of about 8.53%.

Mr. Kadhiravan submitted that the sustained growth trajectory of Hyderabad Airport underlines the need for timely investment, advance planning and augmentation of airport infrastructure so that future traffic demand can be adequately met.

21.5 **Airport Connectivity**

Mr. Kadhir Kadhiravan also highlighted the favourable geographical position of Hyderabad and submitted that the airport is ideally located for East-West and North-South connectivity. He stated that Hyderabad has become an important transfer point for domestic-domestic, domestic-international, international-domestic and international-international traffic.

He submitted that, within one hour of flying distance from Hyderabad, a substantial proportion of the country's traffic catchment is covered and that, within a two-hour flying range, almost 90% of the country is accessible. According to him, this locational advantage has contributed significantly to the growth of transfer traffic at Hyderabad Airport.

He further submitted that hub traffic at Hyderabad Airport has increased from about 9% in FY'15 to around 26% in FY'25. He also stated that the airport presently connects 74 domestic and 26 international destinations and that 9 domestic and 7 international destinations had been added in the last one year.

Mr. Kadhiravan submitted that the continued growth in traffic, transfer passenger volumes and network connectivity underscores the need for timely and effective planning of infrastructure expansion. He stated that it is therefore necessary to ensure adequate financing and funding of the proposed expansion so that the required assets can be created in a timely manner for the benefit of passengers.

21.6 **Traffic Projection**

Mr. Kadhir Kadhiravan thereafter submitted that the projected growth of Hyderabad Airport over the next five years is closely linked to the broader economic growth of Hyderabad and the State of Telangana. He stated that Hyderabad has emerged as one of the fastest growing hubs in the country on account of multiple structural factors.

He submitted that Hyderabad has become a major centre for Global Capability Centres (GCCs) of leading multinational corporations, including large technology companies, and that this has significantly contributed to growth in business travel and overall passenger demand. He further stated that Hyderabad is also a major pharmaceutical hub and that the concentration of pharmaceutical manufacturing and exports in and around the city contributes not only to passenger growth but also to cargo growth.

Mr. Kadhiravan submitted that, on the basis of such economic and traffic drivers, passenger traffic at Hyderabad Airport is projected to increase from the present level of around 30 million passengers to about 51.5 million passengers, by the end of Control period, reflecting a CAGR of about 9.1%. According to him, this projected growth reinforces the need for timely planning of resources, funding and infrastructure expansion.

21.7 **RGIA: A Powerful Engine of Telangana's Economic Growth**

Mr. Kadhir Kadhiravan further submitted that the significance of Hyderabad Airport extends beyond passenger traffic and that the airport is also an important driver of the economy of Hyderabad city and the State of Telangana. In this regard, he stated that Telangana is among the fastest growing State economies in the country and that Hyderabad, as a region, offers significant growth potential on account of rising income levels, consumption and economic activity.

Mr. Kadhiravan also referred to a recent study undertaken by the National Council of Applied Economic Research (NCAER) during November-December 2025, the results of which, according to him, demonstrate the economic significance of Hyderabad Airport. He submitted that, on the basis of direct, indirect and induced impact, Hyderabad Airport currently supports employment of about 4.11 lakh persons, which is projected to increase to about 9.82 lakh persons by 2038.

He further submitted that the airport's economic impact is estimated to increase from about ₹75,000 crore at present to about ₹2.13 lakh crore by 2038. He also stated that Hyderabad Airport contributes about 5.11% to the State's gross value added and about 1.69% to State employment.

Mr. Kadhiravan submitted that the airport together with the associated Aero City ecosystem, including MRO, cargo, retail, hospitality, logistics and allied aviation services, is expected to continue acting as a catalyst for the economic growth of Hyderabad and Telangana. He accordingly emphasised that the projected expansion of the airport is aligned not only with passenger growth but also with the broader economic development of the region.

He further submitted that the airport is a significant driver of economic growth for the State of Telangana. Referring to the economic impact assessment, he stated that by FY'38 the airport is projected to generate economic value of about ₹2.13 lakh crore and support nearly 10 lakh jobs, thereby substantially increasing its contribution to the State economy.

21.8 **Ongoing Technology Initiatives**

Mr. Kadhiravan thereafter highlighted the airport's focus on innovation and technology as a means of improving efficiency and passenger experience. He submitted that, in line with the guiding principles of GMR Group, Hyderabad Airport has undertaken a number of technology initiatives in coordination with airline partners, ground handling agencies and other stakeholders, some of which have already been implemented while others are proposed to be rolled out in the coming months.

He submitted that one such initiative relates to smart washroom management based on IoT-enabled systems, which enables monitoring of usage, occupancy, cleaning cycles and replenishment of consumables. According to him, the said system helps improve passenger experience while enabling better supervision, control and operational efficiency without materially increasing cost.

Mr. Kadhiravan further submitted that Hyderabad Airport is also working on implementation of private 5G-based connectivity solutions, which are expected to improve operational efficiency and reduce the requirement for more expensive networking arrangements.

He also stated that biometric seamless travel initiatives for international passengers have been introduced at Hyderabad Airport, enabling faster passenger processing and improved facilitation.

Mr. Kadhiravan further submitted that Hyderabad Airport has established the country's first Airport Predictive Operations Control Centre (APOC). He stated that the said facility integrates not only airside and terminal operations, but also landside elements, and brings together various stakeholders, including airlines, security agencies and other airport stakeholders, on a common platform.

