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आदेश संख्या 04/2026-27

Order No. 04/2026-27



सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण  
Airports Economic Regulatory Authority of India

नोएडा अंतर्राष्ट्रीय हवाईअड्डा (डीएक्सएन) के लिए प्रथम नियंत्रण अवधि (01.04.2026 -  
31.03.2031) के लिए वैमानिक टैरिफ निर्धारित करने के मामले में

IN THE MATTER OF  
DETERMINATION OF AERONAUTICAL TARIFF FOR  
NOIDA INTERNATIONAL AIRPORT (DXN)  
FOR THE  
FIRST CONTROL PERIOD  
(01ST APRIL 2026 TO 31ST MARCH 2031)

जारी करने की तारीख : 12 मई, 2026

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### List of Abbreviations

Abbreviation	Expansion
AAI	Airports Authority of India
ABD	Auto Bag Drop
ACI	Airports Council International
AERA/the Authority	Airports Economic Regulatory Authority of India
AGL	Airfield Ground Lighting System
AISATS	Air India SATS
AMC	Annual Maintenance Contract
ANS	Air Navigation Services
AO	Airport Operator
AOCC	Airport Operations Control Centre
ARFF	Aircraft Rescue and Fire Fighting
ARR	Aggregate Revenue Requirement
ASQ	Airport Service Quality
ASR	Airport Surveillance Radar
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
ATM	Air Traffic Movement
ATRS	Automatic Tray Retrieval System
AUCC	Airport User Consultative Committee
BCAS	Bureau of Civil Aviation Security
BCG	Boston Consulting Group
BHS	Baggage Handling System
BIAL	Bangalore International Airport Limited
BMS	Building Management System
BPCL	Bharat Petroleum Corporation Limited
CA	Concession Agreement
CAGR	Compounded Annual Growth Rate
CAM	Common Area Maintenance
CAPEX	Capital expenditure
CAPM	Capital Asset Pricing Model
CAR	Civil Aviation Requirements
CCR	Constant Current Regulator
CCTV	Closed Circuit Television
CDO	Chief Development Officer
CER	Civil Engineering Report
CFT	Crash Fire Tender
CGF	Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft
CHF	Swiss Franc
CIAL	Cochin International Airport Limited
CISF	Central Industrial Security Force
CNS	Communications, Navigation and Surveillance Systems
CNS/ATM	Communications, Navigation and Surveillance Systems/Air Traffic Management
COD	Commercial Operation Date
COE	Cost of Equity
COO	Chief Operating Officer



Abbreviation	Expansion
COVID/COVID-19	Coronavirus-19
CP	Consultation Paper
CPI	Consumer Price Index
CPWD	Central Public Works Department
Cr	Crore
CSR	Corporate Social Responsibility
CUPPS	Common Use Passenger Processing Systems
CUSS	Common Use Self-Service
CUTE	Common User Terminal Equipment
CWIP	Capital Work in Progress
DBFOT	Design, Build, Finance, Operate and Transfer
DG	Diesel Generator
DGCA	Directorate General of Civil Aviation
DIAL	Delhi International Airport Limited
DSRA	Debt Service Reserve Account
DVOR	Doppler Very High Frequency Omni Range
DXN	Noida International Airport (IATA Code)
EC	Environmental Clearance
EHCR	Employee Head Count Ratio
EIL	Engineers India Limited
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
F&B	Food and Beverages
FA	Financing Allowance
FCP	First Control Period
FIA	Federation of Indian Airlines
FIDS	Flight Information Display System
FPS	Flight Processing System
FRoR	Fair Rate of Return
FV	Fair Value
FY	Financial Year
GBR	Gross Block Ratio
GDP	Gross Domestic Product
GH	Ground Handling
GHIAL/HIAL	GMR Hyderabad International Airport Limited
GOI	Government of India
GoUP	Government of Uttar Pradesh
GPU	Ground Power Unit
GSDP	Gross State Domestic Product
GSE	Ground Support Equipment
GST	Goods & Service Tax
HBS	Hold Baggage Screening
HDPE	High-Density Polyethylene
HOS	Head of Stand
HVAC	Heating, Ventilation, and Air Conditioning
IATA	International Air Transport Association



Abbreviation	Expansion
ICAO	International Civil Aviation Organization
ICT	Information and Communication Technology
IFK	In-flight kitchen
IGIA/DEL	Indira Gandhi International Airport
IIM	Indian Institute of Management
IMG	Inter-Ministerial Group
INR	Indian Rupee
IOSL	Indian Oil Skytanking Private Limited
IPP	Income Per Passenger
IT	Information Technology
ITP	Into-Plane Services
IWLZ	Integrated Warehousing and Logistics Zone
KIA	Kempegowda International Airport
LCC	Low-Cost Carrier
LoI	Letter of Intent
LoIA	Letter of Intent to Award
LoA	Letter of Award
MARS	Multiple Aircraft Ramp System
MCLR	Marginal Cost of Funds based Lending Rate
MEP	Mechanical, Electrical and Plumbing
MIAL	Mumbai International Airport Limited
Mn	Million
MoCA	Ministry of Civil Aviation
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoRTH	Ministry of Road Transport and Highways (India)
MoU	Memorandum of Understanding
MPPA	Million Passenger Per Annum
MRO	Maintenance, Repair and Overhaul
MT	Metric Tonne
MTOW	Maximum Take-Off Weight
MYTP	Multi Year Tariff Proposal
NAR	Non-Aeronautical Revenue
NAVAID	Navigational Aid
NCAP	National Civil Aviation Policy-2016
NHP	Network-infrastructure Hiding Protocol
NIA	Noida International Airport
NIAL	Noida International Airport Limited
NOC	No Objection Certificate
Nos	Number
NPV	Net Present Value
O&D	Origin & Destination
O&M expenses	Operational and Maintenance expenses
OFC	Optical Fibre Cable
ORAT	Operational Readiness and Airport Transfer
PAL	Planned Activity Level
PAR	Precision Approach Radar



Abbreviation	Expansion
PAX	Passengers
PBB	Passenger Boarding Bridge
PBT	Profit Before Tax
PCA	Pre-Conditioned Air
PHE	Public Health Engineering
PIDS	Perimeter Intrusion Detection System
PLB	Passenger Loading Bridge
PMC	Project Management Consultancy
PPE	Property Plant and Equipment
PPP	Public-Private Partnership
PTB	Passenger Terminal Building
PTC	Public Transportation Centre
PV	Present Value
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RBI	Reserve Bank of India
RCC	Reinforced Cement Concrete
RCS	Regional Connectivity Scheme
RESA	Runway End Safety Area
RET	Rapid Exit Taxiway
RFP	Request for Proposal
RFQ	Request for Quotation
Rs.	Rupees
RWY	Runway
SaaS	Software as a Service
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SLM	Straight Line Method
SOCC	Security Operations Control Center
SPV	Special Purpose Vehicle
Sq. m./sqm	Square meter
SSE	Substation Equipment
STP	Sewage Treatment Plant
TBLR	Terminal Building Ratio
TEFR	Techno-Economic Feasibility Report
TNLC	Terminal Navigation Landing Charges
TP	Technical Proposal
UaaS	Utility as a Service
UDAN	Ude Desh ka Aam Naagrik
UDF	User Development Fees
UPS	Uninterruptible Power Supply
USD	US Dollars
VDGS	Visual Docking Guidance System
VHT	Vertical and Horizontal Transport
VIP	Very Important Person
WDV	Written Down Value



Abbreviation	Expansion
WPI	Wholesale Price Index
WTP	Water Treatment Plant
YEIDA	Yamuna Expressway Industrial Development Authority
YIAPL	Yamuna International Airport Private Limited
Y-o-Y	Year on Year
YPP	Yield per Passenger
ZAIA	Zurich Airport International AG



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## 1. BACKGROUND

### 1.1 Introduction

- 1.1.1 The Government of Uttar Pradesh has envisaged development of a new Greenfield Airport at Jewar in the Gautam Buddha Nagar district and has appointed Noida International Airport Limited (NIAL) as the nodal agency under the ambit of Yamuna Expressway Industrial Development Authority (YEIDA) to implement the said project.
- 1.1.2 Noida International Airport (NIA) will be the second International Airport in the National Capital Region (NCR) and will complement Indira Gandhi International Airport (IGIA/DEL) to meet the aviation demands of the region. It will serve as the primary international airport for major cities such as Noida, Meerut, Ghaziabad, Mathura, Agra etc. and will be the gateway to various pilgrimage and tourist destinations.
- 1.1.3 With the commencement of operations at Noida International Airport (IATA: DXN), Uttar Pradesh will have 5 International Airports in the state.
- 1.1.4 Given that the designated capacity of NIA is 12 million passengers per annum as stipulated under Annex II of Schedule A (refer Clause 12.2.1) of the Master Concession Agreement for Phase I, which exceeds the threshold of 3.5 million passengers prescribed under Clause (i) of Section 2 of the AERA Act, 2008 (as amended in 2019 and 2021), Noida International Airport has been designated as a Major Airport by the Airports Economic Regulatory Authority (the Authority/AERA), vide Public Notice No. 02/2024-25 dated 02.05.2024.

### 1.2 Concession Agreement for development of Noida International Airport

- 1.2.1 Zurich Airport International AG (ZAIA) won the bid for development of the new airport at Jewar, Uttar Pradesh and signed the Concession Agreement (CA) on 7<sup>th</sup> October 2020 via a Special Purpose Vehicle (SPV) named "Yamuna International Airport Private Limited (YIAPL)". YIAPL was incorporated on 22<sup>nd</sup> January 2020 and is a 100% owned Subsidiary of ZAIA.
- 1.2.2 As per the agreement YIAPL will develop the airport under the DBFOT (Design, Build, Finance, Operate and Transfer) model for an initial period of 40 years from the Appointed Date.
- 1.2.3 The Appointed Date of the project was 1<sup>st</sup> October 2021. This term is further extendable by another period of 30 years, based on a bidding process where the Concessionaire shall have the right to match the highest bidder subject to certain conditions as specified in Clause 3.1.1 of Article 3 of the CA (refer Annexure 2).
- 1.2.4 YIAPL initially submitted a Multi-Year Tariff Proposal (MYTP) for aeronautical tariff determination for the First Control Period (FCP) on 22<sup>nd</sup> February 2024 with planned commencement date as 1<sup>st</sup> December 2024. However, due to certain delays in COD, YIAPL then intended to open the airport for commercial operations by 30<sup>th</sup> April 2025. Accordingly, YIAPL has submitted a revised MYTP on 27<sup>th</sup> October 2024 for aeronautical tariff determination with the period from 30<sup>th</sup> April 2025 to 31<sup>st</sup> March 2030 considered as First Control Period and the period from FY 2020-21 till 29<sup>th</sup> April 2025 considered as pre- COD period.
- 1.2.5 Vide email dated 2<sup>nd</sup> June 2025, YIAPL informed the Authority that it proposes to revise the COD from 30<sup>th</sup> April 2025 to 15<sup>th</sup> September 2025. Further, YIAPL in their email dated 24<sup>th</sup> September 2025 had indicated that the tentative start for commercial operations for Noida International Airport is 1<sup>st</sup> December 2025. Via email dated 3<sup>rd</sup> February 2026, YIAPL had then clarified that the COD is expected in Q4 of FY 2025-26. Given the status of aerodrome license and other statutory approvals, the Authority proposed to shift the COD to 1<sup>st</sup> April 2026 at Consultation Stage. This consequently led to the consideration of First Control Period as



beginning from 1<sup>st</sup> April 2026 and ending on 31<sup>st</sup> March 2031, to give effect to a full 5-year Control Period, in accordance with Section 13(2) of the AERA Act, 2008 (read with subsequent amendments in 2019 and 2020).

- 1.2.6 While the Noida International Airport was inaugurated on 28<sup>th</sup> March 2026, the Airport is yet to commence commercial operations. As per recent news reports, passenger flight operations at Noida International Airport are now expected to commence from 15<sup>th</sup> June 2026, with IndiGo operating the inaugural flight, followed by other carriers in a phased manner. Accordingly, Authority expects that the Commercial Operation Date (COD) will be shifted from 1<sup>st</sup> April 2026 to 15<sup>th</sup> June 2026. Consequent to such revision, the First Control Period of five years will be retained as commencing from 1<sup>st</sup> April 2026 till 31<sup>st</sup> March 2031 with COD considered as 15<sup>th</sup> June 2026.
- 1.2.7 The Concession Agreement envisages development of Noida International Airport as a world-class International Airport with modular and scalable facilities, for both domestic and international passengers, and cargo in a phased manner based on a traffic-trigger principle. Accordingly, the Concession Agreement has stipulated the capacity for different phases of development. The following table indicates the capacity as per the CA (refer Clause 12.2.1 under Annexure 2).

**Table 1: Phase-wise Airport Development proposed in Annex-II of CA**

Phasing	Traffic Design Capacity	Trigger for Phasing
Phase I	12 MPPA	
Phase II	30 MPPA	80% of Phase I Capacity
Phase III	50 MPPA	80% of Phase II Capacity
Phase IV	70 or More	80% of Phase III Capacity

- 1.2.8 Key clauses from the CA are as detailed below. A summary of clauses from the CA are listed in Annexure 2.

**Table 2: Key Highlights of the Concession Agreement**

Topic	Clause No.	Description
Concession requirement	2.1.(i) of Schedule B	Construction and procurement of the Aeronautical Assets including Runways, taxiways, apron, aircraft parking bays and other associated facilities.
Construction and procurement of the Terminal Building	2.1.(ii) of Schedule B & Annexure II of Schedule A	Level of service for Terminal Building – IATA Level of Service optimum standards compliant. The Unit area of the Terminal Building should be at least 30 square meter per peak hour passenger (including arrival and departure) for the design year.
		75% (Seventy-five per cent) of each of the international and domestic aircrafts gates shall be served by the boarding bridges.
		Provide international standard range of retail and other passenger services.
		Terminal design must be capable of incremental expansion with minimum impact on current operations.
City side development	1.3 (Schedule A)	Total area of the Site is 1334 hectares, out of which 24 hectares of area is earmarked for City Side Development.
	28.1.3	The revenue generated from city side development on 24 hectare land as stated in clause 1.3 of Schedule A shall not be considered for the purpose of cross subsidization of Aeronautical Tariff by AERA.



