

DC SQUARE

CAPITAL

RESEARCH — AVIATION INFRASTRUCTURE

Indian Airport Infrastructure Outlook 2026

A DC SQUARE INVESTMENT PERSPECTIVE

An institutional examination of India's airport ecosystem, its capital structure, and the investment characteristics of operating airport assets.

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Executive Summary

India is building airport capacity faster than it ever has. That part isn't in question. The more useful question is how capital actually gets deployed into that build-out today, and where the gaps in that access are.

The number of operational airports in India has more than doubled since 2014, from 74 to 163. Two new greenfield airports — Navi Mumbai and Noida International (Jewar) — opened in the past eight months alone, and a second-phase government programme has already cleared eleven more AAI-run airports for private leasing. Here's the thing roads have that aviation doesn't: a securitised market. India's road sector built an InvIT structure that lets institutional capital buy a direct claim on completed assets (see our Highway Infrastructure Outlook). Aviation has no equivalent. Right now, if you want exposure to Indian airports, you're going through two private operators — GMR and Adani — and their own equity and debt. That's it.

2026 has also been a rough year operationally, and we're not going to pretend otherwise. A scheduling crisis at India's largest airline shut down parts of the network for ten days in December 2025. A fuel price shock tied to the West Asia conflict pushed the whole sector toward an estimated net loss for the fiscal year. Both of those are in this report because they're real, not because we found a way to explain them away.

Our conclusion, in Section 11: the interesting opportunity isn't generic exposure to airlines or airports. It's the specific capital and expertise gap behind the build-out — and that gap is real enough, and early enough, that it's worth understanding properly now rather than once everyone else has noticed it too.

163

Operational airports, up from 74 in 2014

₹1 lakh cr+

Airport capex expected over the next 4-5 years

8

Airports already under long-term private concession

Source: Ministry of Civil Aviation; DGCA; CRISIL; ICRA, 2026.

A NOTE ON HOW TO READ THIS REPORT

Statements of fact are supported by the sources cited alongside them. Statements introduced as "DC Square analysis" or "in our view" reflect our own interpretation and are not independently verified third-party data. Any numerical example explicitly labelled "illustrative" is hypothetical and does not represent an actual asset, transaction, forecast or expected return.

Sector Overview

The Airports Authority of India (AAI) manages 126 airports directly — 11 international, 89 domestic, and 26 civil enclaves at defence airfields — and posted a net profit of ₹3,257 crore in FY24, its highest in eight years, driven substantially by rising concession fees from airports it has already privatised.¹ That profitability is direct evidence that airport monetisation, where it has occurred, has worked financially for AAI as the asset owner.

The greenfield wave

Navi Mumbai International Airport began commercial operations on 25 December 2025. Noida International Airport (Jewar) — built at a cost of approximately ₹11,200 crore — had its Phase 1 inaugurated on 28 March 2026, with an AERA-approved user development fee roughly four times Delhi's.² Bhogapuram (Andhra Pradesh) and Parandur (Chennai) are next in the greenfield pipeline.

The regional build-out

Beneath the greenfield headlines, a quieter regional expansion is underway: Bihar alone approved six new regional airports since 2025 and inaugurated Purnea airport in September 2025.³ This pattern of tier-2 and tier-3 cities gaining genuine airport infrastructure, not just UDAN flight connectivity, is being repeated across several states and is, in our assessment, a structural rather than cyclical driver of long-run demand for airport-adjacent capital.