According to him, the APOC enables real-time coordination, situational awareness and collaborative decision-making, and has predictive capabilities to provide advance forecasts and enable more efficient deployment of manpower and operational resources. He submitted that the system is connected to multiple operational platforms and is capable of helping stakeholders respond more effectively to situations such as bunching of aircraft, changes in weather or other operational disruptions.

Mr. Kadhiravan also referred to other ongoing initiatives such as arrival baggage tracking, integrated traffic management for airport access roads, smart airside initiatives for improving aircraft turnaround and facial recognition-based airport entry permits. He submitted that these initiatives are intended to provide better visibility to passengers, improve access and traffic flow, reduce delays and support more efficient airport operations.

He further submitted that the said technology initiatives are being implemented in collaboration with airlines and other stakeholders and are expected not only to improve various aspects of airport operations, but also to enhance passenger convenience, improve operational efficiency and reduce costs over time.

21.9 **GHIAL's Sustainability Achievements**

Mr. Kadhir Kadhiravan thereafter highlighted the sustainability and ESG initiatives undertaken at Hyderabad Airport. He submitted that Hyderabad Airport has achieved Level 5 under the Airport Carbon Accreditation (ACA) programme and that it is among the limited number of airports to have attained the said accreditation.

He further submitted that Hyderabad Airport operates on 100% renewable electricity and has already achieved Net Zero for Scope 1 and Scope 2 emissions significantly ahead of the target year of 2035.

Mr. Kadhiravan stated that the airport has a 10 MW solar power plant, which presently meets about 13% of the airport's energy requirement, and that the airport operator intends to further scale up such renewable energy initiatives, subject to the necessary permissions.

He also submitted that Hyderabad Airport has undertaken rainwater harvesting through structures with a cumulative capacity of about 10,35,000 cubic metres, which caters to about 11% of the airport's fresh water requirement.

Mr. Kadhiravan further stated that Hyderabad Airport is a zero liquid discharge airport and that all water used within the airport premises is treated, recycled and reused, with no wastewater being discharged outside the airport.

He also stated that the airport processes approximately 14 tonnes per day of food and other waste through its integrated waste management system. He further submitted that the airport has implemented modern drip irrigation systems for landscaping and has established EV charging facilities on the airside to support more efficient and sustainable ground operations.

He submitted that Hyderabad Airport has also installed Fixed Electrical Ground Power (FEGP) units in lieu of use of Aircraft Power Units (APUs), promoted the use of battery-operated vehicles and undertaken large-scale conversion to LED lighting. He stated that the terminal is fully covered by LED lighting and that a substantial part of the overall airport area has also been converted to LED-based systems, thereby improving energy efficiency.

Mr. Kadhiravan thereafter referred to the airport's social responsibility initiatives and submitted that GHIAL remains committed to community development through its CSR programmes. He stated that the airport's CSR activities broadly cover the areas of education, health and sanitation, community development and livelihood enhancement.

He specially mentioned that the CSR initiatives reflect the airport operator's broader commitment to social responsibility and to creating sustainable value for the communities in and around the airport.

21.10 GHIAL's recognition

Mr. Kadhir Kadhiravan further highlighted the recognitions received by Hyderabad Airport in recent years. He stated that the airport was awarded the Skytrax Best Airport Staff in India and South Asia Award for the fifth time, received ACI ASQ Global recognition for Best Airport Staff (Arrival), obtained ASQ Customer Experience Accreditation Level 4 in 2025, and was also recognised as Pharma Airport of the Year, Fastest Growing Metro Airport, recipient of the Telangana Tourism Excellence Award and Innovative Airport of the Year at an air cargo industry event.

21.11 GHIAL's Proposed Expansion during 4th Control Period

Mr. Kadhir Kadhiravan submitted that the proposed expansion under the Northern Precinct includes major airside infrastructure such as a new runway of 3,800 meters, four rapid exit taxiways, taxiways of about 7,900 meters, 24 remote aprons, 49 PTB Apron and ground support service equipment parking area of about 23,400 sq. m. He also stated that the airside development includes ARFF access roads, GSE movement roads and perimeter roads.

He further submitted that, in order to operationalise the proposed northern airside infrastructure, several navigational, technical and support facilities would also be required, including glide path huts, localizer huts, PAPI, SMR, DVOR, VHF, CAT-I AGL, MET hut, ARFF stations, airside-landside boundary wall, cooling pit, engineering building, MT workshop, solid waste handling facilities and gate houses.

Mr. Kadhiravan also explained the proposal for an elevated cross taxiway connecting the southern airfield and the northern airfield. He submitted that the said cross taxiway would consist of a pair of taxiways for Code E/F aircraft and necessary GSE movement service roads, with a length of about 650 meters and width of about 200 meters, and would cross the main access road of the airport to connect the southern and northern airfields.

On the landside infrastructure, Mr. Kadhiravan submitted that the proposed development would include an ATC technical building of about 4,400 sq. m., landside support buildings including AEP, police outpost and drivers' rest area of about 3,000 sq. m., departure ramp, arrival ramp, circulation roads and associated landside infrastructure.

He also submitted that the proposed passenger terminal building facilities would include 4 entry gates, 112 check-in counters, 16 ATRS, 30 emigration counters, 19 passenger boarding bridges, 7 bus gates, 8 baggage claim belts and 30 immigration counters.

Mr. Kadhiravan submitted that the total estimated capital expenditure for the proposed expansion during the 4th Control Period is Rs. 13,548 crores, comprising Rs. 5,028 crores towards the northern runway and associated airside works, Rs. 7,456 crores towards the northern passenger terminal building, and Rs. 1,064 crores towards airport connectivity and transport. He further submitted that the expected date of capitalisation of the major expansion works is September 2029.