Topic	Clause No.	Description
Reserved Area	3	The Concessionaire shall earmark and allocate the Reserve Area for performance of Reserved Services by the Authority and the Designated GOI Agencies and take approval from Designated GOI Agency.
Cargo facilities (Schedule B of CA)	5.1	The Concessionaire shall earmark land within the site for the development of a Cargo Facility in the Airport.
Maintenance, Repair and Overhaul (MRO) Facilities (Schedule B of CA)	6.1	The Concessionaire shall earmark minimum 40 acres of land within the Site for the development of an MRO Facility in the Airport as per the applicable Standards and Specifications.
Car park	7.1	The Concessionaire shall earmark land within the Site for Car Park facility including Reserved car facility as per the applicable law and Good Industry Practice.
Concession Fee	31.1	In consideration of grant of concession, the concessionaire shall pay to the Authority (NIAL) by way of concession fee a sum of Re. 1 per annum.
Annual premium	31.2.1	Concessionaire agrees to pay to the Authority for each year commencing from the 6th (sixth) year of the occurrence of the COD for Phase 1, a premium (the "Premium") equal to INR 400.97 per pax of traffic handled at the airport (Premium Rate) multiplied by the total traffic handled at the airport during that year.
	3.6.3	The Annual Premium shall not be considered as a part of the capital outlay for the Airport or the regulatory asset base or operating expense for the purpose of the determination of the Aeronautical Charges and shall always be excluded from being considered as a part of the cost for the determination of the Aeronautical Charges.
Land License Fee	31.5.1	Concessionaire to pay the Authority an annual license fee ("License Fee") of 3.33% of land value. The land value as on 29 <sup>th</sup> April 2019 has been estimated to be INR 4,326 crores. For the purpose of calculating the License fee, the land value shall be assumed to increase annually at the rate of Price Index with the base year as 1 <sup>st</sup> January 2019.
	31.5.2	The Licence Fee shall be due and payable in advance every year and the first Licence Fee shall be paid by the Concessionaire from the 10th year post Appointed Date.
	31.5.2	... it is clarified that treatment of License fee shall be allowed as pass-through cost in accordance with AERA Order No. 42/2018-19 dated 5 <sup>th</sup> March 2019, for the purpose of aeronautical tariff estimation.

1.2.9 Technical and Terminal Building details of NIA submitted by YIAPL are as detailed below:

**Table 3: Technical and Terminal Building details submitted by YIAPL**

Particulars	Details
Airside	
Runway	3900 X 45 m+7.5 m Shoulder each side, Flexible Pavement
Taxiway	1 parallel taxiway, 2 taxiway at runway ends, 1 RET and 3 parallel cross apron taxiways

Particulars	Details
Apron	Pax Apron of 165,370 Sqm (Rigid Pavement) + Isolation Bay of 7,145 sqm (Rigid Pavement) + 3,710 sqm (flexible Pavement)
Total In contact Aircraft Stands	10 Nos (4 for code C, 3 MARS, 6 code C or 3 code E)
Remote stands	15 Nos (9 for code C, 3 MARS, 6 code C or 3 code E) 2 Freighter aircraft stand for cargo aircraft (1 code D and 1 code E freighter stands)
ATC	Height 38m, G+6 (Area 2148 sqm)
<b>Landside</b>	
Departure Forecourt	6 Lane (4 movement + 2 parking); Carriage width: 20m
Arrival Forecourt	6 Lane (4 movement +2 parking); Carriage width: 20m
<b>Passenger Terminal Building</b>	
Planned Phase 1 Capacity	12 MPPA
Total Built-up Area	137,985 Sqm.
Entry Gates (Check -in Hall)	2 Nos
Check-in-Island	2 No
Check-in counters	48 (20 nos. for Self-service Baggage Drop- all CUPPS)
ATRS	13 Nos
Baggage reclaim belt	2(Domestic) + 1(International) + 1(Swing)
Passenger Boarding Bridges	10 Nos
Baggage Screening Capacity	2 Lines (1628 bags / peak hr.)
Bus Gate Domestic	2 Nos
Bus Gate International / Swing	1 Nos
Emigration counters	9 Nos (Departure)
Immigration counters	10 Nos (Arrival)

### 1.3 Cargo, Ground handling and Fuel Farm (CGF) Operations

1.3.1 The Concession Agreement details the provision of Cargo, Ground Handling and Fuel facilities at the Airport. The Concession Agreement also states that Aeronautical Services have the meaning as set forth in AERA Act in relation to the services to be provided at the Airport. Aeronautical Services defined in AERA Act, 2008 include services relating to Cargo, Ground Handling and Fuel facilities as per Section 2 (a) which is reproduced as below:

- (a) 'aeronautical service' means any service provided....
- (iv) for ground handling services relating to aircraft, passengers and cargo at an airport;
- (v) the cargo facility at an airport;
- (vi) for supplying fuel to the aircraft at an airport

The Authority's responsibilities defined in AERA Act, 2008 also provide for determination of charges for Aeronautical activities of Cargo, Ground Handling and Fuel facilities at the Airport. Accordingly, revenue from these services have been considered as aeronautical revenues.

### **Cargo Operations**

- 1.3.2 The Concession Agreement has included provisions for the development of a cargo facility within the site. Any development, addition or modification to the Cargo Facilities and its surrounding areas shall be in accordance with the Master Plan and in harmony with the overall design and environment of the Airport.
- 1.3.3 On 11th February 2023, YIAPL awarded the cargo license through a competitive bidding process for the design, financing, building, operation, maintenance and eventual transfer of the ICT facility to AISATS Noida Cargo Terminal Private Limited, and for the IWLZ to AISATS Noida Logistics Park Private Limited.
- 1.3.4 During the concession period, the Cargo Concessionaire is required to pay YIAPL a revenue share ranging from 18% to 24% along with an upfront fee of Rs. 300 crores. The IWLZ Concessionaire is required to pay an upfront fee of Rs. 320 crores payable in five equal installments within three years from the Airport COD, starting from the date of execution of the agreement.

### **Ground Handling (GH) Operations**

- 1.3.5 Clause 18.2 of the Concession Agreement (refer Annexure 2) details YIAPL obligations towards provision of infrastructure required for ground handling services at Noida International Airport.
- 1.3.6 Subject to the provisions of the Concession Agreement YIAPL has the right to grant License to any entity for providing Ground Handling Services at Noida International Airport on such terms and conditions to be mentioned in the License Agreement between YIAPL and the potential service provider.
- 1.3.7 Pursuant to above terms of the Concession Agreement, YIAPL has engaged Bird Flight Services (India) Private Limited for provision of such Ground Handling services at Noida International Airport through a bidding process resulting in revenue share ranging from 0% - 5% on scheduled domestic flights and 18% on non-scheduled domestic flights and International flights payable to YIAPL by the concessionaire through the First Control Period.

### **Fuel Facility Operations**

- 1.3.8 YIAPL's obligations to provide aircraft fueling services are detailed in Clause 18.3 of the Concession Agreement (refer Annexure 2).
- 1.3.9 Subject to the terms of the Concession Agreement YIAPL has the right to grant a license to any entity for the provision of Aircraft Fueling Services at Noida International Airport on terms and conditions specified in the License Agreement between YIAPL and the potential service providers.
- 1.3.10 YIAPL has licensed Aircraft Fueling Services to Indian Oil Skytanking Private Limited (IOSL) under the framework of designing, building, financing, operation, maintenance, and transfer for Fuel Farm operations. For this purpose, IOSL has incorporated a special purpose vehicle, namely IOSL Noida Private Limited, to undertake Fuel Farm operations. In consideration of the license granted for Fuel Farm operations, IOSL is required to pay an upfront fee of Rs. 15 crores within 30 days from the date of execution of the License Agreement. Further, Into-Plane (ITP) services have also been concessioned to IOSL, with YIAPL entitled to a revenue share of 5% of the gross revenue from the ITP concession.



## 2. METHODOLOGY OF TARIFF DETERMINATION OF NOIDA INTERNATIONAL AIRPORT

### 2.1 Tariff setting principles

2.1.1 AERA was established by the Government of India vide notification No. GSR 317(E) dated 12<sup>th</sup> May 2009. The functions of AERA, in respect of Major Airports, are specified in Section 13 (1) of The Airports Economic Regulatory Authority of India Act, 2008 ('AERA Act' or 'the Act') read with AERA (Amendment) Act 2019 and 2021, which are as below:

- a) To determine the tariff for aeronautical services taking into consideration:
  - i. The capital expenditure incurred and timely investment in improvement of airport facilities;
  - ii. The service provided, its quality and other relevant factors;
  - iii. The cost for improving efficiency;
  - iv. Economic and viable operation of major airports;
  - v. Revenue received from services other than aeronautical services;
  - vi. Any Concession offered by the Central Government in any agreement or memorandum of understanding or otherwise;
  - vii. Any other factor which may be relevant for the purposes of the Act:

Provided that different tariff structures may be determined for different airports having regard to all or any of the above considerations specified at sub-clauses (i) to (vii).
- b) To determine the amount of development fees in respect of major airports;
- c) To determine the amount of passenger service fee levied under rule 88 of the Aircraft Rules, 1937 made under Aircraft Act, 1934;
- d) To monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any Authority authorized by it in this behalf;
- e) To call for such information as may be necessary to determine the tariff under clause 13(1)(a).
- f) To perform such other functions relating to tariff, as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act.

2.1.2 As per the AERA Act, 2008 the following are the Aeronautical services:

- i. Aeronautical Services Provided by the Airport Operators
- ii. Cargo, Ground Handling and Fuel Supply Services; and
- iii. Air Navigation Services

2.1.3 Airports Authority of India (AAI) being the sole provider of Air Navigation Systems (ANS) services across the country, shall be responsible for providing ANS at Noida International Airport (NIA). The tariff for ANS is presently regulated by the Ministry of Civil Aviation (MoCA) at the national level to ensure uniformity across airports. All assets, expenses, and revenues pertaining to ANS are accordingly considered separately by the Ministry while determining the tariff for ANS services. In the present case, as per the arrangement between YIAPL and AAI, YIAPL shall reimburse AAI for any shortfall between the revenue recovered by AAI at MoCA determined rates and the actual operating expenditure incurred by AAI, as well as for recovery of capital expenditure undertaken by AAI for providing ANS at NIA. Consequently, such reimbursement



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payable by YIAPL to AAI has been included in the tariff determination by the Authority as part of the aeronautical cost base of the Airport Operator (refer para 8.2.151 for detailed analysis).

- 2.1.4 The Methodology adopted by the Authority to determine Aggregate Revenue Requirement (ARR) is based on AERA Act, 2008 read with AERA (Amendment) Act 2019 and 2021, the AERA (Terms and Conditions for determination of Tariff for Airport Operators) Guidelines, 2011 and further Guidelines issued by AERA from time to time.
- 2.1.5 The Authority has adopted the Hybrid-Till mechanism for tariff determination for the First Control Period wherein, 30% of the Non-Aeronautical Revenues is to be used for cross-subsidizing the aeronautical charges.
- 2.1.6 The ARR for a given Control Period, under Hybrid Till, is calculated as:

$$ARR = \sum_{t=1}^5 ARR_t$$
$$ARR = (FRoR \times RAB_t) + D_t + O_t + T_t - s \times NAR_t$$

Where,

$t$  is the tariff year in the Control Period, ranging from 1 to 5

$ARR_t$  is the Aggregate Revenue Requirement for tariff year 't'

$FRoR$  is the Fair Rate of Return for the Control Period

$RAB_t$  is the Aeronautical Regulatory Asset Base for tariff year 't'

$D_t$  is the Depreciation corresponding to the Regulatory Asset Base for tariff year 't'

$O_t$  is the Aeronautical Operation and Maintenance expenditure for the tariff year 't'

$T_t$  is the Aeronautical taxation expense for the tariff year 't'

$s$  is the cross-subsidy factor for revenue from services other than Aeronautical services under the Hybrid Till methodology followed by the Authority,  $s = 30\%$ .

$NAR_t$  is the Non-Aeronautical Revenue in tariff year 't'.

- 2.1.7 Based on ARR, Yield per passenger (Y) is calculated as per the formula given below:

$$Yield\ per\ passenger\ (Y) = \frac{\sum_{t=1}^5 PV(ARR_t)}{\sum_{t=1}^5 VE_t}$$

Where,

$PV(ARR_t)$  is the Present Value of ARR. All cash flows are assumed to occur at the end of the year. The Authority has considered discounting cash flows, one year from the start of the Control Period.

$VE_t$  is the passenger traffic in year 't'.

## 2.2 Authority's Orders applied in Tariff Proposals in this Tariff Order

- 2.2.1 The Authority's Orders applied in the tariff proposals in this Tariff Order are:

- Order No. 13 dated 12<sup>th</sup> January 2011 (Regulatory philosophy and approach in Economic Regulation of Airport Operators) and Direction No. 5 dated 28<sup>th</sup> February 2011 (Terms and conditions for determination of tariff for Airport Operators) Guidelines, 2011.
- Order No. 07/2016-17 dated 13<sup>th</sup> June 2016 (Normative Approach to Building Blocks in Economic Regulation of Major Airports).



- iii. Order No. 14/2016-17 dated 23<sup>rd</sup> January 2017 in the matter of aligning certain aspects of AERA's Regulatory Approach (Adoption of Regulatory Till) with the provisions of the National Civil Aviation Policy – 2016 (NCAP-2016) approved by the Government of India.
- iv. Order No. 20/2016-17 dated 31<sup>st</sup> March 2017 in the matter of allowing Concession to Regional Connectivity Scheme (RCS) Flights under RCS – Ude Desh ka Aam Nagarik (UDAN) at Major Airports.
- v. Order No. 35/2017-18 dated 12<sup>th</sup> January 2018 and Amendment No. 01 to Order No. 35/2017-18 dated 09<sup>th</sup> April 2018 in the matter of determination of useful life of Airport assets.
- vi. Order No. 42/2018-19 dated 5<sup>th</sup> March 2019 in the matter of Determination of Fair Rate of Return (FRoR) to be provided on Cost of Land incurred by various Airport Operators in India.

### 2.3 Control Period

- 2.3.1 YIAPL had submitted the revised MYTP for the initial period covering FY 2020-21 up to 29<sup>th</sup> April 2025, followed by five-year period from 30<sup>th</sup> April 2025 to 31<sup>st</sup> March 2030.
- 2.3.2 The Authority noted that the Airport was originally scheduled to commence operations on 1<sup>st</sup> December 2024. However, owing to delays in project execution, YIAPL proposed 30<sup>th</sup> April 2025 as the date for commencement of commercial operations.
- 2.3.3 YIAPL, vide email dated 2<sup>nd</sup> June 2025, informed the Authority that it proposes to revise the COD from 30<sup>th</sup> April 2025 to 15<sup>th</sup> September 2025. Further, YIAPL in their email dated 24<sup>th</sup> September 2025 had indicated that the tentative start for commercial operations for Noida International Airport is 1<sup>st</sup> December 2025.
- 2.3.4 Further via email dated 3<sup>rd</sup> February 2026, YIAPL had indicated that the COD is expected in Q4 of FY 2025-26. Accordingly, the Authority at Consultation Stage considered the COD to be 1<sup>st</sup> April 2026 and to give effect to a full term of 5 years had proposed to consider the First Control period from 1<sup>st</sup> April 2026 till 31<sup>st</sup> March 2031.
- 2.3.5 The Authority notes that subsequent to the issuance of the Consultation Paper, the airport was inaugurated by the Hon'ble Prime Minister on 28<sup>th</sup> March 2026, though commercial operations have not commenced. As per recent news reports, passenger flight operations at Noida International Airport are now expected to commence from 15<sup>th</sup> June 2026, with IndiGo operating the inaugural flight, followed by other carriers in a phased manner. Accordingly, Authority expects that the Commercial Operation Date (COD) will be shifted from 1<sup>st</sup> April 2026 to 15<sup>th</sup> June 2026. Consequent to such revision, the First Control Period of five years will be retained as commencing from 1<sup>st</sup> April 2026 till 31<sup>st</sup> March 2031 with COD considered as 15<sup>th</sup> June 2026.