DC SQUARE ANALYSIS

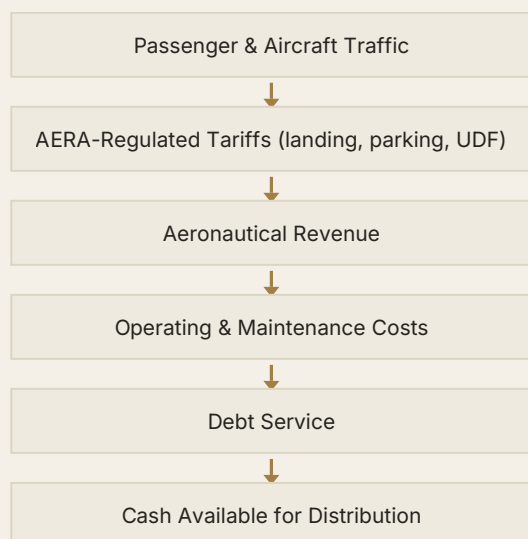
Unlike roads, where the investable opportunity today sits mainly in brownfield operating assets, aviation remains in an active, multi-site construction phase. This changes the shape of the opportunity: a larger share of near-term capital need is in financing and expertise for the build-out itself, discussed in Section 5, rather than in acquiring already-completed cash-generating assets.

Airport Asset Economics

An operating airport generates cash from two structurally different revenue streams, and how an investor should think about each differs meaningfully.

A. Aeronautical revenue

Aeronautical revenue — landing charges, parking charges, and the user development fee (UDF) — is regulated by the Airport Economic Regulatory Authority (AERA), which sets or approves tariffs for major airports on a periodic basis. This gives aeronautical revenue more predictability than a purely market-set price, but it is not free of risk: tariff orders are periodically revisited, and a tariff revision can move revenue sharply in either direction, as Delhi's 178% aeronautical revenue increase in FY26 demonstrates (Section 5).

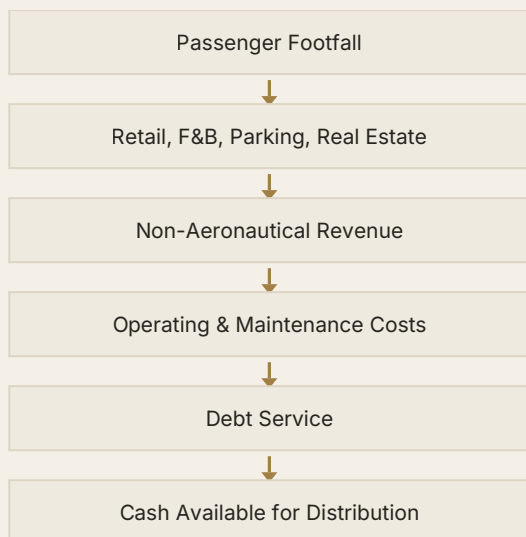


Traffic volume still matters even where tariffs are regulated, since landing and parking charges are generally levied per movement or per passenger. Aeronautical cash flow is therefore best understood as regulated-price, traffic-linked revenue — a different risk profile from both a pure toll road and a pure HAM annuity.

Illustrative aeronautical revenue cash flow. DC Square illustration; not specific to any asset.

B. Non-aeronautical revenue

Non-aeronautical revenue — retail, food and beverage, parking, real estate and cargo handling — is not tariff-regulated in the same way and has been the primary driver of margin improvement at both major listed operators as their airports have matured (Section 5).



Because this revenue is driven by passenger footfall and discretionary spend rather than a regulated tariff, it carries more operating leverage — it can grow faster than traffic in a maturing airport, but is also more exposed to a downturn in passenger volumes or spending than regulated aeronautical revenue.

Illustrative non-aeronautical revenue cash flow. DC Square illustration; not specific to any asset.

ILLUSTRATIVE ASSUMPTION

The diagrams above describe a generic revenue structure for educational purposes. They are DC Square illustrations, not a representation of any specific airport or concession agreement.

Policy & Concession Framework

India's approach to airport monetisation follows a broadly similar logic to the road sector's National Monetisation Pipeline, but remains several years behind it in structural maturity — a gap this report treats as opportunity rather than weakness, given how much value the road sector's own monetisation programme has created for early participants (see our Highway Infrastructure Outlook).

The airport investment lifecycle

A precise point underlies this report: **a PPP concession determines how an airport is financed and delivered; it is not, today, connected to a securitised post-construction investment vehicle the way roads now have in InvITs.** Capital currently reaches operating airports through private operator equity and debt — a materially different, and less liquid, route than the road sector's InvIT structure.