Mr. Kadhiravan also stated that the airport operator is working in coordination with the State Government to improve airport connectivity, including through proposed metro connectivity to the airport.

Mr. Anand Kumar P, CFO, GHIAL, was then invited to continue with the presentation.

21.12 **GHIAL's observation on the Consultation Paper**

Mr. Anand Kumar P thanked the Chairperson, Member, Secretary and other officers of the Authority and appreciated the thorough evaluation of the Capex proposals, by AERA through its respective consultants. He stated that the proposals had been examined and cross-verified in terms of utility and existing capacity, and that GHIAL is now looking forward to creation of further capacity in line with the airport's projected requirements.

Mr. Anand addressed the financial and regulatory aspects of the proposal. He submitted that the Hon'ble TDSAT judgment dated 14.02.2024 in the case of GHIAL has not been given effect to by the Authority on account of the matter being under appeal before the Hon'ble Supreme Court. He requested that effect may be given to the said TDSAT Order while determining tariff and submitted that, in the event the Hon'ble Supreme Court subsequently modifies or overturns the said Order, any excess recovery arising therefrom may be trued up.

With regard to the proposed user-pay / incremental ARR approach, Mr. Anand Kumar P submitted that while GHIAL appreciates the underlying rationale of aligning tariff recovery with usage of assets, implementation of the said approach in the present regulatory framework gives rise to certain practical and financial challenges. He submitted that where major assets are put to use and capitalised towards the latter part of the five-year Control Period, immediate recovery of associated costs at that stage may result in a sharp increase in tariffs.

Mr. Anand further submitted that the identified high-capex projects proposed to be covered under the user-pay approach by the Authority include the Northern Passenger Terminal Building and the Northern Precinct airside works, which are expected to be put to use in FY'29. He submitted that under the proposed approach, the revenue per passenger may increase sharply post-capitalisation, whereas under the existing regulatory philosophy the increase in tariff would be more gradual.

He submitted that deferring recovery under the user-pay approach may appear user-protective in the short term but may result in tariff shock in the latter years of the Control Period, apart from increasing financing burden, reducing tariff predictability, affecting internal accruals and creating regulatory uncertainty. He further submitted that any significant departure from established regulatory principles may also have implications for investor confidence and long-term financing arrangements.

21.13 **GHIAL's Key Proposals**

Mr. Anand Kumar P made the following four specific submissions to the Authority:

(i) **Incremental ARR Approach**

Mr. Anand requested the Authority to continue the existing regulatory philosophy, having equated yield subject to true-up, so as to avoid tariff shock to airlines and passenger's post-capitalisation. In the alternative, he requested that, since the concept is being introduced for the first time, the same may initially be implemented only partially, such as through a 50% implementation of the proposed incremental ARR approach.

He further submitted that, to avoid tariff shock and to facilitate funding of the proposed expansion plans, the Authority may consider continuing at least the existing tariff at Hyderabad Airport. He also requested that the process timelines for considering incremental ARR may be advanced so as to allow the airport operator to apply for tariff revision at least three months prior to capitalisation of the relevant assets.

(ii) **Tariff Rate Card**

Mr. Anand Kumar P requested that, if the user-pay principle is retained, the Authority may publish the aeronautical tariffs including the impact of capitalisation of high-value projects while issuing the Tariff Order, so as to provide visibility to airlines and passengers.

Mr. Anand Kumar P also explained GHIAL's tariff proposal and submitted that the airport operator has proposed to levy User Development Fee (UDF) on both departing and arriving passengers. He stated that the proposed structure would result in a reduction of about 23% in the existing departing UDF for both domestic and international passengers, while introducing UDF on arriving passengers so that the overall fee charged per passenger remains the same as under the existing tariff structure. He further submitted that landing charges have been proposed at existing rates and parking charges have been kept unchanged for both domestic and international flights. He also submitted that Variable Tariff Plans have been proposed for both passenger and cargo flights.

(iii) **Traffic Projection**

With regard to traffic projections, Mr. Anand Kumar P submitted that the traffic considered by the Authority in the Consultation Paper was based on facts prevailing at the relevant time; however, certain developments, including disruption of traffic on account of specific incidents, route rationalisation and geopolitical developments, had adversely impacted traffic. He therefore requested the Authority to consider revised traffic projections and corresponding Annual Tariff Proposal, if submitted.

(iv) **Non-Aeronautical Revenue**

On non-aeronautical revenue, Mr. Anand Kumar P submitted that the Authority had subjected the projected non-aeronautical revenue to a minimum threshold as per its projections. He submitted that such revenues are dependent on several external and ecosystem-related factors beyond the sole control of the airport operator and accordingly requested that the actual non-aeronautical revenue generated may be considered while undertaking the true-up in the subsequent Control Period.

22. Mr. Anand Kumar P concluded the presentation by thanking the Authority and submitted that GHIAL remains committed to working with the Authority and stakeholders to evolve a fair, transparent and balanced approach that supports airport development, protects user interest.

23. Thereafter, Chairperson, AERA asked Director (Tariff)-1 to conduct the proceedings by requesting each of the participating stakeholders to share their comments, views, suggestions on the Consultation Paper.

24. Director (Tariff)-I, AERA, explained that the meeting is being conducted in hybrid mode, with stakeholders participating both physically and online. He requested participants to share their views/comments in the following sequence: first, airport operators and airport associations; thereafter, airlines and airline associations; followed by independent service providers; industry bodies; and finally, passenger associations and other stakeholders.