### 2.4 Past Tariff determination history

- 2.4.1 The Authority vide Order No. 08/2025-26 dated 29<sup>th</sup> August 2025 allowed YIAPL to levy and collect the tariff for Aeronautical Services on an Ad-hoc basis w.e.f. Commercial Date of Operation (COD) to 31<sup>st</sup> March 2026 or till the determination of the regular Aeronautical Tariff for the First Control Period, whichever is earlier.
- 2.4.2 Vide Order No. 26/2025-26 dated 13<sup>th</sup> March 2026, the Authority decided to extend the existing tariff, as applicable as on 31<sup>st</sup> March 2026 for a period of 6 months i.e. w.e.f. 1<sup>st</sup> April 2026 to 30<sup>th</sup> September 2026 or till the determination of regular tariff whichever is earlier.
- 2.4.3 Order No. 09/2025-26 dated 29<sup>th</sup> August 2025 was issued granting approval to M/s Bird Flight Services (India) Pvt Ltd (BFS) to levy and collect on an Ad-hoc basis, tariff for Ground Handling Services at the airport w.e.f. COD till 31<sup>st</sup> March 2026 or till the determination of tariff for the ISP, whichever is earlier.



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- 2.4.4 As requested by the ISP, the Authority vide the Order No. 10/2025-26 dated 29<sup>th</sup> August 2025 has allowed M/s AISATS Noida Cargo Terminal Private Limited to levy and collect, on an Ad-hoc basis, tariff for Domestic, International and Express Cargo Handling Services at the airport w.e.f. COD till 31<sup>st</sup> March 2026 or till the determination of the regular tariff for the ISP for its First Control Period, whichever is earlier.
- 2.4.5 Vide the Order No. 11/2025-26 dated 9<sup>th</sup> September 2025, the Authority had allowed M/s IOSL Noida Private Limited to levy and collect the Fuel Infrastructure Charges (FIC) on an ad-hoc basis w.e.f. COD up to 31<sup>st</sup> March 2026 or till the determination of regular tariff for the ISP for the First Control Period, whichever is earlier.
- 2.4.6 Similarly Vide the Order No. 12/2025-26 dated 9<sup>th</sup> September 2025, the Authority had allowed M/s Indian Oil Skytanking Private Limited to levy and collect the tariff for Into Plane (ITP) Services at the airport, on an ad-hoc basis, w.e.f. COD up to 31<sup>st</sup> March 2026 or till the determination of regular tariff for the ISP for the First Control Period, whichever is earlier.
- 2.4.7 Further vide order dated 25<sup>th</sup> March 2026, the Authority has permitted the ISPs namely Bird Flight Services (India) Pvt Ltd (Ground Handling), AISATS Noida Cargo Terminal Private Limited (Cargo), IOSL Noida Private Limited (Fuel Farm) and Indian Oil Sky Tanking Private Limited (ITP Services) to continue to levy prevailing tariffs for a period of 6 months, from 1<sup>st</sup> April 2026 to 30<sup>th</sup> September 2026 or till the determination of regular tariffs, whichever is earlier.

### 2.5 MYTP submissions by YIAPL

- 2.5.1 As per proviso to Clause 3.1 of the Airport Guidelines, the Airport Operator(s) are required to submit to the Authority for its consideration a Multi-Year Tariff Proposal (MYTP) for the respective Control Periods within the due date as specified by the Authority. YIAPL had submitted its initial MYTP on 22<sup>nd</sup> February 2024 for the period commencing from original COD of 1<sup>st</sup> December 2024 which included the period from COD until 31<sup>st</sup> March 2025 as Pre-Control Period and thereafter for the First Control Period commencing from 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2030.
- 2.5.2 However, YIAPL had decided to shift the COD from 1<sup>st</sup> December 2024 to 30<sup>th</sup> April 2025 due to delays in completion of the project. Accordingly, YIAPL submitted the revised MYTP vide letter dated 27<sup>th</sup> October 2024 after incorporating adjustments related to various factors such as Capex, Revenues, Operating Expenditure and NAR. This revised MYTP has been taken up by the Authority for review and evaluation after factoring for updates/ additional submissions by YIAPL. Any reference to MYTP in this Tariff Order refers to the revised MYTP submitted on 27<sup>th</sup> October 2024 with COD as 30<sup>th</sup> April 2025 (as submitted by YIAPL). This MYTP is available on the Airports Economic Regulatory Authority (AERA) website.
- 2.5.3 The Authority had appointed M/s PKF Sridhar & Santhanam LLP (M/s PKF S&S LLP), an Independent Consultant, to assess MYTP submitted by YIAPL for Noida International Airport. M/s PKF S&S LLP assisted AERA in verifying the data from various supporting documents submitted by YIAPL such as audited Financial Statements, contracts awarded for expenses and revenues for examining the building blocks in tariff determination of First Control Period and also ensuring that the treatment given to it is consistent with the Authority's methodology, approach etc.
- 2.5.4 The Authority through its Independent Consultant had examined the revised MYTP submitted by YIAPL and verified the data and the projections. The Authority requested various clarifications on the information shared by YIAPL to assess the reasonableness of the proposed capital expenditure, operating expenditure, Non-Aeronautical Revenue, FRoR, etc. for finalizing this Consultation Paper. YIAPL provided additional



information based on clarifications sought and queries raised by the Independent Consultant to AERA from time to time. All of this information had been used to finalize this Tariff Order.

**Revision to COD**

2.5.5 The Authority is in receipt of YIAPL's mail dated 16<sup>th</sup> January 2026, which stated the following:

*"Our Security clearances with BCAS is at advanced stage and we are expecting the same to be closed by end of this month end and efforts are in-line to secure the aerodrome license by end of January '26."*

2.5.6 In its mail dated 3<sup>rd</sup> February 2026, YIAPL had stated the following:

*"...project timelines have been revised, and the COD is now expected in Q4 FY26..."*

2.5.7 Hence, based on an independent assessment of the status of various statutory approvals and consequent delay in the commencement of operations, the Authority was of the considered view that the COD for the airport was likely to be 1<sup>st</sup> April 2026 at the Consultation Stage. Consequent to the revision in COD, the Control Period was proposed to be considered from April 2026 till March 2031.

2.5.8 The Authority notes that subsequent to the issuance of the Consultation Paper, the airport was inaugurated by the Hon'ble Prime Minister on 28<sup>th</sup> March 2026, though commercial operations have not commenced. As per recent news reports, passenger flight operations at Noida International Airport are now expected to commence from 15<sup>th</sup> June 2026, with IndiGo operating the inaugural flight, followed by other carriers in a phased manner. Accordingly, Authority expects that the Commercial Operation Date (COD) will be shifted from 1<sup>st</sup> April 2026 to 15<sup>th</sup> June 2026. Consequent to such revision, the First Control Period of five years will be retained as commencing from 1<sup>st</sup> April 2026 till 31<sup>st</sup> March 2031 with COD considered as 15<sup>th</sup> June 2026.

2.5.9 YIAPL, vide its email dated 3<sup>rd</sup> February 2026, submitted additional details with respect to the following and requested the Authority to consider the same:

- Revised traffic numbers consequent to change in COD indicating a shift in traffic numbers by one year (till Period ending 31<sup>st</sup> March 2030).
- YIAPL has updated the actual cost of certain capex contracts, with these costs earlier considered as budgeted in the MYTP now firmed up based on the award of respective contracts.
- Claims from the EPC contractor which are expected to be settled by YIAPL in the range of Rs. 500-600 crores
- Capex cost for future expansion: YIAPL anticipates that proposed interim expansion cost in-lieu of Phase 2 would be in the range of Rs. 500-600 crores.

The Authority's proposals regarding the above during the Consultation Stage are included in relevant chapters relating to Traffic (refer paras 4.2.17, 4.2.18, 4.2.19, 4.2.30, 4.2.37, 4.2.43), RAB (refer paras 5.3.181, 5.3.182 and 5.3.232) etc.

**Related Party Transactions**

2.5.10 The Authority, through its Independent Consultant, obtained details of the related parties with whom the airport operator had engaged, for rendering or receiving services. It is noted that YIAPL has transactions with Zurich Airport International AG (Holding Company). The nature and timing of these transactions are summarized in the table below:



**Table 4: Nature of transactions with Related Party**

Name of Party	Relationship	Nature of Transaction
Zurich Airport International AG	Holding Company	Support Services – Capital / Professional Services
Zurich Airport International AG	Holding Company	Reimbursement of Expenses

Each of these services are explained in detail in the paragraphs below:

Support Services – Capital / Professional Services

- 2.5.11 The Authority notes that Zurich Airport International AG (ZAIA) is responsible for advising, operating and/or owning airports and airport-related companies throughout the world. YIAPL receives technical services from ZAIA, in connection with the construction and management of NIA which includes manpower support. As per the inter-company agreement between YIAPL and ZAIA, in lieu of the provision of said services, ZAIA charges a fee to YIAPL at an average daily rate per man day on the basis of “average wage cost plus administrative surcharges for indirect expenses” plus a mark-up of 5.00%. Until the Airport COD, the portion eligible for capitalization has been considered as part of pre-operative expenses, subject to Para 5.9.17. Post Airport COD, these expenses are considered as part of O&M expenses.
- 2.5.12 YIAPL submitted that it has conducted a Transfer Pricing Study to substantiate the arms-length pricing for transaction which is in the nature of receipt of technical services from ZAIA by means of deputation of manpower from holding company to oversee the construction, operations, planning and management of NIA. The Authority, through its Independent Consultant, has obtained the copy of the Study Report of FY 2022-23 and reviewed the same. It was noted that this report contains details of the nature of the transaction, functional analysis, selection of the most appropriate method, benchmarking analysis and comparable data used to support the pricing of the transaction and thereby justifying the mark-up of 5%.

Reimbursement of Expenses

- 2.5.13 It was noted from the Transfer Pricing Study Report that expenses like airfare, travel costs, etc. are recovered on a cost-to-cost basis without charging any mark-up.
- 2.5.14 The Authority expects the Board of Directors of YIAPL to exercise their rights and/or obligations under the Companies Act 2013, to ensure that the contracts with the Related Party are at arm’s length basis and in case of any new Related Party transaction in future, the related party has experience of providing similar service in other places to ensure protection of interest of all stakeholders.
- 2.5.15 The timeline of various submissions made by YIAPL are as given below:

**Table 5: Timelines of various submissions made by YIAPL**

Activity	Date
Initial MYTP submission	22 <sup>nd</sup> February 2024
Initial Requirement List	21 <sup>st</sup> March 2024
Site visit	1 <sup>st</sup> April 2024 to 5 <sup>th</sup> April 2024
Clarifications for various building blocks	March 2024 to July 2024
Discussion of queries and responses with YIAPL	June 2024
Revised MYTP submission	27 <sup>th</sup> October 2024
Initial Set of Queries sent to YIAPL after analyzing the revised MYTP submission	12 <sup>th</sup> November 2024
Audited Financial Statement for the year ended 31 <sup>st</sup> March 2024	18 <sup>th</sup> November 2024



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Activity	Date
Site visit	11 <sup>th</sup> December 2024 to 14 <sup>th</sup> December 2024
Clarifications for various building blocks	December 2024 to June 2025
Change in COD intimation from YIAPL – Revised COD – 15 <sup>th</sup> September 2025	2 <sup>nd</sup> June 2025
Site Visit by Authority	24 <sup>th</sup> June 2025
Presentation to the Authority on key issues by YIAPL team	24 <sup>th</sup> July 2025
Ad-hoc order published	29 <sup>th</sup> August 2025
Change in COD intimation from YIAPL – Revised COD -1 <sup>st</sup> December 2025	24 <sup>th</sup> September 2025
Audited Financial statements for FY 2024-25 and CWIP data up to November 2025	31 <sup>st</sup> December 2025
Status update on licenses, COD, traffic, capex costs awarded etc	16 <sup>th</sup> January 2026 and 3 <sup>rd</sup> Feb 2026

2.5.16 All figures presented in this Tariff Order have been rounded off to two decimal places.

2.5.17 After examining the MYTP and other details submitted by AAI, the Authority had issued the Consultation Paper No. 07/2025-26 on 6<sup>th</sup> March 2026. Stakeholder comments and AO counter-comments were scheduled for submission by 7<sup>th</sup> April 2026 and 17<sup>th</sup> April 2026 respectively. Following the release of the Consultation Paper, the Authority convened a meeting with stakeholders on 23<sup>rd</sup> March 2026. The minutes of the meeting are available on AERA's website.

2.5.18 The following stakeholders provided comments on the Consultation Paper No. 07/2025-26 dated 6<sup>th</sup> March 2026, and their responses are available on AERA's website:

1. Yamuna International Airport Pvt Ltd (YIAPL)
2. Bangalore International Airport Limited (BIAL)
3. Adani Airports Holdings Limited (AAHL)
4. Air Asia Group
5. Air India Limited (AI)
6. Interglobe Aviation Limited (Indigo)
7. Lufthansa Group
8. Business Aircraft Operators Association (BAOA)
9. Association of Private Airport Operators (APAO)
10. International Air Transport Association (IATA)
11. Mr. Sumedh Bhagwat

**Table 6: Names of Stakeholders who submitted comments/views on Regulatory building blocks**

Component impacting tariff determination of the First Control Period	Name of the stakeholders who commented/ submitted views on regulatory building blocks/ tariff determination process
Methodology of Tariff Determination	IATA, Lufthansa Group, APAO
Pre-COD Losses for the period from 22 <sup>nd</sup> Jan 2020 to COD	Mr. Sumedh Bhagwat, Lufthansa Group, YIAPL
Traffic for the First Control Period	Mr. Sumedh Bhagwat, Air India, IATA, Lufthansa Group, YIAPL, Indigo
Capital Expenditure (Capex), Depreciation and Regulatory Asset Base (RAB) for First Control Period	Mr. Sumedh Bhagwat, IATA, Lufthansa Group, YIAPL, BAOA



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Component impacting tariff determination of the First Control Period	Name of the stakeholders who commented/ submitted views on regulatory building blocks/ tariff determination process
Fair Rate of Return for the First Control Period	Mr. Sumedh Bhagwat, Indigo, YIAPL,
Inflation for the First Control Period	YIAPL
Operation and Maintenance (O&M) Expenses for the First Control Period	Mr. Sumedh Bhagwat, IATA, Lufthansa Group, YIAPL
Non-Aeronautical revenue for the First Control Period	Mr. Sumedh Bhagwat, Adani Airports, APAO, BIAL, Lufthansa Group, YIAPL
Taxation for the First Control Period	YIAPL
Quality of Service for the First Control Period	YIAPL
ARR for the First Control Period	IATA
Aeronautical Revenue/Tariff Rate Card	Air India, IATA, Indigo, Lufthansa Group, Air Asia Group, BAOA, YIAPL

2.5.19 The counter comments from YIAPL on the comments from other stakeholders were received on 17<sup>th</sup> April 2026. Thus, the stakeholders' consultation process concluded on the receipt of counter comments by YIAPL.

