



Ref No. AAHL/26-27/REG/001

6<sup>th</sup> April 2026

Shri Ram Krishan, Director (P&S),  
Airports Economic Regulatory Authority of India (AERA),  
Udaan Bhawan, 3rd Floor, D Block, Rajiv Gandhi Bhawan  
Safdarjung Airport  
New Delhi – 110003

Dear Sir,

This is in reference to the Consultation Paper No: 07/2025-26 dated 6<sup>th</sup> March 2026 issued by AERA in the matter of determination of aeronautical tariff for Noida International Airport (DXN) for the first control period (01.04.2026 – 31.03.2031) wherein written comments were sought from stakeholders.

Please find below the submission of Adani Airports for the kind consideration of AERA:

**1. The Authority in the Consultation Paper notes that Maintenance, Repair and Overhaul (MRO) services involve the maintenance and repair of aircraft which facilitates aeronautical services. On this basis, the Authority has proposed to treat revenues arising from MRO services as aeronautical revenues.**

Under the Airports Economic Regulatory Authority of India Act, 2008 ("AERA Act") and the tariff guidelines issued thereunder, AERA's mandate is confined to the regulation and determination of tariffs for aeronautical services alone. In this context, it is submitted that Maintenance, Repair and Overhaul (MRO) facilities do not fall within the scope of "aeronautical services" as exhaustively defined under Section 2(a) of the AERA Act.

Clearly Authority's mandate is confined to services expressly falling within the definition of aeronautical services under Section 2(a) of the AERA Act, and that commercial facilities like MRO developed at airports fall outside this scope.

MRO is a specialized industrial and engineering activity, not a core airport function like providing landing and parking facilities to airlines, passenger handling etc. Further airport operators do not themselves provide Maintenance, Repair and Overhaul (MRO) services to airlines as part of aeronautical operations. They lease or concession land to third-party MRO operators for development and operation of such facilities. From the perspective of

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the airport operator, such arrangements are in the nature of land leasing with no direct nexus to the provision of aeronautical services.

It is also pertinent to note that in multiple tariff orders issued by AERA for major airports, the Authority has consistently proceeded on the basis that only revenues arising from services falling within Section 2(a) of the AERA Act are treated as aeronautical, with all other commercial revenues—including land-based commercial activities—forming part of non-aeronautical revenue streams or excluded from the Regulatory purview. For instance, refer following clause of Third Control Period tariff order of BIAL :

*8.2.46 BIAL in its submission dated 12 April 2021 provided the details of additional revenues streams in the miscellaneous non-aeronautical revenues for the Third Control Period. These included the rentals from the petrol pump and MRO facility. The Authority has included these rentals as part of the miscellaneous non-aeronautical revenues (new).*

Globally MRO hangars are typically treated as commercial concessions/leases. Airports like Dubai International Airport and Heathrow Airport treat such revenues as commercial or non-aeronautical income.

Government of India promotes India as MRO hub. Classifying MRO rentals as aeronautical disincentivizes airport operators and reduces attractiveness of long-term MRO investments. Treating the same as non-aeronautical supports national policy objectives like Make in India.

MRO is a competitive business. Aircraft owners have choice to utilise the respective MRO service depending on various factors like location, geography, pricing etc. Aircraft owners buy the aircraft from vendors like Boeing/Airbus/Embraer etc and they get the regular maintenance, repair and overhaul of the Aircraft from MRO service providers. As much as transaction of purchasing of aircraft does not make it Aeronautical Services under the Airport Economic regulatory framework, similar way its maintenance does not classify it as aeronautical services for Airport Operator.

Any reclassification of MRO-related revenues as aeronautical would therefore be contrary to the express statutory definition under the AERA Act, inconsistent with AERA's own tariff guidelines, long term national objectives and a departure from settled regulatory practice.

**2. The Authority notes that the activities undertaken within the Integrated Warehousing and Logistics Zone (IWLZ) include both aeronautical and non-aeronautical elements. Accordingly, for the purpose of tariff determination for the First Control Period, the**

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**Authority has proposed to apportion the revenues arising from the upfront fee and license fee from the IWLZ, with 75% being treated as aeronautical revenue and the remaining 25% as non-aeronautical revenue.**

It is submitted that an Integrated Warehousing and Logistics Zone (IWLZ) is fundamentally distinct in nature, purpose, and function from a cargo facility at an airport. A cargo facility is intrinsically linked to airside operations and is primarily used for short-term warehousing and handling of air cargo, including activities such as temporary storage (TSP), screening, build-up and break-down of cargo, and handover to airlines for immediate air transportation.

In contrast, an Integrated Warehousing and Logistics Zone is designed as a logistics and supply-chain infrastructure, providing services such as long-term warehousing, trucking hubs, freight aggregation and distribution centres, and facilities catering to freight forwarders, integrators, and other logistics service providers. These activities are not airside-dependent, nor are they directly connected with the processing of cargo for immediate carriage by air.

Given the nature of services rendered, an IWLZ operates as a pure logistics and warehousing ecosystem, akin to a commercial or industrial park, and does not constitute a cargo facility as envisaged under Section 2(a) of the AERA Act. Its functions are neither essential nor incidental to core aeronautical operations at an airport.

Further cargo facilities serve airlines/air cargo operators and are time critical and linked to flight scheduled whereas IWLZ serve e-commerce companies, third party logistics etc. and focuses on long term storage, aggregation and redistribution and not driven by flight connectivity or immediacy.

An Integrated Warehousing and Logistics Zone (IWLZ) is conceptually comparable to Aerocity developments and multi-modal logistics parks. Such facilities are designed as part of a broader logistics and commercial ecosystem and typically support warehousing, distribution, freight aggregation, and allied logistics activities. These developments function as ecosystem infrastructure supporting supply-chain and commercial activities, rather than as infrastructure required for core airport or aeronautical operations.

In addition to being functionally and operationally distinct from cargo facilities at the airport, the Integrated Warehousing and Logistics Zone operate as an independent commercial ecosystem with no direct or incidental nexus to aeronautical services as defined under the AERA Act. Its revenue model, customer base, and risk profile are aligned

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with real estate or commercial development. Accordingly, classifying any portion of IW(L)Z revenues as aeronautical would be inconsistent with established regulatory principles, statutory definitions, and best industry practices.

In view of the foregoing, it is requested that revenues earned from Maintenance, Repair and Overhaul (MRO) facilities and the Integrated Warehousing and Logistics Zone (IWLZ) be considered outside the scope of the regulatory framework applicable to aeronautical services. While the concession agreement of NIA does not expressly provide for such exclusion, such revenues at best may be treated as non-aeronautical revenues for the purposes of tariff determination.

Thanking You,

Yours sincerely

A handwritten signature in blue ink that reads "Ashu" with a stylized flourish.

Ashu Madan

Authorised Signatory

On behalf of Adani Airport Holdings Limited

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