25. **Submissions by Stakeholders**

Airport Operators

(i) **Delhi International Airport Limited (DIAL)**

Mr. Pradeep Panicker thanked the Authority for the opportunity to present his views. Referring to the proposed capital expenditure of Hyderabad Airport, he submitted that while the Capex had been grouped into broad buckets in the presentation, in reality the same would comprise numerous smaller packages of assets, varying significantly in value. He stated that the actual capitalisation schedule of such assets may not be uniform and may involve multiple dates of capitalisation.

Mr. Panicker submitted that if the proposed user-pay / incremental ARR approach is applied in a rigid manner to each capitalisation event, it may result in a situation where tariff revisions would be required on numerous occasions during the Control Period, which may become difficult to administer. He stated that, in the present case, the proposals had been presented in terms of major items such as the new terminal building and the new runway, but if the same principle were to be extended to multiple individual assets in future, the tariff framework could become unduly complex.

Chairperson, AERA clarified that in the present case, the Authority's proposal was confined only to two select major Capex items, i.e. new terminal building and the new runway & its associated works, which together constitute a substantial portion of the 4th Control Period Capex and which are proposed to be capitalised in the latter half of the Control Period. The baseline approach adopted in the Consultation Paper already takes into account the other Capex items under the usual treatment and that the proposed incremental ARR mechanism has not been envisaged for every minor capitalisation event. He further stated that the approach has been proposed keeping in view the scale and timing of the identified high-value projects and its impact on the airport tariff and accordingly requested the stakeholder to appreciate the distinction in this regard. The Chairperson, informed that it would be highly appreciated if the specific concerns of the stakeholders are submitted in writing with all requisite supporting details, facts and figures.

Mr. Pradeep Panicker further submitted that Hyderabad Airport appears to have planned the project in a manner intended to maximise throughput from the existing assets without significantly increasing the cost, and therefore the capitalisation of the major projects has been pushed towards the latter part of the Control Period. According to him, if an airport operator is able to create efficiencies by optimising the existing infrastructure, the same merits due recognition in the regulatory approach. He stated that detailed written submissions would be furnished to the Authority.

(ii) **Airports Authority of India (AAI)**

Mr. Rakesh Dembla submitted that AAI is presently studying the Consultation Paper and would submit written comments, if any, within the stipulated time.

(iii) **Noida International Airport Limited (NIAL)**

Ms. Trisha Bedi (online), on behalf of Noida International Airport Limited, submitted that NIAL did not have any comments at this stage. She stated that written comments, if any, would be shared within the due date.

(iv) **Adani Airports**

Mr. Ashu Madan thanked the Authority for the opportunity and appreciated the detailed presentation made by the GHIAL team. He submitted that most of the points which he intended to raise had already been covered by other airport operators. However, he specifically highlighted the issue relating to the timeline for implementation of the user-pay principle.

He submitted that, from a practical standpoint, any tariff revision consequent upon capitalisation of major assets should be initiated sufficiently in advance, particularly because airline tickets are booked several months in advance and frequent or sudden revisions in UDF create reconciliation and implementation issues for airlines and other stakeholders. He accordingly suggested that the implementation timeline may be advanced even further, such as by five to six months, instead of three months, so as to address the practical difficulties faced in implementation.

(v) **Bangalore International Airport Limited (BIAL)**

Mr. Bhaskar Anand Rao thanked the Authority for the opportunity to present his views and complimented Hyderabad Airport on its comprehensive presentation. He also placed on record his appreciation to the Authority for issuing a detailed Consultation Paper and adopting what he described as a progressive and forward-looking consultation process.

He submitted that, while detailed comments would be furnished in writing, he wished to briefly highlight three areas for the Authority's consideration. First, on non-aeronautical revenue, he requested the Authority to reconsider the proposal for prescribing a minimum threshold of non-aeronautical revenue for brownfield airports. He submitted that while such airports may have an established non-aeronautical revenue base, passenger traffic continues to remain outside the control of the airport operator and may be affected by adverse events such as pandemics, geopolitical developments and economic disruption. He therefore requested continuation of the existing regulatory approach in relation to non-aeronautical revenue.

Secondly, on the application of the inflation index, he requested the Authority to consider using the inflation projections contained in the RBI's June 2026 Survey of Professional Forecasters as a more realistic basis.

Thirdly, on the user-pay / incremental ARR approach, he submitted that the matter requires further consultation and a balanced solution that remains fair to airport operators as well as users. In this regard, he suggested that an intermediate mechanism may be considered, such as applying the user-pay principle only to 50% of the relevant Capex, or excluding from its scope such Capex as may be capitalised within the first two to two-and-a-half years of the Control Period. He further requested that the Authority may hold a broader consultation among airports and other stakeholders before finalising any change in this regard.

(vi) **Association of Private Airport Operators (APAO)**

Mr. Satyan Nayar, after complimenting GHIAL on the comprehensive presentation and noting the submissions already made by other stakeholders, submitted that there was little further to add. He, however, requested that while considering the incremental ARR proposal, the Authority may ensure that there is no adverse impact on the cash flows of airport operators, especially during the critical construction phase. He stated that detailed written comments would be submitted within the stipulated timelines.

Airlines and Airline Associations

(vii) **Federation of Indian Airlines (FIA)**

Mr. Ujjwal Dey (online) thanked the Authority for the stakeholder consultation. He submitted that FIA has not yet received comments and inputs from its member airlines and was therefore not in a position to offer detailed comments during the meeting. He stated that FIA would submit its written comments within the stipulated period.

(viii) **IndiGo**

Mr. Sarada Prasanna Khatua (online), on behalf of IndiGo, thanked Hyderabad Airport for the detailed presentation and AERA for giving stakeholders the opportunity to share their comments. He submitted that IndiGo would share its comments separately through e-mail within the stipulated time.