2.5.20 No input was received from Ministry of Civil Aviation (MoCA) as part of the consultation process.

**2.6 Stakeholders' comments regarding Methodology of Tariff Determination for the First Control Period**

2.6.1 During the stakeholders' consultation process, the Authority has received comments/views from various stakeholders in response to the proposals of the Authority in Consultation Paper No. 07/2025-26 with respect to the Methodology of Tariff Determination for the First Control Period. The comments by the stakeholders are presented below:

**Other Stakeholders' comments regarding Methodology of Tariff Determination for the First Control Period:**

2.6.2 International Air Transport Association's comments on Non-Aeronautical Allocation and Hybrid Till treatment is as follows:

*"Non-Aeronautical Allocation and Hybrid till*

*The CP confirms that DXN will operate under the Hybrid Till framework, under which 30% of non-aeronautical revenue (NAR) is applied as a cross-subsidy toward aeronautical charges. While this framework is well understood, its effectiveness during the early years depends critically on the actual scale and composition of NAR.*

*In practice, non-aeronautical revenues will be structurally low during the initial years, increasing only as the airport matures and commercial activities stabilize. Meanwhile, YIAPL's MYTP reflects optimistic NAR growth assumptions, driven by expectations around passenger spend rates, premium-product penetration, and rapid commercial ramp-up. These assumptions may not fully account for the behaviour of passengers and concessionaires in a new dual-airport environment where catchment and footfall require time to establish.*

*Given these realities, the effective NAR cross-subsidy in the early years will be low/modest, irrespective of the headline 30% Hybrid Till factor. At the same time, City-side development revenues are explicitly excluded from NAR under the Concession Agreement and AERA's framework, and therefore cannot contribute to the*



*Hybrid Till cross-subsidy. This exclusion further reduces the effective offset to aeronautical charges and weakens the intended policy impact of Hybrid Till during the initial years of DXN's operation.*

*As a result, a large share of the total cost base falls on aeronautical users in the early years, making accurate and conservative asset allocation essential.*

*Specifically, in relation to the information provided in the consultation document the following point should be considered:*

*Clause 5.4.4 IATA would support an adjustment to the allocation ratio but would suggest that a higher non-aeronautical to aeronautical ratio be considered than the proposed 12:88. It is in the airports best interest to develop non-aero areas to derive a greater portion of non-aero revenue for the airport. The regulation is designed to encourage the development of non-aero business with the hybrid till structure. As non passengers are not allowed into the terminal building at Indian Airports (Hyderabad and Bengaluru for example) have extensive non-aero facilities outside the terminal building for well-wishers. The large, covered forecourt area is ideal for the development of non-aero commercial areas. As the airport is a significant distance from Delhi it is likely there will be a large portion of well-wishers that would use these facilities if provided. They also have a significant percentage of non-aero areas within the terminal building with departures and arrival commercial areas.*

*Hybrid Till:*

*The Concession Agreement for YIAPL prescribes a Hybrid Till framework for tariff determination. However, the adoption of a specific till methodology has historically been influenced by policy considerations, including the Ministry of Civil Aviation's emphasis on ensuring reasonable user charges and reducing the burden on passengers.*

*While the National Civil Aviation Policy (2016) provides for future tariff determination to be undertaken on a Hybrid Till basis with 30% of non-aeronautical revenue utilized for cross-subsidization, all parties concerned also recognize that under the Single Till approach, non-aeronautical revenues are fully offset against the aeronautical cost base, resulting in lower aeronautical charges and more efficient pricing outcomes for airport users. Single Till has been regarded by ICAO and other international bodies as aligned with the objective of reducing the burden on end-users by enabling full cross-subsidisation from commercial revenues, thereby keeping aeronautical tariffs at efficient levels.*

*In this context, and without prejudice to the provisions of the Concession Agreement, YIAPL may evaluate the merits of voluntarily adopting elements of a Single Till approach in the first control period, to the extent that such an approach enhances tariff stability, supports traffic growth, and remains consistent with overall financial sustainability.*

*Any such voluntary consideration by YIAPL shall be subject to regulatory scrutiny, particularly in relation to ensuring cost-relatedness, transparency in revenue allocation, and consistency with contractual obligations.*

*AERA may, where appropriate, consider submissions from YIAPL on this matter during the tariff determination process, provided that such submissions are duly substantiated and do not prejudice the regulatory framework or consumer interest."*



2.6.3 Lufthansa Group's comments on Single Till Methodology under Section 13 is as follows:

*"The Airports Economic Regulatory Authority of India Act, 2008 (as amended from time to time) provides for the determination of aeronautical tariff by taking into account revenues generated from services other than aeronautical services as well, thereby implying the adoption of a Single Till methodology. Therefore, in light of the statutory provisions and established regulatory principles, the Single Till methodology should be consistently applied for the determination of aeronautical tariffs at Noida International Airport (DXN), a major airport."*

2.6.4 Lufthansa Group's comments on Consultation Process Enhancements is as follows:

*"We respectfully submit the following procedural recommendations:*

- The Stakeholder Consultation Meeting should be scheduled after the submission of written comments by all stakeholders. Holding the meeting after reviewing written submissions would allow the Authority and stakeholders to address specific points of divergence, fostering greater transparency, accountability, and collaboration between all stakeholders; and*
- Stakeholders should further be provided an opportunity to review and respond to submissions made by the airport operators prior to issuance of the final Tariff Order.*

*These steps will enhance transparency, improve the quality of regulatory outcomes, and reduce the likelihood of future disputes or litigation."*

2.6.5 APAO's comments on Mid-term review is as follows:

*"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. In fact, 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."*

## **2.7 YIAPL's response to stakeholders' comments regarding Methodology of Tariff Determination for the First Control Period**

2.7.1 YIAPL's response to International Air Transport Association's (IATA) comments on Non-Aeronautical Allocation and Hybrid Till treatment is as follows:

*"It is respectfully submitted that the tariff determination framework applicable is governed by the provisions of its Concession Agreement and the adoption of Hybrid Till model by AERA as per the AERA's order number 14/2016-17 (F.No. AERA/20010/Civil Aviation Policy/2014-15/Vol-I) dated 12th January 2017 (issued on 23rd January 2017).*

*In relation to the matter of allocation ratios, YIAPL has submitted its detailed comments in Sections 3.3, 3.4, and 3.9 (refer para 5.7.4, 5.7.5 and 5.7.11 of this Tariff Order) of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration."*



2.7.2 YIAPL's response to Lufthansa Group's comments on Single Till methodology is as follows:

*"It is requested to refer YIAPL's response on Non-Aeronautical allocation and Hybrid Till treatment as submitted in paragraph 1.5 of this submission (refer para 2.7.1 of this Tariff Order)."*

2.7.3 No comments were received from YIAPL for Lufthansa Group's comments on Consultation Process enhancements and APAO's comments on Mid-Term Review.

## **2.8 Authority's analysis on Stakeholders' comments regarding Methodology of Tariff Determination for the First Control Period**

2.8.1 The Authority notes the comments of IATA and Lufthansa Group regarding Methodology for Tariff Determination and YIAPL's response to the same. Determination of tariff under Hybrid Till mechanism is as per the recommendation of the National Civil Aviation Policy 2016 (NCAP 2016) of GoI and as per the AERA Order No. 14/2016-17 dated 12<sup>th</sup> January 2017 pertaining to AERA tariff guidelines in this regard. The excerpt from the same is as below:

*"(i) The Authority will in future determine the tariff of major airports under "Hybrid Till" wherein 30% non-aeronautical revenues will be used to cross subsidize aeronautical charges. Accordingly, to that extent, the airport operator guidelines of the Authority shall be amended. The provisions of the guidelines issued by the Authority, other than regulatory Till, shall remain the same."*

Therefore, Hybrid Till mechanism has been followed since then to determine the aeronautical tariff uniformly across all the major airports. It is also relevant to note that 30% Hybrid Till model, as currently implemented in the background of NCAP, strikes an appropriate balance between the interests of the airport operator and airport users. This provides a uniform and transparent framework for tariff determination that considers both Aero and Non-Aero activities. Also, the Authority notes that the Concession Agreement (Clause 32.3.3) specifies about 30% shared till framework as the applicable methodology for Noida International Airport.

The Authority also notes IATA's comments regarding the terminal building ratio and has addressed the same in para 5.9.10

2.8.2 The Authority has carefully examined the comments of APAO with regard to mid-term review for NIA. In terms of Section 13(2) of the Airports Economic Regulatory Authority of India Act, 2008, while tariffs are typically determined once for a five-year Control Period, the Authority is empowered to amend such tariffs from time to time during the said period, if considered appropriate and in public interest. The above provision provides the Authority with a statutory and regulatory basis to undertake, if deemed necessary, a limited review during the Control Period in order to examine material traffic or revenue deviations. Accordingly, in the specific context of Noida International Airport's First Control Period, the Authority may, purely on a need basis and in the long-term interest of ensuring viability and growth of a new airport system and in public interest would consider undertaking a review of the Tariff Order at an appropriate interval within this Control Period as deemed necessary, without undermining the overall regulatory certainty.

2.8.3 The Authority has carefully examined the comments of Lufthansa Group with regard to certain procedural aspects of the consultation process including the sequencing of the stakeholder's consultation meeting. The Authority notes the stakeholder's suggestions and the request for an additional opportunity to review and respond to the submissions made by the Airport Operator prior to issuance of the Tariff Order. In this regard, the Authority reiterates that the tariff determination process, as presently followed, is robust, transparent and undertaken strictly in accordance with the provisions of the AERA Act, 2008 and the extant Tariff Guidelines.



The existing consultative framework follows a defined timelines of 40 days since issuance of Consultation Paper and is designed to provide adequate opportunity to all stakeholders to participate in the Stakeholder Consultation Meeting and to also submit their views through written submissions, all of which are duly considered by the Authority before finalising the Tariff Order. Further, with respect to the comment on convening the stakeholders consultation meeting after receiving the comments, it is to be noted that the Tariff Guidelines also provides the direction to the Airport Operator to conduct AUCC meetings for all proposed capital expenditure, where stakeholders have an upfront opportunity to express their views on the proposal submitted as part of MYTP. Therefore, scheduling the Stakeholder Consultation Meeting after receipt of all written submissions would turn this into a circuitous process. Accordingly, the Authority is of the view that the current process strikes an appropriate balance between stakeholder participation and timely regulatory decision making.

## 2.9 Construct of the Tariff Order

2.9.1 This Tariff Order has been developed in the following order as explained below. Chapter-wise details have been summarized as follows:

- The background of the Airport is explained in Chapter 1.
- Methodology of Tariff determination has been detailed in Chapter 2. Thereafter, comments of YIAPL and other stakeholders, response of YIAPL to other stakeholders' comments and the Authority's analysis are set out.
- Chapter 3 presents the submission of YIAPL for the period from 22<sup>nd</sup> January 2020 to COD and the Authority's examination and proposals on the same as set out in Consultation Paper 07/2025-26 dated 6<sup>th</sup> March 2026. Thereafter, comments of YIAPL and other stakeholders, response of YIAPL to other stakeholders' comments, the Authority's analysis and final decisions are set out.
- Chapter 4 presents the submissions of YIAPL regarding Traffic Projections for the First Control Period and the Authority's examination and proposals on the same as set out in Consultation Paper 07/2025-26 dated 6<sup>th</sup> March 2026. Thereafter, comments of YIAPL and other stakeholders, response of YIAPL to other stakeholders' comments, the Authority's analysis and final decisions are set out.
- Chapter 5 includes the submissions of YIAPL regarding Capital Expenditure (CAPEX), Depreciation and RAB for the First Control Period along with the Authority's detailed examination, adjustments, rationalization and proposals on the Aeronautical capital expenditure, useful lives and RAB for the First Control Period as set out in Consultation Paper 07/2025-26 dated 6<sup>th</sup> March 2026. Thereafter, comments of YIAPL and other stakeholders, response of YIAPL to other stakeholders' comments, the Authority's analysis and final decisions are set out.
- Chapter 6 – 11 includes the submissions of YIAPL regarding various building blocks pertaining to the First Control Period including Fair Rate of Return, Inflation, Operating Expenses, Non-Aeronautical Revenue, Taxation, Quality of Service along with the Authority's examination and proposals on each matter as set out in Consultation Paper 07/2025-26 dated 6<sup>th</sup> March 2026. Thereafter, comments of YIAPL and other stakeholders, response of YIAPL to other stakeholders' comments, the Authority's analysis and final decisions are set out.
- Chapter 12 presents the Aggregate Revenue Requirement for the First Control Period. Thereafter the comments of stakeholders, response of YIAPL to other stakeholders' comments, the Authority's analysis and final decisions are set out.

- Chapter 13 presents Aeronautical Revenue for the First Control Period. Thereafter the comments of stakeholders, response of YIAPL to other stakeholders' comments, the Authority's analysis and final decisions are set out.
- Chapter 14 summarizes the Authority's decisions on all the matters relating to the tariff computations and Chapter 15 is the Final Tariff Order issued by the Authority for the First Control Period.
- Chapter 16 contains Annexures  
Annexure 1 - Tariff Rate Card pertaining to Noida International Airport for the First Control Period as approved by the Authority, effective from 15<sup>th</sup> June 2026 to 31<sup>st</sup> March 2031.  
Annexure 2 – Key clauses of Concession Agreement

## 2.10 Review of Tariff Order

- 2.10.1 As per the provisions of Section 13(2) of AERA Act 2008, the tariff so determined can be revisited and reviewed.



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### 3. PRE-COD LOSSES FOR THE PERIOD FROM 22ND JANUARY 2020 TO COD

#### 3.1 YIAPL's submissions regarding the period from 22<sup>nd</sup> January 2020 to COD

- 3.1.1 YIAPL had, together with the projections for the First Control period, submitted the details of shortfall for the period from 22<sup>nd</sup> January 2020 till 29<sup>th</sup> April 2025 included as part of O&M Costs. While this had not been separately presented in the MYTP as Pre-COD results, it had been added to the O&M costs of the First Control Period (in the first tariff year i.e. FY 2025-26) for arriving at the ARR for the First Control Period.
- 3.1.2 YIAPL had submitted certain expenses incurred prior to the COD as Pre-COD losses. These pre-COD losses are primarily on account of expenses related to the development of airport infrastructure that are not capitalized. YIAPL had requested the Authority to consider these pre-COD losses as part of the tariff computation.
- 3.1.3 YIAPL had computed the pre-COD losses based on the Aeronautical expenditure, Aeronautical revenues and Non-Aeronautical Revenues as shown in the table below.

