

APAO's response to Consultation Paper No. 08/2025-26 dated 17 March 2026 reg. determination of Aeronautical Tariff for Navi Mumbai International Airport for the First Control Period

raj.an.gupta1 < raj.an.gupta1@aera.gov.in >

Satyan Nayar < snayar@apaoindia.com >

Fri, 17 Apr 2026 10:28:18 AM +0530

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

Cc "secretary"<secretary@aera.gov.in>,"Rajan Gupta AGM Finance AERA" <rajan.gupta1@aera.gov.in>

**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 Consultation Paper No. 08/2025-26 dated 17th March 2026 issued by AERA regarding the determination of Aeronautical Tariff for Navi Mumbai International Airport for the First Control Period (01.04.2025 - 31.03.2030).

APAO would like to acknowledge the efforts of the Authority in issuing the Consultation Paper for tariff determination of Navi Mumbai International Airport (NMIAL), a significant greenfield infrastructure project envisioned to serve the long-term aviation needs of the Mumbai Metropolitan Region. Given that NMIAL is in its initial phase of operations, APAO believes that tariff determination for the First Control Period assumes particular importance and should be based on actual airport realities.

Use of Normative and Comparative Benchmarks -

APAO has observed that the Consultation Paper relies extensively on normative, notional, and comparative benchmarks across multiple regulatory blocks—such as cost of debt linked to MCLR and fixed spread, cost of equity derived from study of 5 brownfield airports, TBLR fixed based on IMG norms rather than actual area allocation, benchmarking of utilities consumption with large metro airports, and estimation of non-aeronautical revenue based on a percentage of MIAL's per-passenger non-aeronautical revenue. While benchmarking may provide a broad reference, APAO would like to humbly submit that over-reliance on benchmarks risks diluting airport-specific assessment, particularly for a greenfield airport like NMIAL.

Debt financing, terminal area configuration, utilities usage, and commercial revenue potential are all deeply influenced by airport-specific factors, including stage of development, traffic ramp-up, contractual arrangements, regional market characteristics, and operational maturity. Applying norms or comparisons drawn from fully operational brownfield airports such as MIAL and DIAL, or from generic guidelines, does not adequately capture the distinct risk profile and evolving nature of NMIAL during its early years of operation.

In conclusion, **APAO respectfully urges the Authority to kindly reconsider the extensive use of normative and comparative benchmarks in the NMIAL Consultation Paper.** The Authority should avoid any capping or minimum threshold while encouraging true-up based on actual basis. Such an approach would better align with the principles of cost-based

regulation, transparency, and regulatory certainty, while acknowledging the unique characteristics of a newly established greenfield airport.

Consideration of Reduction in Landing and Parking Charges as per AERA Order No.1/2026-27 in computation of ARR -

APAO notes that the reduction in landing and parking charges directed under AERA Order No. 1/2026-27 is beneficial from the perspective of airport users, as it directly lowers costs for airlines and passengers. However, such reductions also have direct and immediate cash-flow implications for the Airport Operator, particularly for a greenfield airport like NMIAL that is still in the infancy stages of operations and traffic stabilisation.

APAO submits that, in an ideal scenario, any reduction in landing and parking charges should be accompanied by a corresponding opportunity for recovery over a subsequent period, through levy of higher charges over a suitable time frame, so that the Airport Operator does not bear a financial loss on account of such regulatory intervention. This approach ensures that user benefits are delivered without compromising the financial viability and cash-flow sustainability of airport operations.

Accordingly, it is kindly requested that the financial impact of the reduction in landing and parking charges be appropriately factored into the computation of the Aggregate Revenue Requirement (ARR) for NMIAL, so as to avoid unintended under-recovery.

We earnestly request the Authority to give serious consideration to the points raised by us before issuing the final order determining the aeronautical tariff for Navi Mumbai International Airport for the First Control Period.

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

Thanking you,

Yours Sincerely

Satyan Nayar
Secretary General



Association of Private Airport Operators (APAO)

710, 7th floor, Surya Kiran Building,
[19, Kasturba Gandhi Marg,](#)
[New Delhi 110 001 India](#)

Mob: +91 98100 49839

Web: www.apaoindia.com