(ix) **Air India**

Mr. Shashi Chetia (online), on behalf of Air India, thanked the Authority for the opportunity to participate and congratulated Hyderabad Airport for the presentation. He stated that Air India had gone through the presentation and the deliberations and would furnish its comments within the stipulated time.

(x) **Blue Dart Aviation**

Mr. Palaniappan (online) was invited to share his views. However, no submission was made during the meeting.

Independent Service Providers

(xi) **AI Airport Services Limited (AIASL)**

Mr. Amol Jamdar, on behalf of AI Airport Services Limited, submitted that AIASL did not have any comments at that stage, but would come back with comments or advice, if any, subsequently.

(xii) **Bird Group**

Ms. Pooja Singh, on behalf of Bird Group, submitted that her organisation would provide its comments in writing.

Industry Bodies

(xiii) **Business Aircraft Operators Association (BAOA)**

Group Captain R. K. Bali thanked the Authority and submitted that the stakeholder consultation meetings are always useful and knowledge-enhancing. On the issue of incremental ARR, he submitted that since the Authority is considering a user-pay philosophy, users should not be required to pay prematurely for infrastructure before the same is available for use.

At the same time, he recommended that the Authority may undertake consultation with airport operators who may be affected by the implementation of the said philosophy, so that their economic and viability concerns are appropriately understood and addressed. He stated that detailed written comments would also be submitted.

(xiv) **International Air Transport Association (IATA)**

Mr. Amitabh Khosla thanked the Authority for inviting IATA and appreciated the work undertaken by AERA in reviewing the tariff proposal and issuing the Consultation Paper for the 4th Control Period. He also appreciated Hyderabad Airport for its collaborative engagement with stakeholders, particularly through the AUCC process.

He submitted that IATA broadly supports the Authority's chosen approach of maintaining the regulatory treatment adopted in the 3rd Control Period until the pending matters before TDSAT and the Hon'ble Supreme Court attain finality. According to him, such an approach protects users from potentially irreversible over-recovery.

Mr. Khosla then made the following submissions:

- **On the incremental ARR approach:** Mr. Khosla submitted that IATA supports the Authority's proposal to adopt the said approach for Hyderabad Airport during the 4th Control Period. He stated that the scale of the proposed capital investment is significant and that if recovered immediately through tariff, it may result in a substantial increase in airport charges before the corresponding capacity and operational benefits are available to users. He stated that this is also consistent with IATA's earlier submissions against front-loading of recovery of substantial capital projects through inclusion in the RAB prior to capitalisation.

Nr

He further submitted that, in the absence of phased terminal development, the proposed incremental ARR mechanism is a useful alternative. However, he added that IATA would also support any mechanism by which the implementation of revised tariff may be advanced once the capital project is ready for commissioning.

- **Capex True-up:** Mr. Khosla also expressed support for AERA's Capex rationalisation in the true-up of the 3rd Control Period. He submitted that while users recognise the significant infrastructure delivered during the period, users should bear only those costs which are efficient, necessary and prudently incurred, and that scrutiny should be undertaken at the project level rather than merely at the aggregate Capex level. He stated that cost overruns arising from scope changes or design modifications should not be passed on to users without due scrutiny.
- **Capex Proposed for 4th CP:** With regard to the Capex proposed for the 4th Control Period, he sought clarification on the assessed capacity of the southern terminal. He submitted that during the AUCC process stakeholders had been given to understand that the enhanced capacity of the southern terminal would be in the range of 46-47 MPPA, whereas the capacity figures referred to in the Consultation Paper appeared to imply a lower effective capacity of around 40 MPPA.
- **O&M Expense and NAR:** Mr. Khosla also supported AERA's proposed reduction of O&M costs. On manpower costs, he noted that manpower hire expenses had exceeded approved levels significantly and submitted that the Authority may examine the key drivers of the increase and ensure that expected productivity benefits from airport expansion and digitalisation are appropriately factored into the future assessment. He further supported the proposed disallowances of legal expenses and also the non-permissibility of shareholder-related strategic management and service fees, stating that such costs should not be recovered from users. He lastly requested continued scrutiny of non-aeronautical revenue elements and related party arrangements so that commercial revenues properly offset aeronautical charges and users benefit from competitive market pricing.

(xv) **Domestic Air Cargo Agents Association of India (DACAAI)**

Mr. Dinesh Kumar, on behalf of the domestic air cargo community, submitted that while domestic cargo stakeholders do not object to expansion in principle, the facilities provided to domestic cargo remain grossly inadequate. He submitted that although domestic cargo accounts for a substantial share of air cargo carriage, the supporting infrastructure has remained neglected. He therefore requested that the Authority may consider constituting a small committee or subcommittee to specifically examine the issues concerning domestic cargo facilities.

He further submitted that one of the major concerns relates to the absence of service-level commitments and the consequent increase in dwell time. According to him, dwell time has increased from earlier levels of about 5 hours to about 11-13 hours, thereby undermining the fundamental value proposition of air cargo as a premium mode of transport.

Chairperson, AERA, clarified that the present consultation meeting had been convened in relation to the Consultation Paper on airport tariff pertaining to aeronautical charges such as landing charges, parking charges, UDF and other associated aeronautical elements. At the same time, the Chairperson welcomed the DACAAI to place on record the issues they wished to raise during the present meeting as well.