**Table 7: Details of Pre-COD Losses for the period from 22<sup>nd</sup> January 2020 to Airport COD as submitted by YIAPL**

*(Rs. in crores)*

Particulars	Ref	FY21*	FY22	FY23	FY24	FY25	FY26 <sup>#</sup>	Total
Aeronautical Revenues	A	-	0.4	11.7	35.4	31.8	4.1	83.4
Aeronautical Expenses	B	11.8	10.2	16.8	24.1	25.9	2.3	91.1
30% of Non-Aeronautical Revenues	C	-	-	-	6.4	4.1	0.3	10.8
<b>Net Aeronautical Pre-COD (Losses)/ Gain</b>	<b>D= A-B+C</b>	<b>-11.8</b>	<b>-9.7</b>	<b>-5.1</b>	<b>17.7</b>	<b>9.9</b>	<b>2.2</b>	<b>3.2</b>
Time Period (years)		5.3	4.1	3.1	2.1	1.1	0.1	
FroR	E	14.77%						
Future Value Factor	F	2.1	1.8	1.5	1.3	1.2	1.0	
<b>Future Value of Aeronautical Pre-COD (Losses)/ Gain as on COD</b>	<b>G= F×D</b>	<b>-24.4</b>	<b>-17.1</b>	<b>-7.8</b>	<b>23.5</b>	<b>11.5</b>	<b>2.2</b>	<b>-12.0</b>
<b>Sum of Future value of Aeronautical Pre-COD (Losses)/ Gain as on COD</b>	<b>Sum of G</b>	<b>-12.0</b>						

\*Data from company formation date (22 Jan 2020) till 31 March 2021 is included in FY 21.

#Cost for 1 April 2025 till 30 April 2025 is included in FY 2025-26.

#### 3.2 Authority's examination regarding the period from 22<sup>nd</sup> January 2020 to COD at Consultation Stage

- 3.2.1 The Authority noted that although there is a gain in absolute terms during the pre-COD period, as per YIAPL, the application of the Fair Value (FV) factor results in a loss, which is requested by YIAPL to be carried forward to the First Control Period.
- 3.2.2 The various components of the pre-COD losses and their break-up as seen from the Financial Model submitted by YIAPL are as follows:

## PRE-COD LOSSES FOR THE PERIOD FROM 22ND JANUARY 2020 TO COD

- i. **Aeronautical Revenue:** Comprises of Upfront Fee and License Fee from fuel and cargo concession along License Fee and Fixed Fee paid by Bharat Petroleum Corporation Limited (BPCL) for the installation of a fuel pipeline and terminal receipt facility within the airport premises.
- ii. **Aeronautical O&M expenses:** Comprises of personnel cost (excluding amounts that were capitalized during the pre-COD period), general administration cost, insurance cost and other costs.
- iii. **Non-Aeronautical Revenue:** Comprises of land license fee pertaining to various concession agreements, upfront fees, bid fee received etc.

3.2.3 It was noted that the Aeronautical and Non-Aeronautical Revenues as submitted by YIAPL includes Upfront Fee payments. The Authority proposed to consider these revenues as commencing from Airport COD for the purpose of regulatory computation as these services are related to airport operations which commence after COD.

3.2.4 It was noted that NIA being a greenfield airport, the airport is likely to be under-construction/ trial run prior to the expected COD date of 1<sup>st</sup> April 2026. The investments and expenditure incurred by YIAPL in the regulatory building blocks are not available for utilization by users/passengers prior to COD. Therefore, the users/passengers cannot be asked to pay any aeronautical tariffs before availing of facilities offered by the airport. In such a scenario, operational losses/(gains) prior to the airport becoming operational (i.e. COD) is proposed not to be carried forward to the First Control Period.

### 3.3 Stakeholders' comments regarding the period from 22<sup>nd</sup> January 2020 to COD

3.3.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26 with respect to Pre-COD Losses for the First Control Period. The comments by stakeholders are presented below:

#### YIAPL's comments regarding the period from 22<sup>nd</sup> January 2020 to COD

3.3.2 YIAPL's Comments on non-consideration of pre-COD losses are as follows:

*"YIAPL was incorporated on 22 January 2020, as a wholly owned subsidiary of Zurich Airport International AG (ZAIAG) and has been set up as a Special Purpose Vehicle to develop Noida International Airport under the DBFOT (Design, Build, Finance, Operate & Transfer) model.*

*As a greenfield airport, YIAPL incurred significant pre-operative expenditure, a portion of which could not have been capitalized under applicable accounting standards and was therefore charged to the P&L account, resulting in losses prior to the commencement of operations. These pre-operative losses pertain to the period starting from inception of company to anticipated COD.*

*YIAPL has also earned some revenue during its Pre-COD period from Aeronautical and Non-Aeronautical verticals in the form of license fees and related revenues streams which have been duly considered by YIAPL for computation of pre-COD losses. Further, YIAPL has computed the Pre-COD losses based on the Aeronautical expenditure, Aeronautical revenues and 30% cross subsidization of Non-Aeronautical Revenues.*

*Being an SPV for Noida International Airport, the expenditure under consideration has been incurred solely for the infrastructure development at NIA. The Authority is well aware that while a substantial portion of the expenditure has been capitalized into Project cost where it could have been, the balance amount has been charged to P&L Account in line with the applicable accounting Standards, culminating into a loss as of the*



*date of anticipated COD. This treatment of pre-COD expenses is not only in consonance with the applicable accounting standards read with Companies Act, 2013 but has also been validated by the statutory auditors of YIAPL. In our humble submission, by brushing aside these genuine and actual pre-COD losses, the Authority may be viewed as casting aspersions on the integrity of YIAPL's duly audited financial statements.*

*In view of above, YIAPL requests the Authority to consider the pre-COD losses as furnished by YIAPL for arriving at the ARR for First Control Period."*

3.3.3 YIAPL's Comments on consideration of upfront fee payments from fuel farm and cargo concessions as commencing from Airport COD are as follows:

*"The Concession Agreement executed between YIAPL and Noida International Airport Limited (NIAL) obligates YIAPL to ensure the availability of fuel farm and cargo facilities at NIA. In pursuance of its obligations, YIAPL awarded the concession for the fuel farm (FF) facility at NIA to IOSL Noida Private Limited (FF Concessionaire) through a competitive bidding process, under a Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) framework. In consideration of the rights granted to the Fuel Farm Concessionaire vide "Design, Finance, Build Transfer Concession Agreement dated 17 March 2022 executed between YIAPL, Indian Oil Skytanking Private Limited and IOSL Noida Private Limited" (FF Concession Agreement), YIAPL received an upfront fee from FF Concessionaire. The said upfront fee has been recognized by YIAPL as revenue on a straight-line basis over the entire tenure of FF Concession Agreement commencing from Execution Date (as defined therein) in accordance with the terms of the FF Concession Agreement and applicable accounting principles.*

*Likewise, YIAPL has awarded the concession for the Integrated Cargo Terminal (ICT) at NIA to AISATS Noida Cargo Terminal Private Limited (ICT Concessionaire) through a competitive bidding process on DGFOMT basis. In consideration of the right granted to the ICT Concessionaire vide "Concession Agreement for Integrated Cargo Project dated 30 May 2023 executed between YIAPL, AISATS Noida Cargo Terminal Private Limited and Air India SATS Airport Services Private Limited" (ICT Concession Agreement) to undertake construction, operations, maintenance and management of ICT facility during the duration of the ICT Concession Agreement, YIAPL received an upfront fee from the ICT Concessionaire. This upfront fee has been recognized as revenue by YIAPL on a straight-line basis over the tenure of the ICT Concession Agreement, in accordance with the terms thereof and applicable accounting standards.*

*It is reiterated that YIAPL has granted rights to the ICT/FF Concessionaire over the entire tenure of the respective concession agreements encompassing all phases from pre-construction to operation and maintenance of the concerned facility.*

*The Authority's Treatment Inconsistent with Commercial Terms of the Respective Concession Agreements*

*Reference is made to Article 24 of the ICT Concession Agreement which is reproduced below for easy comprehension:*

**ARTICLE 24  
PAYMENTS TO YIAPL**

**24.1. PAYMENTS**

24.1.1. In consideration of the ICT Concessionaire being granted the right to undertake construction, operations, maintenance and management of the ICT Facility on a design, build, finance, operate, transfer basis, forming part of the ICT Concession Rights, subject to and in accordance with the Agreement, the ICT Concessionaire agrees to make each of the following payments to YIAPL in the manner and at the times set out under Schedule L.

- (a) The Upfront Fee in accordance with Paragraph 1 of Schedule L; and
- (b) The AF in accordance with Paragraph 3 of Schedule L.

*It is evident from a plain reading of Article 24 aforesaid that the upfront fee is a consideration in lieu of YIAPL granting the right to undertake construction, operations, maintenance and management of ICT facility and thus represents a consideration encompassing the entire tenure of ICT Concession Agreement commencing from the Execution Date (as defined therein) and explicitly covering the pre-construction phase, construction phase and the operation and maintenance phase of the ICT facility . The ICT Concession Agreement and the commercial terms thereof do not leave any scope of interpretation that the consideration is attributable to the operational phase of the ICT facility at the airport.*

*In the same breath, reference is made to Article 9 of FF Concession Agreement in terms whereof the upfront fee is payable by the FF Concessionaire in consideration of parties executing the FF Concession Agreement meaning thereby that the said upfront fee encompasses the entire gamut and scope (including pre construction, construction, operation and maintenance) of the FF Concession Agreement and is not merely restricted to the operational phase of the FF facility.*

*The Authority has proposed to recognize the upfront fee on a straight-line basis commencing from the airport COD. YIAPL respectfully disagrees with this proposal of the Authority in as much as the proposal goes against the grain, letter and spirit of the respective concession agreements and marks a stark departure from the commercial terms agreed with the respective concessionaires which terms have been finalized after due consideration of business risks borne by YIAPL during the intervening period between award of concessions and COD.*

*YIAPL's view is consistent with the accounting standard and principles:*

*YIAPL requests the attention of the Authority to the applicable accounting principles and the guidance prescribed under Accounting Standard (AS) 9 – Revenue Recognition under Indian GAAP. In accordance with AS 9, where services are rendered through an indeterminate number of acts over a specified period, revenue is required to be recognized on a straight-line basis over such period.*

*Under the respective concession arrangements, the consideration received by YIAPL is in lieu of the rights to construct, operate, and maintain ICT/FF facility over the concession tenure (i.e 20 years/30 years respectively). Accordingly, revenue is appropriately recognized on a straight-line basis starting from execution date to the end of tenure of respective concessions and is consistent with the requirements of AS 9.*

*In conclusion, the position taken by the Authority herein is not only a material deviation to the commercial terms laid down in the respective concession agreements for ICT and FF facilities but is also inconsistent with the accounting principles and standards and business practices.*



Accordingly, YIAPL urges the Authority to align the commencement of revenue recognition of upfront fee with the respective execution dates of the concession agreements.

In view of the submissions made at Para 1 & 2 above, YIAPL requests the Authority to appreciate the status of NIA as a greenfield airport and allow the pre-cod losses while treating the upfront revenue on straight line basis on and from the execution dates of the respective concession agreements.

YIAPL hereby requests the Authority to take cognizance of its submissions regarding the straight lining of upfront revenue received from the ICT and Fuel Farm concessions. In this regard, it is reiterated that YIAPL has granted rights to the respective ICT/Fuel Farm Concessionaires for the entire tenure of the respective concession agreements encompassing all phases from pre-construction to operation and maintenance of the respective facilities. YIAPL, therefore respectfully requests the Authority to consider the submission and rationale set out in para 3.3.3 of this Tariff Order and to allow straight lining of such upfront revenue from the date of execution of the respective concession agreements."

**Other Stakeholders' comments regarding the period from 22<sup>nd</sup> January 2020 to COD**

3.3.4 Mr. Sumedh Bhagwat's comments on disallowance of pre-COD losses are as follows:

*"Strict Disallowance of Pre-COD Losses from the RAB (IND AS 16 & 38)*

*The Authority's proposal to entirely exclude pre-COD losses from the tariff determination is structurally sound. Under the core principles of Ind AS 16 (Property, Plant and Equipment) and Ind AS 38 (Intangible Assets), costs incurred before an asset is in the location and condition necessary for it to be capable of operating in the manner intended by management cannot be capitalized or passed onto the consumer. Passengers utilizing the facility post-April 1, 2026, must not be forced to amortize the concessionaire's pre-operative financial burdens. I strongly urge AERA to maintain this stance without concession, ensuring the Regulatory Asset Base (RAB) is not artificially inflated."*

3.3.5 Lufthansa Group's comments on disallowance of Pre-COD Losses are as follows:

*"In Paragraph 3.1.1 of the Consultation Paper, the Authority has observed that Yamuna International Airport Private Limited (YIAPL) has included the financial shortfall incurred during the period from its inception (22 January 2020) until the expected Commercial Operation Date (COD). These losses have not been presented separately as pre-COD results in the Multi-Year Tariff Proposal (MYTP); instead, they have been subsumed within the Operating and Maintenance (O&M) costs of the First Control Period specifically in the first tariff year (FY 2025-26) for the purpose of determining the Aggregate Revenue Requirement (ARR).*

*In Paragraph 3.3.1, the Authority has proposed to exclude such pre-COD losses from tariff determination. Lufthansa Group supports this proposal.*

*We further concur with the Authority's observation in Paragraph 3.2.4 that Noida International Airport is a greenfield project, and that the underlying assets are not available for use by airlines or passengers during the construction phase. Accordingly, users cannot reasonably be expected to bear aeronautical charges for infrastructure that is neither operational nor accessible. The exclusion of pre-COD losses is therefore consistent with both regulatory principles and user-pay fairness.*

### 3.4 YIAPL's response to Stakeholders' comments regarding the period from 22<sup>nd</sup> January 2020 to COD

3.4.1 YIAPL's response to Mr. Sumedh Bhagwat's comment on disallowance of pre-COD losses is as follows:

*"YIAPL has made detailed submissions in Paragraph 1.1 of its comments (refer para 3.3.2 of this Tariff Order) on the Consultation Paper, which may be considered by the Authority. As the SPV for Noida International Airport, YIAPL has incurred the relevant expenditure solely towards infrastructure development of NIA. While eligible costs have been capitalised as part of the project cost, the remaining expenditure has been charged to the Profit and Loss Account in accordance with applicable accounting standards. This accounting treatment has resulted in pre-COD losses up to the anticipated COD. The treatment of pre-COD expenses is fully compliant with applicable accounting standards read with the Companies Act, 2013 and has been validated by YIAPL's statutory auditors. Accordingly, YIAPL requests the Authority to consider the pre-COD losses as furnished by YIAPL while determining the Aggregate Revenue Requirement (ARR) for the First Control Period."*

3.4.2 YIAPL's response to comments by Lufthansa Group's on Treatment of Pre-COD Losses is as follows:

*"YIAPL has been established as a Special Purpose Vehicle (SPV) for the development of Noida International Airport under the DBFOT (Design, Build, Finance, Operate and Transfer) model. As the SPV for Noida International Airport, the expenditure under consideration has been incurred solely towards the development of, and operational readiness for, the airport infrastructure, which will be used by all airport users. Accordingly, the same constitutes a legitimate expense that ought to be considered in the determination of ARR for YIAPL. YIAPL has also submitted its comments on the Authority's treatment of Pre-COD losses in Section 1.1 of YIAPL's comments (refer para 3.3.2 of this Tariff Order) on the Consultation Paper. It is requested that the Authority take the same into consideration."*

### 3.5 Authority's analysis on Stakeholders' comments regarding the period from 22<sup>nd</sup> January 2020 to COD

#### Treatment of Pre-COD losses

3.5.1 The Authority notes the comments of YIAPL in respect of pre-COD losses, the comments received from Lufthansa Group and Mr Sumedh Bhagwat and the counter comments of YIAPL in this regard. The Authority notes that the losses incurred by YIAPL during the pre-COD period have arisen primarily from expenditure incurred during the development and construction phase of the project which have not been capitalised, and that such expenditures have been recorded in accordance with applicable accounting standards and supported by audited financial statements. However, the Authority reiterates that determination of aeronautical tariff is governed by the provisions of the AERA Act, 2008 and the applicable tariff guidelines, which are based on principles of economic regulation and the linkage between costs incurred and services provided, and not solely based on accounting treatment.

