

**APAO's response to Consultation Paper No. 07/2025-26
dated 6 March 2026 reg. determination of Aeronautical Tariff
for Noida International Airport (DXN) for the First Control
Period**

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To "Ram Krishan Director AERA"<director-ps@aera.gov.in>

Cc "Manu Sooden"<secretary@aera.gov.in>,"Rajan Gupta AGM Finance AERA"
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**Shri Ram Krishan,
Director (P&S, Tariff)
Airports Economic Regulatory Authority of India (AERA),
3rd Floor, Udaan Bhawan,
Safdarjung Airport,
New Delhi – 110 003**

Dear Sir,

This is regarding the Consultation Paper No 07/2025-26 dated 6th 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).

We appreciate the efforts and due diligence deployed by AERA in release of the above-mentioned Consultation Paper.

The Authority may kindly keep in consideration that the first control period for NIA is extremely critical as it is foundational for ensuring NIAs economic viability and long-term growth and success. Infact, ensuring NIAs long term success is important for all the stakeholders in the Indian Aviation sector. In this background we would request the Authority to kindly consider adopting a more forward looking approach for the NIAs CP-- as it is not only a Greenfield airport but would also be operating in a multi airport region which could pose several challenges to its growth and financial stability. AERA may therefore like to consider a mid term review (during the 3rd year) to adjust for any traffic deviations and revenue shortfalls.

Please find below our additional observations / comments for the kind consideration of the authority:

Particulars	Observations / Comments
Vide para 9.2.117, AERA has proposed the Classification of MRO facility at airport as Aeronautical services, however airport operator has classified the MRO facility as non-aeronautical services.	<p>We respectfully draw Authority's attention to the fact that AERA regulates and determine the aeronautical tariffs of airports in accordance with the provisions of the AERA Act and the applicable tariff guidelines. Wherein, Maintenance, Repair, and Overhaul (MRO) facilities do not form part of the exhaustive list of aeronautical services specified under Section 2(a) of the AERA Act. In line with prevailing regulations, revenues generated from MRO activities have been treated as non-aeronautical by airport operators and are accordingly governed under the Hybrid Till framework.</p> <p>Further, with the evolution of airport infrastructure with upcoming greenfield airports and expansions of brownfield</p>

airports and the Government's vision to strengthen the aviation ecosystem in India, development of MRO facilities at Indian airports has been encouraged. However, it is important to note that such facilities remain optional infrastructure and are not mandatory for core aircraft or aeronautical operations at an airport.

In practice, airport operators typically lease or concession land to third-party MRO operators for the development, operation, and monetization of such facilities. These arrangements are essentially in the nature of real estate transactions for airport operator. Therefore, revenues arising from such leasing or concessioning of land should not be classified as aeronautical revenues.

It is also pertinent to note that in previous tariff orders, AERA has consistently classified MRO-related revenues under the non-aeronautical segment, in line with the provisions of the AERA Act and the associated guidelines.

Further, such reclassification by AERA would disrupt established financial projections and investment assumptions for Private airport operators who have structured their business model and concession obligations based on the existing regulatory framework. The classification of MRO as aeronautical will adversely impact the financial viability of airport operator.

Further, reference is also invited to meeting held on 11th Dec 2025 at MoCA on royalties for MRO activities, wherein the AERA member had stated that MRO falls under non-aeronautical activity and is outside the ambit of AERA.

In view of above, we request the authority to not consider the revenue from MRO facility in hands of airport operator as aeronautical revenue.

We earnestly request the Authority to give a serious consideration to the points raised by us as mentioned above, before issuing the final order determining the aeronautical tariff for Noida International Airport (DXN) for the First Control Period.

If any information or clarification is required regarding our comments, please inform the undersigned.

Thanking you,

Yours Sincerely

Satyan Nayar
Secretary General



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