Mr. Jude Mario Lewis, also speaking from the Hyderabad cargo perspective, submitted that the domestic cargo associations oppose any increase in tariff, particularly when domestic flight operations and cargo volumes have grown substantially since 2008, but the supporting infrastructure, manpower, equipment and operational efficiency have either remained stagnant or deteriorated. He submitted that no tariff increase can be justified unless measurable improvements in service standards are first achieved.

(xvi) **Customs Brokers' Association, Hyderabad**

Mr. S. Anil Kumar, President, Customs Brokers' Association, Hyderabad, submitted that the Association's concerns were broadly similar to those raised by the domestic cargo stakeholders. He stated that the Association would submit its detailed views in writing (if any).

(xvii) **ICICI Bank**

Mr. Manmohan Dwarkani, on behalf of ICICI Bank, submitted that while examining tariff proposals, the interests of investors and lenders also need to be considered, given that airport projects are significantly funded through debt and other forms of long-term capital. He stated that, from the perspective of cash flow stability, certainty in tariff determination is important since bankers assess long-term projected cash flows based on existing tariff orders and prevailing methodology.

He further submitted that any material revision in methodology should be carefully evaluated from the perspective of debt servicing capability and free cash flow availability, so that airport operators are not exposed to a situation where adverse cash flow timing may affect their financial metrics, credit profile or rating. He also pointed out that tariff uncertainty is often highlighted by rating agencies as a risk factor.

Chairperson, AERA, replied that the concern regarding possible adverse impact on cash flows needs to be well substantiated by detailed, specific and calculation-based submissions showing how the proposals contained in the Consultation Paper particularly regarding 2 identified capital projects under Incremental ARR approach would adversely impact cash flows. Chairperson, AERA, further submitted that a marginal decline in airport charges per passenger in the initial years of a new Control Period, by itself, does not necessarily imply adverse impact on cash flows, especially when the traffic is also increasing. The Authority accordingly invited ICICI Bank and similarly placed stakeholders to furnish targeted written comments with calculations on use cases in order to comprehensively substantiate such concerns.

(xviii) **FICCI**

Mr. Manoj Mehta, Assistant Secretary General, FICCI, thanked the Authority for the opportunity to speak and complimented the airport ecosystem stakeholders, including GHIAL. He submitted that most of the important issues had already been covered by earlier stakeholders. He, however, stated that the issue relating to ARR / incremental ARR requires deeper discussion and also suggested that international practice on the subject may be examined. He stated that FICCI would submit comprehensive comments after discussion with stakeholders.

Passenger Associations and Other Stakeholders

(xix) **Air Travellers Association (ATA)**

Mr. G. S. Bawa, speaking on behalf of the Air Travellers Association (ATA), thanked the Authority for inviting passenger representatives and acknowledged the extensive work undertaken by AERA in preparing the Consultation Paper. He stated that ATA supports AERA's efforts towards ensuring affordable skies for travellers.

He submitted that, while Hyderabad Airport has projected a strong vision of economic growth and expansion, tariff determination must remain grounded in the law and in protection of passenger interests. He emphasised that airport investment should be balanced against affordable and viable operations for the public in accordance with the statutory framework.

Mr. Bawa stated that ATA supports the principle that passengers should not be required to pre-pay for large future infrastructure through front-loaded charges. According to him, if a specific charge is collected from present passengers for future infrastructure, such passengers can never practically be tracked and refunded later if the infrastructure gets delayed or deferred to next control period. He therefore supported the user-pay principle and its strict enforcement through an incremental ARR approach.

He also opposed the recovery of historical claims from current passengers and submitted that legacy claims dating back many years should not be loaded onto today's users. He further submitted that any surplus or over-recovery identified in previous Control Periods should be strictly carried forward for the benefit of users in the current Control Period.

Mr. Bawa also raised certain service quality concerns specific to Hyderabad Airport. He submitted that although the airport is generally regarded as efficient, there are processing bottlenecks and crowd management concerns, particularly arising from the large number of remote stands and the resulting busing operations. According to him, terminal expansion alone would not improve passenger experience unless such layout and processing bottlenecks are also addressed. He accordingly urged that passenger comfort and service standards be prioritised.

He further submitted that productivity and efficiency should be rewarded while inefficiency should be penalised, and suggested that there should be stronger linkage between the airport operator's permitted financial yield and compliance with service quality commitments. He also suggested that a consultative process may be evolved, under the aegis of the Authority, for taking up issues relating to dwell times and inter-agency passenger processes. He concluded by urging the Authority to scrutinise more deeply what he described as unnecessary mega-Capex, reject historical claims and safeguard the passengers' wallet.

(xx) **Centre for Civilisation Study**

Mr. Prakash Chandra Sharma thanked the Chairperson, Members and officers of AERA for organising the consultation in a transparent and consultative manner. He submitted that while the operator had made an elaborate presentation, greater emphasis should have been placed on the passenger-first approach and the benefits being passed on to common users.

He submitted that certain broader public policy considerations, including the airport operator's monopoly position, land support arrangements and the current level of airport charges, should be kept in view while examining the tariff proposals. He also raised a query regarding the cost of debt and sought to know how the benefits of favorable economic conditions and airport growth are being passed on to ordinary passengers.

(xxi) **Lord Krishna Productions**

Mr. Rajesh Singhal submitted that while the airport had referred to renewable energy, water conservation and other sustainability initiatives, it would be useful to understand the extent to which such initiatives translate into tariff benefits for users. He also raised issues relating to passenger convenience and "customer delight", particularly with regard to long walking distances and pick-up/drop-off arrangements for senior citizens and differently abled passengers, as well as limited trolley availability. He accordingly enquired whether the airport had undertaken any survey or assessment to understand what passengers expect in terms of convenience and customer experience.