The Airport Investment Lifecycle. DC Square illustration, based on AAI and MoCA regulatory disclosures.

AAI direct operation, PPP concession, and the InvIT gap compared

	AAI DIRECT OPERATION	PPP CONCESSION (BOT-STYLE)	AIRPORT INVIT
Primary purpose	Direct public operation	Long-term private operation and monetisation	Securitised ownership vehicle — established for roads, not yet replicated in aviation
Construction / expansion risk	Borne by AAI / government	Borne by concessionaire	Not applicable — no such vehicle currently exists
Traffic risk	Borne by AAI	Borne by concessionaire, within AERA-regulated tariffs	Not applicable
Capital provider	Government	Private concessionaire (equity and debt)	Not applicable
Revenue mechanism	Aeronautical and non-aeronautical revenue collected by AAI	Aeronautical (AERA-regulated) and non-aeronautical revenue; revenue share to AAI	Not applicable
Investor exposure	None	Indirect, via listed or private operator equity and debt	None currently — the structural gap this report examines

Source: Ministry of Civil Aviation; AERA; DC Square analysis of publicly disclosed concession structures. The "Airport InvIT" column describes a structure that does not currently exist in the Indian aviation sector and is included for comparison with the road sector only.

From four privatised airports to a structured pipeline

India's airport privatisation began with 2006 concessions for Delhi and Mumbai, followed by a 2019 award of Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati and Thiruvananthapuram to Adani — giving India 8 airports under long-term private concession by the mid-2020s.⁴ The current phase, NMP 2.0 (FY2026-30), targets 26 AAI-run airports for monetisation, with 11 already grouped into bundles pairing larger airports with smaller ones to make weaker assets commercially viable to bidders.⁵

What the budget signals about the state's own appetite

The Ministry of Civil Aviation's FY2026-27 allocation was ₹2,102.87 crore — essentially flat year-on-year and below FY2024-25 actuals — of which only ₹45 crore was capital expenditure against ₹2,057.87 crore of revenue expenditure.⁶ As with roads, we read this as a deliberate structural signal: government is not positioning itself to fund airport capacity growth directly, but to enable private and eventually institutional capital to do so.

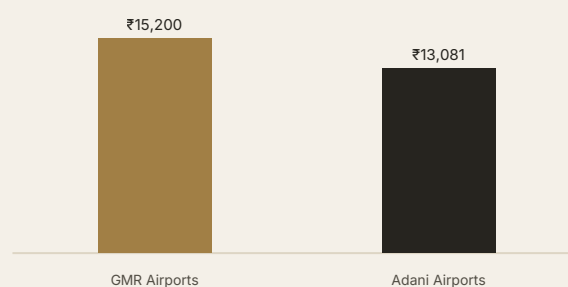
Capital, Operators & the Absence of a Securitised Market

Two large private operators – GMR and Adani – are, today, the primary route through which capital reaches Indian airports. Both have only recently turned durably profitable, which is itself a significant data point for how this market is maturing.

Two operators, two different trajectories

	GMR AIRPORTS	ADANI AIRPORTS
FY26 passengers	114.6 million	95.3 million
FY26 revenue	₹15,200 cr	₹13,081 cr
FY26 profit	₹472 cr	₹1,427 cr
Prior year	Loss-making for a decade	₹5 cr loss

FY26 revenue (₹ crore)



Source: FY26 operator results, quartr.com; company disclosures.⁷

GMR posted its first full-year profit in over a decade in FY26, driven substantially by a Delhi tariff revision that lifted aeronautical revenue 178%. Adani swung from a small loss to a ₹1,427 crore profit.⁷ Read together, this is the clearest evidence yet that Indian airport concessions can generate durable earnings once past their initial capital-intensive build phase.

A NOTE ON PUBLIC MARKET ACCESS TODAY

FACT, NOT DC SQUARE ANALYSIS

Public equity exposure to Indian airport operators already exists in listed form — GMR's airport business is held within a listed corporate structure on Indian exchanges. This is corporate equity exposure to a diversified, leveraged operating company, not an asset-level claim on a specific airport's cash flows of the kind an InvIT structure provides in roads. We are not aware of a road-InvIT-equivalent structure for Indian airports as of the date of this report.