The Authority observes that, prior to COD, the Airport was not available for commercial operations and no aeronautical services were rendered to users; accordingly, airport users did not derive any benefit from the facilities during the pre COD period. The Authority also notes that Lufthansa Group and Mr Sumedh Bhagwat support this view of the Authority.

The Authority notes that while the accounting treatment of pre COD losses may be in line with extant accounting provisions, the exclusion of such losses for tariff determination purposes aligns with the Authority's framework and guided by the objective of safeguarding the interests of airport users.



It is also noted that in the Memorandum of Understanding executed between Noida International Airport and the Government of India, in paragraph 3.6.5 under the section relating to “Principles of Determination and Revision of Aeronautical Charges” provides that *“Any under recovery or over recovery of aeronautical revenues by the Concessionaire, in respect of ad hoc or final aeronautical charges approved by AERA for the first control period (currently five years) commencing from the Commercial Operation Date (COD) for Phase I, shall be carried forward and adjusted by the Authority”*. From the above, it is evident that the regulatory framework expressly links the under/over recovery to the control period, and accordingly, revenues and costs arising only during the control period are to be considered under the regulatory framework of tariff determination. Therefore, losses, if any, incurred during the pre COD period are not envisaged to be carried forward for adjustment under the tariff framework, which is also consistent with the intent of the applicable legislative and regulatory provisions.

Accordingly, consistent with the proposals set out in the Consultation Paper, the Authority maintains its position that pre COD losses for the period from company inception to COD cannot be considered for determination of aeronautical tariff for Noida International Airport for the First Control Period.

**Treatment of Pre-COD income (including upfront fees)**

- 3.5.2 The Authority has reviewed the comments of YIAPL and notes that, for the purpose of tariff determination, revenues and costs are required to be aligned to the period in which aeronautical services are actually available and capable of being used by airport users. While YIAPL may have accounted for upfront fee payments under the fuel farm and cargo concession agreements pursuant to execution of the respective contracts, the Authority notes that the related facilities form an integral part of airport operations and become usable by airlines, cargo operators and other users only from the Commercial Operations Date (COD) of the Airport. Prior to COD, Noida International Airport was not operational and no aeronautical services, including fuel supply or cargo handling, could be rendered to users. Recognizing such revenues before COD would therefore result in a mismatch from a regulatory perspective, between revenue recognition and the period in which the corresponding services are available, which would be inconsistent with the tariff principles followed by the Authority. The Authority clarifies that this regulatory treatment is independent of the accounting recognition adopted by YIAPL and is intended solely to ensure that revenues considered for tariff determination appropriately correspond to the operational phase of the Airport and the benefits available to users. Accordingly, consistent with the proposals set out in the Consultation Paper, the Authority decides that upfront fee revenues from fuel farm and cargo concessions shall be considered for tariff determination from the COD of Noida International Airport for the First Control Period.

**3.6 Authority’s decision regarding the period from 22<sup>nd</sup> January 2020 to COD**

- Based on the material before it and its analysis, the Authority decides the following with regard to the Tariff for the period from 22<sup>nd</sup> January 2020 to Airport COD:
- 3.6.1 Not to consider the pre-COD losses as part of tariff for the period from Company inception to COD for Noida International Airport, Jewar.
- 3.6.2 To consider amortization of upfront fee received from fuel farm and cargo concessions as commencing from Airport COD for the purpose of determination of tariff for the First Control Period.

#### 4. TRAFFIC FOR THE FIRST CONTROL PERIOD

##### 4.1 YIAPL's submissions regarding Traffic for the First Control Period of Noida International Airport

4.1.1 YIAPL appointed M/s Landrum & Brown (L&B), an independent agency, to study the traffic at Noida International Airport. L&B had undertaken analysis of factors such as the Indian aviation market overview, historical regional aviation activity, catchment area, external connectivity and air traffic demand drivers like Regional Connectivity Scheme (RCS), tourism policy, ATF prices, etc. to forecast the traffic at Noida International Airport (NIA) for the First Control Period.

4.1.2 The methodology used by L&B for the purpose of the Traffic Study is given below:

##### Passenger Traffic

- In order to determine the traffic at NIA, at first the total traffic for the Delhi Region was estimated. The increase in passengers in Delhi region over the period is driven by several factors such as economic growth, regional connectivity scheme, population growth, active promotion of tourism industry, increased Low-Cost Carrier (LCC) penetration, high propensity to travel, better financial stability of airline companies etc.
- The Delhi region airport system forecast also takes into account near-term changes planned at Delhi, the anticipated opening date of NIA, the airlines' short-term plans for the Delhi region airport system once NIA opens, as well as long-term econometric models developed to project passenger demand in the region based on various factors including GDP, GSDP, crude oil etc.
- NIA's passenger traffic in the initial years will be driven by its catchment area. The NIA catchment areas under 120-minute free flow travel time include the entire Delhi, Ghaziabad, Gautam Buddha Nagar and parts of Meerut, Sonipat, Jhajjar, Rewari etc.
- NIA is intending to commence its commercial operations - Phase 1 in FY 2025-26(as per its MYTP submission) and the traffic is expected to expand rapidly in the initial years due to the pent-up demand from these catchment areas and availability of premium slots. However, being a greenfield airport, the traffic is expected to take two to three years to stabilize. Airlines are expected to start new services to untapped markets and increase frequency to Tier 1 markets for which they would be availing NIA facilities for operations.

##### ATM

- The number of passenger ATMs were forecasted based on the forecasted passenger traffic and with the assumptions of average aircraft size and average load factor.

##### Cargo

- The air cargo tonnage forecast for the North India region and NIA were developed by Boston Consulting Group (BCG) as part of a cargo study done for NIA. The cargo tonnage allocation was done based on the attractiveness of NIA and proximity to key clusters in the region.

4.1.3 The traffic forecast for NIA as submitted by YIAPL in its MYTP submission for the First Control Period, along with the year-on-year growth has been presented below:



**Table 8: Traffic for the First Control Period submitted by YIAPL in the MYTP**

Year	Passenger (in MPPA)			ATM (in Nos)			Cargo (in MT)		
	Domestic	Int'l	Total	Domestic	Int'l	Total	Domestic	Int'l	Total
<b>Traffic</b>									
FY 26 <sup>#</sup>	5.70	0.24	5.94	40,458	2,730	43,188	79,390	33,316	1,12,707
FY 27	8.61	0.40	9.01	59,670	4,280	63,950	99,600	54,100	1,53,700
FY 28	11.38	0.60	11.98	77,280	5,970	83,250	1,14,700	74,700	1,89,400
FY 29	14.60	0.81	15.41	97,440	7,860	1,05,300	1,31,300	97,500	2,28,800
FY 30	17.58	1.07	18.65	1,15,280	9,960	1,25,240	1,38,100	1,22,600	2,60,700
<b>Total</b>	<b>57.87</b>	<b>3.12</b>	<b>60.99</b>	<b>3,90,128</b>	<b>30,800</b>	<b>4,20,928</b>	<b>5,63,090</b>	<b>3,82,216</b>	<b>9,45,307</b>
<b>Growth (%)</b>									
FY 27 <sup>*</sup>	38.55%	52.67%	39.12%	47.58%	57.13%	48.16%	15.00%	48.85%	25.01%
FY 28	32.18%	49.50%	32.95%	29.55%	39.75%	30.22%	15.16%	38.08%	23.23%
FY 29	28.25%	36.12%	28.64%	26.11%	31.90%	26.51%	14.47%	30.52%	20.80%
FY 30	20.43%	31.57%	21.02%	18.32%	26.92%	18.95%	5.18%	25.74%	13.94%

<sup>#</sup>Passenger traffic for 11 months considering Airport COD as 30<sup>th</sup> April 2025

<sup>\*</sup>Growth rates are computed based on annualized traffic of FY 2025-26.

**Table 9: Breakup of ATMs between Passenger ATMs and Cargo ATMs as submitted by YIAPL in the MYTP:**

Year	Passenger ATM (in Nos)			Cargo ATM (in Nos) <sup>^</sup>			Total ATM (in Nos)		
	Domestic	Int'l	Total	Domestic	Int'l	Total	Domestic	Int'l	Total
<b>Traffic</b>									
FY 26 <sup>#</sup>	39,508	1,650	41,158	950	1,080	2,030	40,458	2,730	43,188
FY 27	58,700	2,700	61,400	970	1,580	2,550	59,670	4,280	63,950
FY 28	76,300	3,900	80,200	980	2,070	3,050	77,280	5,970	83,250
FY 29	96,400	5,300	1,01,700	1,040	2,560	3,600	97,440	7,860	1,05,300
FY 30	1,14,200	6,900	1,21,100	1,080	3,060	4,140	1,15,280	9,960	1,25,240
<b>Total</b>	<b>3,85,108</b>	<b>20,450</b>	<b>4,05,558</b>	<b>5,020</b>	<b>10,350</b>	<b>15,370</b>	<b>3,90,128</b>	<b>30,800</b>	<b>4,20,928</b>
<b>Growth (%)</b>									
FY 27 <sup>*</sup>	36.20%	50.00%	36.75%	2.11%	46.30%	25.62%	35.46%	48.61%	36.27%
FY 28	29.98%	44.44%	30.62%	1.03%	31.01%	19.61%	29.51%	39.49%	30.18%
FY 29	26.34%	35.90%	26.81%	6.12%	23.67%	18.03%	26.09%	31.66%	26.49%
FY 30	18.46%	30.19%	19.08%	3.85%	19.53%	15.00%	18.31%	26.72%	18.94%

<sup>#</sup>ATM traffic for 11 months considering Airport COD as 30<sup>th</sup> April 2025

<sup>^</sup>As per MYTP, YIAPL has submitted the Cargo ATM for FY26 considering a period of 12 months.

<sup>\*</sup>Growth rates are computed based on annualized traffic of FY 2025-26.

4.1.4 The passenger traffic as given in Table 8 includes passengers who are exempt from UDF under the RCS category and transfer passengers.

**Adjustments to arrive at Billable Passenger Traffic**

4.1.5 YIAPL had arrived at billable passenger traffic, in its submission, considering certain adjustments to the passenger traffic given in Table 8. The adjustments carried out by YIAPL to arrive at Billable Passenger Traffic are as follows:

**Adjustment 1: Passengers under the RCS category**

- 4.1.6 In YIAPL's submission, passengers under the RCS category are reduced from the total domestic passenger traffic presented in Table 8 to arrive at the billable traffic. YIAPL had estimated the exempt passengers on account of RCS category to be in the range of 2.41% to 3.01% for departing passengers and in the range of 2.61% to 3.27% for arrival passengers as given in the table below:

**Table 10: Percentage of passengers under the RCS category as submitted by YIAPL in its MYTP submission for the First Control Period**

Particulars (in %)	FY 26*	FY 27	FY 28	FY 29	FY 30
Departing	3.01%	2.99%	2.98%	2.96%	2.41%
Arrival	3.27%	3.24%	3.22%	3.21%	2.61%

- 4.1.7 By applying the above percentages, the RCS category passengers as submitted by YIAPL is given in table below:

**Table 11: Passengers under the RCS category as submitted by YIAPL in its MYTP submission for the First Control Period**

Particulars (in MPPA)	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Arriving	0.09	0.14	0.18	0.23	0.23	0.87
Departing	0.09	0.13	0.17	0.22	0.22	0.83
Total	0.18	0.27	0.35	0.45	0.45	1.70

\*Considered proportionately for 11 months assuming COD of 30<sup>th</sup> April 2025

**Adjustment 2: Transfer Passengers**

- 4.1.8 YIAPL had also reduced the departing transfer passengers in addition to exempt passengers (under RCS category) from total passengers as indicated in Table 8 to arrive at billable passengers. The relevant extract from the Traffic Study is given below:

"...Initially, given the nature of the airport as described above, it is believed the airport will be mostly O&D in nature. The transfer profile around the opening years will make up about 5% of the total passengers. Transfers will progressively develop over time and reach 21% by FY 2043, similar levels to DEL (around 20%) at 70 MPPA..."

- 4.1.9 Based on the Traffic Study, YIAPL's projection of transfer passengers for both domestic and international segments is as given below.

**Table 12: Transfer Passengers as considered by YIAPL in its MYTP submission for the First Control Period**

Particulars (in MPPA)	Ref	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Total Passengers	I (Table 8)	5.94	9.01	11.98	15.41	18.65	60.99
Transfer Passengers	II = III + IV	0.30	0.59	0.90	1.31	1.77	4.87
a) Domestic Transfer Pax	III	0.28	0.54	0.84	1.15	1.49	4.30
b) International Transfer Pax	IV	0.02	0.05	0.06	0.16	0.28	0.57

\*Considered proportionately for 11 months assuming COD of 30<sup>th</sup> April 2025.

- 4.1.10 The billable pax after consideration of exempt passengers on account of RCS flights (Adjustment 1) and transfer passengers (Adjustment 2) as per YIAPL submission is given in table below:



**Table 13: Billable Passengers as per YIAPL for the First Control Period**

Particulars (in MPPA)	Ref	Ref	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
<b>Total Passengers</b>	A	Table 8	5.94	9.01	11.98	15.41	18.65	<b>60.99</b>
Less: Exempt Passenger Traffic (RCS)	B	Table 11	(0.18)	(0.27)	(0.35)	(0.45)	(0.45)	<b>(1.70)</b>
Less: Transfer Passengers	C	Table 12	(0.30)	(0.59)	(0.90)	(1.31)	(1.77)	<b>(4.87)</b>
<b>Billable Passenger Traffic</b>	<b>D=A+B+C</b>		<b>5.46</b>	<b>8.15</b>	<b>10.73</b>	<b>13.65</b>	<b>16.43</b>	<b>54.43</b>

\*Considered proportionately for 11 months assuming COD of 30<sup>th</sup> April 2025.

4.1.11 YIAPL had also computed billable ATMs in its submission, the computation of which is as follows:

**Adjustments to arrive at Billable ATMs (Passengers ATMs only)**

4.1.12 The domestic ATM traffic presented in Table 8 above has been adjusted to exclude ATMs under the RCS category which are exempt from landing charges to arrive at billable ATM traffic. YIAPL had estimated RCS Passenger ATMs based on Traffic Study. The aircraft category wise exempt ATMs as a percentage of total ATMs for the First Control Period is given in the table below.