(xxii) **Other Individual Participants**

Mr. Sujit Kumar, speaking as a passenger, appreciated the detailed presentation made by Hyderabad Airport and submitted that, considering the growth trajectory of the region and the strategic importance of southern India, the passenger traffic projections put forward by the airport operator appeared to be broadly reasonable. He further submitted that, not being an industry expert, he was still in the process of studying the Consultation Paper in detail and would endeavour to submit his comments to the Authority in writing before the stipulated date.

Concluding Remarks by Member

26. Member-I, AERA, thanked all stakeholders for their participation and acknowledged the detailed presentation made by GHIAL. She mentioned about the diverse views that were expressed in today's consultation meeting and confirmed that the Authority would consider all submissions before arriving at its decision.

She observed that Hyderabad Airport has emerged as the fourth largest airport in the country in terms of passenger traffic and has recorded significant growth over the years, handling about 30.48 million passengers in FY'26. She further noted that the airport is poised for further growth and, as projected by the airport operator, may reach about 51.50 million passengers in the coming years, though GHIAL has indicated that a revision in the traffic projections may be submitted.

She also noted that Hyderabad Airport has increasingly emerged as a hub airport, as reflected in the growth of transit traffic. In this regard, she observed that transit traffic had increased from about 9% in FY'15 to about 26% in FY'25, thereby highlighting the growing strategic importance of the airport.

She stated that the Authority had undertaken an in-depth, detailed and prudent analysis of the Multi-Year Tariff Proposal submitted by GHIAL. She further stated that, for this purpose, the Authority had engaged consultants, including PwC for review of the MYTP and RITES for evaluation of the Capex proposals, and that the resulting Consultation Paper was comprehensive and detailed.

Member, AERA, further highlighted that the Consultation Paper had been prepared after a thorough examination of each building block of the tariff determination exercise and that the Authority follows a robust methodology in this regard. She stated that the consultation process is intended to provide a platform to all stakeholders to place their views on record, and noted that the deliberations held during the meeting had been useful and fruitful.

She requested all stakeholders to submit their detailed written comments by 20.07.2026, so that the same may be duly considered by the Authority while arriving at an informed, balanced and equitable decision.

ML

Member, AERA, further observed that the Authority's regulatory philosophy is guided by three broad objectives, namely, ensuring the economic viability, facilitating investment in airport infrastructure, and at the same time ensuring that airport tariffs remain reasonable for users.

She stated that it is in that background that the proposed new approach, including the incremental ARR mechanism, had been introduced and placed for stakeholder consultation. She noted that the said approach had already been discussed at length during the present meeting as well as during the BIAL stakeholder consultation meeting, and views had been received on the same.

She accordingly emphasised that the Authority would require specific and reasoned comments from stakeholders on the proposed approach, so as to enable further deliberation before a final view is taken. She concluded by once again thanking all the participants for taking part in the consultation meeting and stated that the Authority looked forward to receiving their written submissions.

Concluding Remarks by Chairperson, AERA

27. Chairperson, AERA, thanked all participants for their proactive participation. He stated that several important comments, suggestions, views and requests have been received during today's deliberations with the stakeholders on the Consultation Paper of GHIAL for the 4th Control Period as well as on the presentation made by the Airport Operator. All submissions made in today's interaction and deliberation have been taken on record. He then made the following observations:

    (i) He acknowledged that the present consultation had taken place shortly after the stakeholder consultation meeting in respect of Bengaluru Airport and that, broadly, the pattern of issues emerging in the two consultations was similar. He noted that in the present meeting also, a significant focus of the deliberations had been on the proposed new approach, i.e. the incremental ARR mechanism, and that several valuable and pertinent points had been raised by the stakeholders in that regard.

    (ii) With regard to the proposed incremental ARR approach, the Chairperson invited stakeholders to provide detailed well substantiated comments particularly on its implementation mechanism. He stated that the Authority's objective is to ensure that the new approach does not cause any undue difficulty to airport operators. He requested that stakeholders who have concerns about funding costs, regulatory certainty or possible tariff shocks should not only explain the issues with facts and figures but also suggest workable and viable solutions. He noted that while there could be reservations on the proposed methodology, the stakeholders at the same time may appreciate the core principle embedded in the new approach and suggest possible ways to address the concerns in taking it forward. The Chairperson further encouraged financial institutions and other stakeholders to submit analytical studies, use-cases and calculations, wherever possible, to demonstrate the likely impact of the proposed approach on the economic viability of the airport.

He stated that such evidence-based inputs would help the Authority in taking an informed decision.

(iii) The Chairperson requested all the concerned stakeholders, including those who may not have been able to offer detailed views during the meeting, to avail of the opportunity of submitting their written comments by 20.07.2026. He stated that the Consultation Paper is available on the Authority's website and that stakeholders may examine the same in further detail and submit their comments freely and frankly.

(iv) He further noted that Hyderabad is a very important airport and is emerging, along with Bengaluru, as a major hub in southern India. He observed that tariff determination for Hyderabad Airport therefore has considerable significance in the overall civil aviation ecosystem.

In the end, the Chairperson stated that all the issues raised, in today's consultation have been noted and he requested all the stakeholders to also submit, without fail, their written comments/views/suggestions within the stipulated timelines i.e. by 20.07.2026. Chairperson further reiterated that the issues raised in today's consultation as well as the written comments received by the stipulated timelines would be examined on merit for appropriate necessary action before the issuance of the final Tariff Order.

The meeting concluded with a vote of thanks.