Why the capital and expertise gap matters here specifically

Three factors make the case for additional capital and expertise more pressing in aviation than it was, at an equivalent stage, in roads:

- **Technical and MRO expertise.** India's MRO capacity has grown from 96 to 166 facilities since 2014, aided by a 2024 IGST reform, but the country remains structurally dependent on foreign OEM partnerships and technical expertise to service its growing fleet.⁸

- **Capital intensity at the greenfield stage.** Jewar alone required approximately ₹11,200 crore before generating revenue — a scale of upfront capital that, in other markets, has typically drawn sovereign wealth funds and global infrastructure specialists, and that Indian domestic capital pools alone may not comfortably absorb across several simultaneous greenfield projects.
- **Precedent from roads.** When Indian road assets reached a comparable inflection point — demonstrated operator profitability, a maturing regulatory framework — Macquarie, CDPQ and Canadian and Ontario pension funds became anchor investors, first through direct concessions and later through NHIT. We see no structural reason aviation could not follow a similar path as its operators mature, though we are not aware of a committed timeline for this to occur.

DC SQUARE ANALYSIS

India has demonstrated demand, an active greenfield pipeline, and now two operators with genuine earnings track records. What it does not yet have is a mature, liquid capital structure — comparable to the road sector's InvIT market — to channel outside capital into airport assets at the asset level. In our view, that gap is itself the opportunity, addressed further in Section 11.

India's Airport Operator Landscape

Because no InvIT-style market map exists for Indian airports, this section instead sets out the operator landscape as it stands — the structural equivalent, for aviation, of the road sector's InvIT market map.

OPERATOR	STRUCTURE	KEY AIRPORTS	FY26 STATUS
GMR Airports	Listed corporate group (airport business held within listed structure)	Delhi, Hyderabad, and others	First full-year profit in a decade; ₹472 cr
Adani Airports	Part of the Adani group structure	Mumbai, Ahmedabad, Lucknow, Jaipur, Guwahati, Mangaluru, Thiruvananthapuram, Navi Mumbai	Swung to profit; ₹1,427 cr
AAI (direct operation)	Government-owned	126 airports, including all not yet monetised under NMP/NMP 2.0	₹3,257 cr net profit, FY24

Source: Company FY26 disclosures; AAI FY24 results; Ministry of Civil Aviation.^{1,7} Precise corporate/listing structure of each operator's airport business should be confirmed against each company's own filings before use in any investor-facing context.

SCOPE NOTE

This table describes the operator landscape as we understand it from public disclosures; it does not constitute a recommendation regarding, or endorsement of, any listed security. We have not independently verified every detail of each operator's corporate or listing structure and readers should confirm current details before relying on this table.

Demand Drivers

Passenger and cargo growth in Indian aviation remain driven by rising incomes, urbanisation and connectivity demand — drivers we consider structural rather than dependent on any single year's operating conditions.

Passenger traffic

Domestic passenger traffic reached 281.78 million in the April-January period of FY26 alone, up 1.9% year-on-year despite the disruptions covered in Section 8; international traffic grew 7.2% to 68.71 million over the same period.⁹ ICRA's pre-disruption estimate for full-year FY26 airport passenger traffic was 440-450 million; following the fuel shock and IndiGo crisis, ICRA has since trimmed its FY27 domestic growth estimate to 3-6%, from an earlier 6-8% — a meaningful downward revision, though still growth, not contraction.¹⁰

Cargo: the faster-growing, less-discussed opportunity

India's air cargo market, currently 3.6-3.9 million tonnes annually, is projected to reach approximately 10 million tonnes by the early 2030s.¹¹ Delhi handles roughly 30% of national cargo volume; Hyderabad has become the preferred pharma and cold-chain gateway. FedEx's approximately ₹25 billion investment in an automated cargo hub at Navi Mumbai is a concrete, capital-backed signal that global logistics operators already view India's air cargo growth as investable at scale.