**Table 14: Exempt ATM Traffic submitted by YIAPL in its MYTP submission for the First Control Period**

Particulars (in Nos)	FY 26*	FY 27	FY 28	FY 29	FY 30
<b>Total Domestic ATMs</b>					
Code C TP	4,492	6,100	7,200	8,200	8,600
Code C Jet	35,017	52,600	69,100	88,200	1,05,600
<b>Total (A)</b>	<b>39,508</b>	<b>58,700</b>	<b>76,300</b>	<b>96,400</b>	<b>1,14,200</b>
<b>Exempt ATMs</b>					
Code C TP	2,600	3,500	4,700	5,900	7,100
Code C Jet	300	400	500	700	800
<b>Total (B)</b>	<b>2,900</b>	<b>3,900</b>	<b>5,200</b>	<b>6,600</b>	<b>7,900</b>
<b>Exempt ATM % (C)=(B)÷(A)</b>	<b>8.93%</b>	<b>6.64%</b>	<b>6.82%</b>	<b>6.85%</b>	<b>6.92%</b>

\*Considered proportionately for 11 months assuming COD of 30<sup>th</sup> April 2025.

**YIAPL's revised submission consequent to change in COD**

4.1.13 As indicated in para 2.5.9, in anticipation of the COD being shifted to Q4 of FY 2025–26, YIAPL had submitted revised traffic projections on the basis that operations are expected to commence from FY 2026–27. Accordingly, the traffic estimates pertaining to FY 2025–26 in the MYTP submission have been deferred by one year, with consequential adjustment for the subsequent years. The revised year-wise traffic projections submitted by YIAPL are presented in the table below:

**Table 15: Revised PAX submitted by YIAPL for the First Control Period**

Particulars* (in MPPA)	Ref	FY26	FY27	FY28	FY29	FY30	Total
Domestic passenger traffic	A	-	6.22	8.61	11.38	14.60	40.81
International passenger traffic	B	-	0.13	0.40	0.60	0.81	1.94
Total passenger traffic	C=A+B	-	6.35	9.01	11.98	15.41	42.75

\*Excludes exempt pax

- 4.1.14 YIAPL had further clarified that for FY 2026–27, in respect of international passenger traffic, only 50% of the FY 2025–26 number has been considered, as international operations are expected to commence only from August–September 2026. It is noted that YIAPL has submitted passenger traffic projections only up to FY 2029–30, considering the earlier end of the control period as 31 March 2030. In view of the Authority's decision to extend the control period by one additional year, the Authority had re-drawn YIAPL's submission to include passenger traffic for FY 2030–31, so as to aid in meaningful comparison.
- 4.1.15 It is further noted that YIAPL had not submitted the ATM numbers pertaining to the revised passenger traffic nor has it given its revised estimates for cargo throughput / ATM. However, to aid in meaningful comparison, the Authority had re-drawn YIAPL's submission (ATM and Cargo) for the entire revised control period. The various assumptions used by the Authority to re-draw the submission is as follows:

- **Passenger traffic — Domestic and International:** Since YIAPL had shifted its projections forward by one year (i.e., the annualised projections earlier considered for FY 2025–26 have been moved to FY 2026–27 and so on), the Authority had considered the MYTP projection for FY 2029–30 as the value for FY 2030–31. Accordingly, the passenger traffic treated as YIAPL's submission — comprising YIAPL's submitted figures together with the Authority-extended value for FY 2030–31 — is presented in the table below:

**Table 16: Passenger traffic drawn up by the Authority, as YIAPL submission, for the First Control Period at Consultation Stage**

Particulars (in MPPA)	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic PAX	6.22	8.61	11.38	14.60	17.58	58.39
International PAX	0.13	0.40	0.60	0.81	1.07	3.01
<b>Total PAX</b>	<b>6.35</b>	<b>9.01</b>	<b>11.98</b>	<b>15.41</b>	<b>18.65</b>	<b>61.40</b>

- **Passenger ATMs — Domestic and International:** Since YIAPL had not provided revised ATM projections, the Authority has relied on the ATM projections submitted in the MYTP and shifted the same forward by one year in line with the revised pax submission. Accordingly, the MYTP projection for FY 2025–26 has been considered as the value for FY 2026–27 and so on. Further, for FY 2026–27, international ATMs had been considered at 50% of the MYTP projection, consistent with the treatment adopted for international passenger traffic, as international operations are expected to commence only during Aug-Sep 2026.

**Table 17: ATM drawn up by the Authority, as YIAPL submission, for the First Control Period at Consultation Stage**

Particulars (in Nos)	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic ATM	43,100	58,700	76,300	96,400	1,14,200	<b>3,88,700</b>
International ATM	900	2,700	3,900	5,300	6,900	<b>19,700</b>
<b>Total ATM</b>	<b>44,000</b>	<b>61,400</b>	<b>80,200</b>	<b>1,01,700</b>	<b>1,21,100</b>	<b>4,09,300</b>

- **Cargo ATMs and Cargo Throughput:** The cargo projections (both ATM and throughput) submitted by YIAPL in the MYTP have been shifted forward by one year, i.e., the projections for FY 2025–26 have been considered for FY 2026–27 and so on.



**Table 18: Cargo ATM drawn up by the Authority, as YIAPL submission, for the First Control Period at Consultation Stage**

Particulars (in Nos)	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic Cargo ATM	950	970	980	1,040	1,080	5,020
International Cargo ATM	1,080	1,580	2,070	2,560	3,060	10,350
<b>Total Cargo ATM</b>	<b>2,030</b>	<b>2,550</b>	<b>3,050</b>	<b>3,600</b>	<b>4,140</b>	<b>15,370</b>

**Table 19: Cargo throughput drawn up by the Authority, as YIAPL submission, for the First Control Period at Consultation Stage**

Particulars (in MT)	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic Cargo	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
International Cargo	33,316	54,100	74,700	97,500	1,22,600	3,82,216
<b>Total Cargo</b>	<b>1,12,706</b>	<b>1,53,700</b>	<b>1,89,400</b>	<b>2,28,800</b>	<b>2,60,700</b>	<b>9,45,306</b>

**4.2 Authority's examination regarding Traffic for the First Control Period at Consultation Stage**

- 4.2.1 The Authority noted that NIA will be the second major airport in the National Capital Region (NCR) and will be competing with Indira Gandhi International Airport, Delhi (DEL) to meet the aviation demands of the region.
- 4.2.2 The Authority reviewed the Traffic Study conducted by L&B for NIA and noted that:
- The traffic was first forecasted for the entire Delhi Region Airport System using an econometric model.
  - This air traffic demand was then segregated between DEL and NIA using various factors like airfare pricing, yields and cost for airlines and passengers.
- 4.2.3 As part of its examination of traffic forecast submitted by YIAPL in its MYTP submission, the Authority had reviewed the Compounded Annual Growth Rate (CAGR) for a period of 4 years for passengers, ATM and Cargo, which is presented in table below:

**Table 20: 4-year CAGR of Traffic at NIA based on YIAPL's MYTP Submission**

CAGR (FY 26 – FY 30)*	Passengers	Passenger ATM	Cargo ATM
Domestic	29.68%	27.58%	3.26%
International	42.19%	39.92%	29.74%
<b>Total</b>	<b>30.26%</b>	<b>28.15%</b>	<b>19.50%</b>

\*Considers COD as 30th April 2025

- 4.2.4 The Authority observed that the CAGR of passenger traffic at NIA is high, primarily due to the increasing allocation of passengers from DEL. This higher CAGR is also attributed to the low base effect, which is typical for greenfield airports in their initial years of operation.
- 4.2.5 With this background, the Authority had analyzed the projections for each of the segments, namely passengers, ATM and Cargo as follows:

**Passenger Traffic**

- 4.2.6 The Authority reviewed the Traffic Study conducted by L&B for NIA and noted that it employed a combination of inputs from the airlines regarding their fleet induction plan, the near-term changes planned at



DEL, the anticipated opening date of NIA and long-term econometric models, in order to estimate passenger demand in the Delhi Region Airport System.

4.2.7 L&B had forecasted the traffic for the Delhi Region Airport System from FY 2024-25 till FY 2061-62, segregated into the following time periods:

- **Near-Term and Short-Term Passenger Forecasts (FY 2024-25 to FY 2031-32)** – Based on inputs from the airlines, the Indian airlines fleet induction plans over the next seven years were translated into passenger growth and applied to the Delhi Region Airport System.
- **Long Term Passenger Forecasts (FY 2021-32 to FY 2061-62)** – Economic regression models were used to forecast the long-term passenger throughput within the Delhi Region Airport System. Passenger traffic was modeled separately for domestic, international, and total passengers using historical data up to FY 2019-20 and FY 2021-22. Regression models, incorporating a dummy variable for COVID-19 impact, were developed with a combination of independent variables such as GDP, GDP per capita, GSDP, crude oil prices, foreign tourist arrivals etc. Each of the regression models was plotted and compared to provide a full range of potential projections for domestic, international and total passengers in the Delhi region.

4.2.8 The various levels of operations as considered in the base-case passenger forecast for the Delhi Region Airport System during these time periods are outlined below:

- **FY 2024-25 to FY 2029-30** – The forecast is based on the consideration that the traffic numbers have recovered from the effect of COVID-19, expected opening of NIA and the resulting surge in demand in the Delhi Region due to relaxation of constraints on traffic growth.
- **FY 2029-30 to FY 2031-32** – After the pent-up demand is addressed, this will be a period of stabilization where traffic growth will slow down in the medium-term.
- **FY 2031-32 to FY 2061-62** – During this period, the long-term trends, as indicated by the composite projection determined by econometric modelling, will take effect.

4.2.9 The base case assumes that NIA would be an Origin & Destination (O&D) focused airport in the near term with the progressive development of transfer in the medium to long term.

4.2.10 The Authority had also reviewed the approach adopted by L&B to segregate the traffic between the two airports and notes the following assumptions:

- DEL would continue to be favored by airlines during the initial years post commencement of operations at NIA.
- However, once traffic at DEL nears its ultimate capacity it is expected that there will be spillage of traffic to NIA.
- As per L&B report, the domestic carriers stated that though they could prefer DEL in the near term, they would like to split their operations between the two airports in order to properly cover each airport's catchment area.
- L&B also mentions that the benefits due to the first-mover advantage and the higher yield associated with peak hour slots could outweigh the cost of splitting operations across two airports. The airlines would move some of their current operations to NIA, start new service to untapped markets, and increase frequency to tier 1 markets from NIA. Airlines would focus on getting premium slots first and then progressively expand their profile of operation throughout the day.



- In the medium-to-long term, the allocation between DEL and NIA would be mainly driven by the limited remaining capacity at DEL. This creates a significant opportunity for NIA to step in to serve existing and new airline entrants into the region by providing slots and capacity DEL is unable to provide.

4.2.11 Based on the above assumptions, the market share proposed in the study by L&B is as given below:

**Table 21: Share of Passenger Traffic submitted by YIAPL**

Year	FY 26	FY 27	FY 28	FY 29	FY 30
<b>Delhi Region Airport System- Passenger Traffic (in MPPA)</b>					
Domestic(A)	73.00	80.00	88.00	96.00	102.00
International(B)	24.00	26.00	29.00	31.00	33.00
<b>Total (I)</b>	<b>97.00</b>	<b>106.00</b>	<b>117.00</b>	<b>127.00</b>	<b>135.00</b>
<b>NIA – Passenger Traffic (in MPPA)</b>					
Domestic(C)	6.22*	8.61	11.38	14.60	17.58
International(D)	0.26*	0.40	0.60	0.81	1.07
<b>Total (II)</b>	<b>6.48*</b>	<b>9.01</b>	<b>11.98</b>	<b>15.41</b>	<b>18.65</b>
<b>Allocation %</b>					
Domestic(E=C÷A×100)	8.50%	10.80%	12.90%	15.20%	17.20%
International(F=D÷B×100)	1.10%	1.50%	2.10%	2.60%	3.20%
<b>Total (III=II÷I×100)</b>	<b>6.70%</b>	<b>8.50%</b>	<b>10.20%</b>	<b>12.10%</b>	<b>13.80%</b>

\*Annualized figure for FY 2025-26

- 4.2.12 The Authority observed that the expected allocation of traffic to NIA is estimated to be in the range of 6.70% to 13.80%. The Authority noted that this is an unusual situation involving two airports in proximity, which may draw passengers from nearby areas, including adjacent states. This had been accounted for by L&B as NIA's share in the incremental passenger traffic growth within the Delhi Region Airport System. The Authority also noted that as DEL attains capacity, the spill over demand will be absorbed by NIA.
- 4.2.13 Based on the above analysis, the Authority proposed to consider the passenger allocation to NIA as estimated in the L&B study.
- 4.2.14 The Authority observed that the CAGR of passenger traffic at NIA as given in Table 20 is high, primarily due to the increasing allocation of passengers from DEL and the low base effect as explained in para 4.2.4, and hence it is not directly comparable with historical trends of traffic at DEL. Hence, the Authority had undertaken a comparative analysis of the overall CAGR of the Delhi Region Airport System against the historical CAGR achieved by DEL. Given that the CAGR of DEL during the Third Control Period was affected by the Covid-19 pandemic, a comparison had been drawn with the CAGR achieved during the Second Control Period.
- 4.2.15 The comparison of the CAGR for the passenger segments projected for the Delhi Region Airport System as per the Traffic Study conducted by L&B for the period FY 2025-26 to FY 2029-30 with the CAGR achieved by IGI during the Second Control Period i.e., FY 2014-15 to FY 2018-19 is presented below.

**Table 22: Comparison of Compounded Annual Growth Rate of Passengers for DEL and Delhi Region**

Passenger	4-year CAGR (FY 15 - FY 19) achieved by DEL	4-year CAGR (FY 26 - FY 30) projected by L&B for Delhi Region Airport System
Domestic	16.47%	8.72%
International	8.43%	8.29%
Total	14.01%	8.62%



- 4.2.16 The Authority noted that the projected 4-year CAGR of Delhi Region Airport System (FY 2025-26 – FY 2029-30) of 8.62% was lower than the historical 4-year CAGR of DEL (FY 2014-15 – FY 2018-19) of 14.01%. On seeking clarification regarding the same, YIAPL provided the following response:

“...CAGR of IGIA from 2015-2019 higher than CAGR for Delhi Region from 2026-2029 due to low base effect. A small absolute change from a low initial amount gets translated into a large percentage change. In terms of absolute numbers, the average incremental traffic growth for FY 26-30 is higher. In FY15, passenger traffic at Delhi Airport was 40.98 million, which has almost doubled to ~97 million in FY26. Consequently, the projected CAGR of 8.62% for 2026-2030 is justified and cannot be compared to the 14.01% growth seen from 2015 to 2019...”