(Ram Krishan) 9/7/2026
Director (Tariff)-I

LIST OF PARTICIPANTS

Part A: Airports Economic Regulatory Authority of India (AERA)

S. No.	Name	Designation
1.	Shri S.K.G. Rahate	Chairperson
2.	Ms. V. Vidya	Member
3.	Mr. Suyash Narain	Secretary
4.	Mr. Ram Krishan	Director (Tariff)-I
5.	Mr. Mukesh Wadhwa	Director (Tariff)-II
6.	Mr. Rajan Gupta	Jt. GM (Finance / Tariff)
7.	Mr. Inderpal Singh	Under Secretary
8.	Ms. Sanyukta Rana	Under Secretary
9.	Ms. Shreya Sharma	Bench Officer
10.	Ms. Laxmi	Manager (Tariff)
11.	Mr. Partha Sen	Senior Consultant
12.	Mr. Shashi Kumar	Junior Research Associate

Part B: Offline Participants (Physical Attendance)

S. No.	Stakeholder / Organisation	Name	Designation
1.	GMR Hyderabad International Airport Ltd. (GHIAL)	Mr. Narayana Rao Kada	Group Deputy Managing Director
2.		Mr. Kadhir Kadhiravan	CEO
3.		Mr. Gadi Radha Krishna Babu	CFO
4.		Mr. Harsh Gulati	EVP, Regulatory
5.		Mr. Anand Kumar P	CFO
6.		Mr. Vivekananda Nayak	CFO
7.		Mr. Jangalaplle Srikrishnamohan Reddy	
8.		Mr. NGK Murty	-
9.		Mr. Peeyush Naidu	
10.	Delhi International Airport Limited	Mr. Pradeep Panicker	CEO
11.	Airports Authority of India (AAI)	Mr. Rakesh Dembla	Jt. GM (Finance)
12.	Adani Airports	Mr. Ashu Madan	Head Regulatory
13.		Mr. Nilesh Sodhani	AGM Regulatory
14.		Mr. Chirag Parmar	Senior Manager
15.	Bangalore International Airport Ltd.	Mr. Bhaskar Anand Rao, CFO	CFO
16.		Mr. Shobhit Agarwal	VP
17.		Mr. Bhaskar Venkatramani	GM
18.		Mr. Sanjiv Rana	GM
19.		Mr. Rahul Joshi	
20.	Bird Group	Ms. Pooja Singh	
21.	International Air Transport Association	Mr. Amitabh Khosla	Country Director
22.		Mr. Ujjwal Bakshi	Industry Affairs Manager
23.	Business Aircraft Operators Association (BAOA)	Group. Capt. R. K. Bali	Managing Director

S. No.	Stakeholder / Organisation	Name	Designation
24.	Air Travellers Association (ATA)	Mr. G S Bawa	Secretary General
25.	Association of Private Airport Operators (APAO)	Mr. Satyan Nayar	Secretary General
26.	Center for Civilisational Study	Mr. Prakash Chandra Sharma	Vice President
27.		Mr. Nitin Sharma	Executive Council Membe
28.	FICCI	Mr. Manoj Mehta, Astt. Secretary General	Assistant Secretary General & Head
29.	Domestic Air Cargo Agents Association of India (DACAAI)	Mr Sunil V.	Vice President
30.		Mr Jude Mario Lewis	Joint Secretary
31.		Mr Dinesh Kumar	IAP, Hony. Secretary
32.	ICICI Bank	Mr. Manmohan Dwarkani	Zonal Head – Corporate Banking
33.		Mr. Mayank Goel	
34.	Lord Krishna Productions	Mr. Rajesh Sehgal	Director
35.	Passenger	Mr. A K Raman	
36.	Passenger	Mr. Sujit Kumar	
37.	M/s PricewaterhouseCoopers (PwC)	Mr. Sahil Mahajan	Partner
38.		Mr. Rahul Varshney	Associate Director

Part C: Online Participants

S. No.	Stakeholder / Organisation	Name
1.	Noida International Airport Limited (NIAL) – Jewar Airport	Ms. Trisha Bedi
2.		Mr. Gautam Garyali
3.	GMR Group	Mr. Rajat Jain
4.	GHIAL	Mr. Shubhankar Bose
5.		Mr. VR Chowdary
6.	AAHL	Mr. Harish Srivastava
7.		Mr. Paritosh Kumar
8.	Federation of Indian Airlines (FIA)	Mr. Ujjwal Dey, Director
9.	Indigo	Mr. Sarada Prasanna Khatua
10.	Air India	Mr. Shashi Chetia
11.		Mr. Sunil Joshi
12.	AI Airport Services Limited (AIASL)	Mr. Amit Toraskar, Sr. AGM-GH
13.		Mr. Amol Jamdar, Sr. AGM-GH
14.	Blue Dart Aviation	Mr. Palaniappan
15.	FIEO, Telangana	Mr. R. Kulkarni
16.	Customs Brokers' Association Hyderabad	Mr. S. Anil Kumar – President
17.		Mr. K. Vijay Kumar – General Secretary
18.	M/s PricewaterhouseCoopers (PwC)	Mr. Anmol Shankar
19.		Mr. Saurav Kumar
20.		Mr. Vishal Sadangi
21.	M/s RITES Limited	Mr. Anil Aswani
22.		Mr. Vivek Kumar

S. No.	Stakeholder / Organisation	Name
23.		Mr. Prasad Deshmukh
24.	M/s PKF S&S	Ms. Seethalakshmi. M
25.		Ms. Devi Prasad Tulasi
26.	Other Online Attendees	Mr. Hitesh Jain
27.		Mr. Subha
28.		Mr. Ankit Shrivastava
29.		Ms. Ankita