~10 MMT

Projected India air cargo volume by
2030-2034

166

MRO facilities, up from 96 in 2014

+7.2%

International passenger traffic growth,
Apr-Jan FY26

Source: DGCA; Indian Infrastructure; IBEF, 2026.^{9,11}

Risk Factors

Two real shocks hit Indian aviation in 2026. We're putting both up front, not in a footnote.

Airline concentration risk

In December 2025, one airline's failure to adjust to new crew rest-time rules cancelled roughly 4,500 flights over ten days and affected more than a million passengers.¹² The bigger story wasn't the ten days — it was what the episode revealed: a single airline holds 60-65% of the domestic market, and when that airline stumbles, the disruption flows straight through to every airport's traffic and revenue.

Fuel price shock and its knock-on effects

Global jet fuel prices rose nearly 100% in about a month — late February to late March 2026 — as the West Asia conflict escalated.¹³ A ₹10,000 crore government stabilisation fund helped, but not enough: ICRA cut its sector outlook to Negative and now expects the industry to lose ₹32,000-34,000 crore this fiscal year.¹³

Airport revenue isn't insulated from airline distress

Airport operators earn aeronautical revenue from airline traffic and non-aeronautical revenue from passengers who are only there because an airline flew them in. If airlines keep losing money and start cutting routes to protect margins, that hits airport revenue directly — even at an airport where underlying demand is genuinely strong.

Counterparty and revenue-share risk

PPP concessions come with a revenue share back to AAI and periodic AERA tariff reviews, which means an operator doesn't fully control its own pricing the way an unregulated business would. GMR benefited from a tariff revision at Delhi in FY26. The next review at any given airport could just as easily go the other way.

Refinancing and duration risk

Airports are decades-long assets. The debt financing them usually isn't. When that debt comes up for refinancing, the operator is exposed to whatever interest rates and credit conditions exist at that moment — not the ones it started with.

Execution risk on greenfield projects

Land acquisition, environmental clearance, construction delays — the usual list. Jewar cost roughly ₹11,200 crore before it earned a single rupee of revenue, which is a useful reminder of how much capital can be at risk before a greenfield airport pays for itself.

How We Underwrite Airport Infrastructure

We assess every airport infrastructure opportunity across six dimensions, adapted from the same framework we apply to road infrastructure. None is sufficient on its own.

1. Asset quality

We examine catchment population and income levels, traffic mix (domestic, international, cargo), competing airports within the catchment, connectivity to the surrounding transport network, and the airport's strategic significance within India's broader network.

2. Contract and concession quality

We assess concession length and terms, the revenue-share arrangement with AAI, AERA tariff-setting history and predictability at that airport, and the contractual protections available if a dispute arises.

3. Cash flow quality

We examine the balance between aeronautical and non-aeronautical revenue, historical traffic growth, tariff-revision history, non-aeronautical revenue diversification, operating costs, and distribution or dividend coverage at the operator level.

4. Operator quality

We assess the operator's track record, financial strength, execution capability on prior expansions, governance, and demonstrated ability to convert traffic growth into earnings — the specific test both GMR and Adani have only recently passed.

5. Capital structure

We examine leverage at the operator and asset level, debt maturity profile, interest-rate exposure, and coverage available after debt service — with particular attention to how a single airport's economics are or are not ring-fenced within a larger corporate structure.

6. Valuation

We consider entry valuation relative to comparable listed operators, enterprise value to EBITDA where available, implied traffic and tariff assumptions, and terminal value considerations given the long concession horizons involved. Section 10 sets out, in purely illustrative terms, how these considerations combine.

DC SQUARE PRINCIPLE

We would rather understand one airport operator's earnings quality deeply than hold diversified, undifferentiated exposure to the sector as a whole.

Illustrative Valuation Framework

ILLUSTRATIVE EXAMPLE — EDUCATIONAL PURPOSES ONLY

THIS EXAMPLE DOES NOT REPRESENT AN ACTUAL INVESTMENT

The figures below describe a simplified, hypothetical airport operating company and do not represent any actual asset, security, transaction or forecast by DC Square Capital. They illustrate the mechanics of infrastructure investment analysis only and should not be interpreted as DC Square's expected returns, a target return, or investment advice.

Consider a hypothetical airport operator with a single operating asset, past its initial ramp-up phase. Under illustrative assumptions only:

ILLUSTRATIVE ASSUMPTION	VALUE
Aeronautical revenue	₹600 crore
Non-aeronautical revenue	₹400 crore
Operating costs (~35% of revenue)	₹350 crore
EBITDA	₹650 crore
Debt service	₹300 crore
Illustrative enterprise value (10x EBITDA)	₹6,500 crore

All figures illustrative and hypothetical; not sourced from any actual asset or operator.

Under these hypothetical assumptions, the resulting illustrative EBITDA margin would be approximately 65%, and cash flow after debt service approximately ₹350 crore. This is solely an illustration of how revenue mix, cost structure and leverage combine into a valuation multiple — it should not be interpreted as a forecast, target, or expected outcome for any actual or contemplated DC Square investment.

A complete assessment would also weigh the aeronautical/non-aeronautical revenue split (Section 3), tariff-revision risk (Section 8), leverage and refinancing profile (Section 9), and comparable operator trading multiples — each of which can move the resulting valuation materially. We have deliberately not extended this into a multi-scenario model, to avoid implying a level of precision a single hypothetical example cannot support.

Our Investment Thesis

Airport infrastructure is attractive where real operator earnings, a genuine capacity build-out, and a real capital gap all line up – not as a blanket statement about the sector.

01 – Structural demand

India needs more airport capacity, and passenger and cargo demand behind that need is durable, not a product of any one good year (Section 7).

02 – A capital structure that's immature, but moving the right direction

There's no InvIT-equivalent for airports yet. But two operators have now shown they can be durably profitable — and on the roads precedent, that's precisely the precondition such a structure needs before it can exist (Sections 4 and 5).

03 – A capital and expertise gap that's real, not theoretical

The capital and technical expertise a project like Jewar requires is more than India's domestic capital and operators alone can comfortably supply — especially with several big projects happening at once (Section 5).

04 – We finally have real numbers to underwrite against

GMR and Adani's FY26 results are actual earnings, not projections. That's a meaningfully better starting point than underwriting a construction-stage story (Section 5).

05 – Selectivity

Not every airport opportunity is a good one. Catchment, concession terms, operator quality, cash-flow durability and entry price decide the outcome (Sections 9 and 10). And 2026's turbulence (Section 8) is a genuinely useful test: it tells you which exposures are resilient enough to underwrite through, not around.

DC SQUARE PRINCIPLE

Discipline means underwriting through a genuinely bad year for the sector, not pretending it didn't happen. Consistency means applying the same operator-earnings and structural-gap lens to every opportunity we look at. Compounding is why we're doing this work now, before the capital structure fully matures, rather than after it's obvious to everyone else too.

What Would Change Our View

Here's what would make us revise the thesis in Section 11:

- Airport capacity additions materially exceeding underlying passenger and cargo demand, reducing the scarcity value of well-located assets.
- Persistent traffic underperformance relative to underwriting assumptions across a meaningful sample of airports, not a single site.
- A material and sustained slowdown in NMP 2.0 execution, indicating the monetisation pipeline has stalled rather than merely paused.
- Repeated or prolonged airline-side disruption (concentration-risk events similar to December 2025) that structurally impairs airport revenue rather than causing a temporary shock.
- Sustained fuel-cost or macro shocks that keep the airline sector in structural loss, given the pass-through risk to airport revenue described in Section 8.
- Material adverse regulatory change to AERA's tariff-setting approach that reduces revenue predictability for operators.
- Evidence that the capital and expertise gap described in Section 5 is closing without disciplined, selective capital being able to participate in it.

None of the above has occurred as of the date of this report. We list them because a thesis that cannot specify what would disprove it is not one we consider credible.

What We Are Watching

01 NMP 2.0 Execution

The pace at which the government actually brings further airports to PPP leasing under the stated NMP 2.0 target.

Why it matters: Execution, not the target itself, determines whether the monetisation and capital-access pipeline this thesis depends on continues to grow.

Signal we watch for: Positive: bundles brought to market on stated timelines. Negative: repeated delay or downward revision.

02 Operator Earnings Durability

Whether GMR and Adani's FY26 profitability was a one-off (driven substantially by the Delhi tariff revision) or the start of a sustained trend.

Why it matters: This determines whether operator-level earnings are a reliable underwriting basis or a single good year.

Signal we watch for: Positive: broadening profitability across more airports and quarters. Negative: profitability reverting once one-off tariff effects fade.

03 Airline Sector Recovery

Whether the airline sector recovers from FY26's fuel shock and IndiGo-related disruption, and whether market concentration reduces.

Why it matters: Airport revenue is directly exposed to airline health and capacity discipline (Section 8).

Signal we watch for: Positive: industry returning to profitability, market share broadening. Negative: prolonged airline losses or further concentration.

04 Traffic and Cargo Growth

Actual passenger and cargo traffic growth relative to ICRA's revised estimates and to underwriting assumptions at specific airports.

Why it matters: This is the most direct read on whether demand assumptions are holding up after FY26's disruptions.

Signal we watch for: Positive: traffic tracking or exceeding revised estimates. Negative: sustained underperformance.

05 AERA Tariff Decisions

Upcoming AERA tariff orders at major airports beyond Delhi's FY26 revision.

Why it matters: Tariff orders can move aeronautical revenue sharply, as Delhi's 178% increase demonstrated; the direction and timing of future orders matters materially.

Signal we watch for: Positive: predictable, timely tariff reviews. Negative: delayed or unfavourable orders that compress revenue.

06 Emergence of a Securitised Capital Vehicle

Any regulatory or market development toward an InvIT-equivalent structure for Indian airports.

Why it matters: This would be the single biggest structural unlock for outside capital to access airport cash flows directly, as it has been for roads.

Signal we watch for: Positive: regulatory groundwork or a pilot structure emerging. Negative: no visible movement over an extended period.

Outlook

Three things we expect to shape the next five to ten years, all subject to the uncertainties in Section 12.

The greenfield pipeline keeps expanding

Bhogapuram and Parandur are next after Navi Mumbai and Jewar. NMP 2.0's 26-airport target suggests the government wants to stay ahead of demand this time, rather than fall behind it the way it did for most of the pre-2019 period.

Operator earnings should broaden — if 2026's shocks turn out to be temporary

Both major operators are now past their loss-making build-out phase. Assuming no repeat of this year's airline and fuel shocks, we'd expect profitability to spread across more airports and more quarters. That's an assumption, not a forecast — worth saying plainly.

A securitised capital structure is still the big unlock

The precondition we flagged for a road-InvIT-style structure — operators actually proving they can be profitable — is closer than it was two years ago. We don't think it's imminent, and we're not aware of any committed regulatory timeline. But it's the one development that would change the shape of this entire opportunity if it happened.

This is the second edition of DC Square's Indian Airport Infrastructure Outlook. We intend to revisit and republish this thesis as the market develops.

Important Disclosures

The following disclosures apply to this report as a whole. They are provided for transparency and should not be read as exhaustive; readers should seek independent professional advice before making any investment decision.

NATURE OF THIS PUBLICATION

This publication has been prepared for informational and research purposes only. It does not constitute an offer, invitation or solicitation to purchase or subscribe for any securities, fund interests or investment products, nor does it constitute investment, financial, legal or tax advice. The information contained herein is based on sources believed to be reliable, but no representation or warranty is made as to its accuracy or completeness. Readers should conduct their own independent analysis and seek appropriate professional advice before making any investment decision. This wording is a starting point and is subject to review by DC Square's legal and compliance advisers.

REGULATORY STATUS

Kosmos Ventures LLP, the entity under which DC Square Capital operates, intends to apply for registration as a Category II Alternative Investment Fund (AIF) with SEBI. As of the date of this report, that registration has not yet been granted. Nothing in this report should be read as implying that DC Square Capital or Kosmos Ventures LLP is currently a SEBI-registered AIF.

REFERENCES TO LISTED OPERATORS

This report references GMR Airports and Adani Airports based on publicly disclosed financial results. These references are factual and analytical; they do not constitute a recommendation, endorsement, or a buy/sell/hold view on any security. Corporate and listing structures described in Section 6 should be independently verified before being relied upon.

RISK CATEGORIES

This report references market risk, infrastructure and project risk, construction risk, traffic and revenue risk, counterparty and revenue-share risk, regulatory risk (including AERA tariff-setting), interest-rate risk, refinancing and duration risk, liquidity risk, valuation risk, leverage risk, and operational risk, each discussed in context in Sections 3, 8 and 9. This report does not address taxation consequences, which vary by investor and should be assessed separately.

HISTORICAL PERFORMANCE AND FORWARD-LOOKING STATEMENTS

Operator financial results cited in this report (Section 5) reflect past performance only. Past performance is not indicative of future results. Statements concerning future traffic, capacity, monetisation activity, capital-market development or policy are forward-looking and involve assumptions and uncertainties; actual outcomes may differ materially. Where used, terms such as "could," "may," "would depend on," or "if" are intended to signal that a statement is conditional rather than a forecast.

DATA LIMITATIONS

Figures in this report are drawn from the sources listed in Section 16 as of the dates indicated and are subject to revision, particularly given the fast-moving operating environment described in Section 8. Certain details in Section 6 could not be fully independently verified at the time of writing and are labelled accordingly.

ILLUSTRATIVE CONTENT

The valuation example in Section 10 and the cash-flow diagrams in Section 3 are illustrative and hypothetical. They do not represent actual assets, transactions, or DC Square's expected or target returns.

Sources, Methodology & Appendices

Numbered sources

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Appendix A – Key definitions

AAI

Airports Authority of India — the government body that owns and, in many cases, directly operates India's airports.

AERA

Airport Economic Regulatory Authority — the body that sets or approves aeronautical tariffs at major Indian airports.

PPP

Public-Private Partnership — the concession model under which private operators build and/or run airports on behalf of AAI.

UDF

User Development Fee — a per-passenger aeronautical charge approved by AERA.

Aeronautical revenue

Regulated revenue from landing, parking and UDF charges.

Non-aeronautical revenue

Unregulated revenue from retail, F&B, parking, real estate and cargo handling.

NMP

National Monetisation Pipeline — the government's programme identifying public infrastructure assets, including airports, for monetisation.

MRO

Maintenance, Repair and Overhaul — aircraft servicing infrastructure and capability.

InvIT

Infrastructure Investment Trust — a SEBI-regulated ownership vehicle established in the road sector; no equivalent currently exists for Indian airports.

Appendix B – Operator landscape

See Section 6 for the full table. This report does not maintain a separately expanded version at this time.

Appendix C – Key aviation infrastructure data

METRIC	VALUE	SOURCE
Operational airports	163 (Oct 2025), up from 74 (2014)	MoCA / DGCA
Airports under long-term private concession	8	MoCA
Airport capex projected, FY2025-27	₹60,000+ crore	CRISIL
Airport capex projected, next 4-5 years	₹1 lakh crore+	ICRA
FY26 domestic passenger traffic (Apr-Jan)	281.78 million	DGCA
Industry net loss estimate, FY26	₹32,000-34,000 crore	ICRA

Appendix D – Methodology & sources

Data cut-off: figures reflect publicly available information as of the report's stated preparation date and have not been updated for subsequent developments.

Operator financials: GMR and Adani figures in Section 5 are as disclosed in company FY26 results and have not been independently recalculated by DC Square.

Illustrative assumptions: the valuation example in Section 10 uses hypothetical figures selected for illustrative simplicity; they are not derived from any actual asset or operator.

Source hierarchy: government and regulatory sources (MoCA, AAI, AERA, DGCA) were prioritised, followed by primary company disclosures, recognised rating agencies, industry publications, and contemporaneous news coverage, in that order.

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