**Change in COD and revised submission of traffic**

- 4.2.17 The Authority noted that in its revised submission (refer Table 15), YIAPL has not provided traffic projections for FY 2030–31. Pursuant to the Authority’s decision (refer para 1.2.5 of this Tariff Order) to consider the control period as FY 26-27 to FY 30-31, with COD expected to be from 1<sup>st</sup> April 2026, the Authority proposed to estimate the passenger traffic for FY 2030–31 by applying the applicable growth rate over the projected passenger traffic of FY 2029–30.
- 4.2.18 In view of the revision in the Airport COD, the Authority expected a deferred demand effect, resulting in a sharper traffic ramp-up immediately after commencement of operations. The delay in COD is likely to have created pent-up demand from the catchment area, airline capacity planning, and passenger shift from alternate airports, which is expected to materialize primarily during FY 27-28 and FY 28-29. Thereafter, the growth trajectory is moderated for FY 29-30 and FY 30-31, with lower Y-o-Y growth rates assumed, as traffic levels begin to normalize and transition from catch-up growth to steady-state expansion aligned with underlying market fundamentals.
- 4.2.19 For international passenger traffic in FY 2027–28, the passenger numbers have been considered at twice the level of FY 2026–27, and thereafter an appropriate growth rate had been applied. This approach had been adopted since, for FY 2026–27, it was assumed that international operations would commence only from August–September 2026 and accordingly only 50% of the originally estimated international traffic was considered. For the subsequent years, the growth rate for international passenger traffic had been assumed to be in line with the growth rate considered for domestic passenger traffic. Based on the above approach the passenger traffic computed by the Authority for the First Control period is as follows:

**Table 23: PAX traffic for the First Control period as proposed by the Authority at Consultation Stage**

Particulars* (in MPPA)	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic PAX	6.22	9.33	13.76	16.51	18.17	63.99
Y-o-Y Growth %		50.00%	47.50%	20.00%	10.00%	
International PAX	0.13	0.39	0.58	0.69	0.76	2.54
Y-o-Y Growth %		200.00%	47.50%	20.00%	10.00%	
Total PAX	6.35	9.72	14.34	17.20	18.92	66.54
Y-o-Y Growth %		53.07%	47.50%	20.00%	10.00%	

\* Excludes exempt pax



**Exempt passengers**

- 4.2.20 The Authority noted that YIAPL had reduced the exempt passengers under RCS Category as per Table 11 (Adjustment 1) and transfer passengers as per Table 12 (Adjustment 2) to arrive at the billable passenger traffic.
- 4.2.21 The Authority observed that the percentage of transfer passengers to total departing passengers in the international segment was significantly higher than the norm – commencing at about 17.06% in FY 2025-26 and eventually becoming 51.54% as at FY 2029-30 as per the MYTP submission. The Authority, through its Independent Consultant, sought explanation from YIAPL for the significantly high proportion of transfer passengers in the international segment throughout the First Control Period. YIAPL, in its response dated 30<sup>th</sup> April 2025, had submitted the revised percentages of transfer passengers (refer Table 24) and had requested the Authority to consider the same. The Authority had reviewed the revised percentages submitted by YIAPL and proposed to consider the same as YIAPL's submission.
- 4.2.22 Based on the revised submission, the transfer passengers had been recomputed as given in table below for original Control Period:

**Table 24: Re-computation of transfer passengers as per revised percentages given by YIAPL**

Particulars (in MPPA)	Ref	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Domestic Departing Passengers (considered 50% of total Domestic Passengers)	A	2.85	4.31	5.69	7.30	8.79	<b>28.93</b>
Transfer Domestic Passengers-Revised % (as submitted by YIAPL)	B	5.68%	6.79%	7.87%	8.95%	10.05%	
Revised Domestic Transfer Passengers (C=A×B)	(C=A×B)	0.16	0.29	0.45	0.65	0.88	<b>2.44</b>
International Departing Passengers (considered 50% of total International Passengers)	D	0.12	0.20	0.30	0.41	0.54	<b>1.56</b>
Transfer International Passengers - Revised% (as submitted by YIAPL)	E	2.43%	5.48%	10.99%	12.56%	12.95%	
Revised International Transfer Passengers (F=D×E)	(F=D×E)	0.003	0.01	0.03	0.05	0.07	<b>0.17</b>
<b>Total Revised Transfer Passengers</b> (G=C+F)	(G=C+F)	<b>0.16</b>	<b>0.30</b>	<b>0.48</b>	<b>0.70</b>	<b>0.95</b>	<b>2.61</b>

\*Considered proportionately for 11 months assuming COD of 30<sup>th</sup> April 2025.

- 4.2.23 It was observed that as per the Traffic Study of L&B, a separate table (Section 7.6 of the traffic study) has been presented on exempt passengers which comprises of crew, infants, and others, for whom UDF is not applicable. It is noted that these exempt passenger categories were not included in the overall traffic figures presented in Table 8 above. The relevant extract from the Traffic Study is given below:

*"...For financial planning purposes, this forecast document also estimated the number of exempt passengers at NIA (passengers that do not have to pay UDF). These passengers are not included as part of the overall passenger traffic presented in the previous sections for the Delhi System and NIA..."*

**Table 25: Exempt passengers under crew, infants and others as presented by L&B in the traffic study for NIA**

Particulars (in MPPA)	FY26	FY27	FY28	FY29	FY30	Total
Crew / infants / others [refer Table 7-14 Forecast of Traffic Study]	0.39	0.54	0.72	0.93	1.12	3.69
<i>Segregated as:</i>						
Domestic	0.37	0.52	0.68	0.88	1.05	3.50
International	0.02	0.02	0.04	0.05	0.06	0.19

4.2.24 The Authority noted that the Traffic Study estimates the crew (pilots and flight attendants) in the range of 4 to 6 for domestic flights, and 4 to 12 for international flights. Infants under the age of 2 were estimated to compose about 2% of the traffic on each flight and other exempt passengers were estimated at less than 1% per flight.

4.2.25 The Authority, through its Independent Consultant, queried YIAPL on whether this had been included in the total traffic, and the response of YIAPL is given below:

*Query raised: We note that Table 7-14 Exempt Passenger Forecast outlines the exempt passenger traffic, including crew, infants, and others. During our call on 16th December 2024, you confirmed that the traffic presented in the MYTP is after excluding this exempt traffic. For instance, in FY 27, the MYTP shows a traffic volume of 9.01 million passengers, and the exempt traffic is 0.54 million as per Table 7-14, resulting in a total traffic of 9.55 million. Kindly confirm if this understanding is correct.*

*Response from YIAPL on 20th December 2024: We confirm the understanding.*

4.2.26 The Authority noted that the Government of India had allowed exemption of UDF to certain categories of passengers through Order No. AIC 14/2019 read with AIC 20/2019. Consistent with the Authority's decision in other airports, this is not considered as an adjustment to passenger traffic at this stage.

4.2.27 In line with the Authority's decision not to consider any separate adjustment to passenger traffic on account of exempt passengers, the Authority proposed to shift the exempt passenger numbers, as per the traffic study, by one year. Accordingly, the exempt passengers projected for FY 2025–26 are proposed to be considered for FY 2026–27 and added to YIAPL's revised traffic submission to arrive at the total passenger numbers.

4.2.28 To summarize, in addition to the billable passengers considered by YIAPL, the Authority proposed to include the following passengers as part of billable passengers:

- Table 11: Passengers under the RCS category as submitted by YIAPL in its MYTP submission for the First Control Period
- Table 24: Re-computation of transfer passengers as per revised percentages given by YIAPL
- Table 25: Exempt passengers under crew, infants and others as presented by L&B

4.2.29 While exempt passengers under RCS Category and transfer passengers were already part of the total traffic projections submitted by NIA, the Authority proposed to add the exempt passengers comprising crews, infants and others to the total traffic submitted by YIAPL to arrive at the traffic for the First Control Period.

4.2.30 Accordingly, the Authority proposed to adopt the following traffic projections at Noida International Airport for the determination of tariff for the First Control Period.



**Table 26: Passenger Traffic proposed by the Authority for the First Control Period at Consultation Stage**

Particulars (in MPPA)	FY27	FY28	FY29	FY30	FY31	Total
Passenger traffic (excluding exempt passengers) Table 23 (A)	6.35	9.72	14.34	17.20	18.92	66.54
Exempt Passengers as per Table 25 shifted by one year- (B)	0.39	0.54	0.72	0.93	1.12	3.69
<b>Traffic proposed by the Authority (C = A + B)</b>	<b>6.74</b>	<b>10.26</b>	<b>15.06</b>	<b>18.13</b>	<b>20.04</b>	<b>70.23</b>
<i>Segregated as:</i>						
Domestic (D)	6.60	9.85	14.44	17.39	19.22	67.50
International (E)	0.14	0.41	0.61	0.74	0.82	2.73
<b>Total (F = D + E)</b>	<b>6.74</b>	<b>10.26</b>	<b>15.06</b>	<b>18.13</b>	<b>20.04</b>	<b>70.23</b>
<b>% of Y-o-Y increase</b>		<b>52.26%</b>	<b>46.73%</b>	<b>20.41%</b>	10.56%	

4.2.31 The Authority emphasizes that further phases of airport development shall be undertaken only after a detailed evaluation of actual traffic volumes and trends.

#### **Passenger ATM Traffic**

4.2.32 The Authority noted the following regarding the passenger ATM forecast methodology at NIA as given in the L&B report:

- Code C aircraft, which currently constitute 98% of domestic traffic, are expected to remain prevalent for such operations. The newer Code C aircraft have more seats per aircraft than the older models. Similarly, Code C aircraft, which are used on 45% of international flights pre-COVID-19, are expected to be used on future international flights as well. However, the future international service will increasingly rely on Code E and F aircraft.
- The average number of seats on domestic flights is assumed to increase from 180 seats in FY 2025-26 to 188 seats by FY 2029-30, and the average number of seats on international flights is assumed to increase from 197 seats in FY 2025-26 to 200 seats in FY 2029-30.
- Based on what had been seen historically at DEL, the average load factor for NIA domestic flights is assumed to start at 80% in FY 2025-26 in line with India-wide domestic load factor trends pre-COVID-19 and increase to 82% in FY 2029-30. The international load factors were assumed to start at 75% in FY 2025-26 and increase to 77% in FY 2029-30 for NIA.
- The number of passenger ATMs were forecasted based on the forecasted passenger traffic and with the above assumptions of average aircraft size and average load factor.

4.2.33 It is also noted that NIA will experience passenger growth over time, in contrast to the existing airports where passenger numbers tend to remain stagnant due to their operational maturity. As a new airport, it is expected that there will be an increase in the passenger load factor in the subsequent Control Periods as more airlines would start operation at the airport. Furthermore, improvements in airport infrastructure and services would help attract more passengers and airlines, further increasing the number of passengers per ATM.

4.2.34 The Authority had reviewed the assumptions considered by YIAPL in projecting the number of passenger ATMs for the First Control Period for NIA. These assumptions include factors such as the types of domestic aircraft, the number of seats per aircraft, load factors, etc. Based on its review, the Authority proposed to consider these assumptions.



- 4.2.35 The Authority noted that YIAPL had considered billable passenger ATM after excluding the ATM traffic that is exempt from landing charges (under the RCS Category) as per Table 14.
- 4.2.36 The Authority was of the view that RCS flight figures are dynamic in nature. Many times, these flights are being discontinued by the airlines. Hence such exemption will be granted at the time of true-up on the basis of actuals. This approach is being followed by AERA uniformly.
- 4.2.37 The Authority proposed to consider the passenger ATM traffic projections as per the following:
- Without excluding the exempted RCS ATMs (refer Table 14)
  - The same percentage increase in passenger traffic as considered in Table 26 have been applied for determining passenger ATMs for the respective years of the First Control Period.
- 4.2.38 Based on the above, the passenger ATM traffic proposed to be considered by the Authority for the first Control Period is given below:

**Table 27: Passenger ATM proposed by the Authority for the First Control Period at Consultation Stage**

Particulars (in Nos)	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic	43,100	64,650	95,359	1,14,431	1,25,874	4,43,413
International	900	2,700	3,983	4,779	5,257	17,618
<b>Total</b>	<b>44,000</b>	<b>67,350</b>	<b>99,341</b>	<b>1,19,210</b>	<b>1,31,130</b>	<b>4,61,031</b>

**Cargo ATMs**

- 4.2.39 The Authority noted that YIAPL, through a bidding process, had appointed AISATS Noida Cargo Terminal Private Limited (AISATS) as the concessionaire for the cargo handling services at Noida International Airport. YIAPL entered into a Concession Agreement for the integrated cargo terminal project with AISATS, on 30<sup>th</sup> May 2023 on DBFOT basis for an initial period of twenty years through a tendering process.

The Authority noted the following regarding the cargo traffic projected by YIAPL:

**North India Air Cargo Tonnage Forecast**

- The air cargo tonnage forecast for the North India region and NIA were developed by Boston Consulting Group (BCG) as part of a cargo study done for NIA. North India region refers to the states of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir (including Ladakh), Uttarakhand, Uttar Pradesh, Chandigarh and Rajasthan.
- BCG relied on two main approaches:
  - GDP Multiplier Approach: this method looks at correlation between air cargo and GDP or GDP per capita to estimate North India's cargo potential;
  - Multivariate Approach: this method looks at correlation between growth of air cargo and growth of macro-economic indicators to estimate North India's cargo potential.
- BCG developed regression models using a 9-year historical period from 2011 to 2019 (avoiding the 2008 economic recession and COVID-19 pandemic) and relied on North India GDP projections for forecasting the cargo tonnage. The North India GDP was expected to grow 7.0-7.5% per annum in the near term and 5.7-6.0% in the long term.
- For the Base Case, domestic air cargo within the airport system is projected to increase from 0.5 million tonnes in FY 2020-21 to 1.7 million tonnes in FY 2039-40, representing a 6.1% CAGR. International air cargo within the airport system is projected to increase from 0.6 million tonnes in FY 2020-21 to 2.5 million tonnes in FY 2039-40, representing an 8.1% CAGR. Overall, total air cargo within the airport



system is projected to increase from 1.1 million tonnes in FY 2020-21 to 4.2 million tonnes in FY 2039-40, representing a 7.2% CAGR.

#### Cargo Allocation Approach – based on NIA Demand Potential

- The key factors attracting cargo business to NIA are early morning slots, cargo terminal and apron adjacency, sufficient parking stands, lower ATF tax, efficient D-I transfer, airside efficiency and no time-of-day trucking restrictions.
- As per the Traffic Study by L&B, NIA's strategic location near key industrial clusters and logistics supply chains positions it to capture significant market share from DEL, which faces access limitations and higher operating costs.
- Based on the above, NIA market share could amount to 5-10% of North India's air cargo tonnage in the opening year and grow to 20-25% by FY 2039-40 and 30-35% in the longer term. NIA's demand potential in the Base Case would amount to 0.08 million metric tonnes in FY 2024-25 (partial year from October 2024) and reach 2.81 million tonnes in FY 2061-62.

**Table 28: Unconstrained Air Cargo Tonnage Demand submitted by YIAPL**

(in Mn MT)

Particulars	FY 25	FY 30	FY 35	FY 40	FY 45	FY 50	FY 55	FY 62
Domestic	0.04	0.14	0.24	0.43	0.68	0.79	0.91	1.12
International	0.04	0.18	0.34	0.65	1.03	1.19	1.38	1.69
<b>Total</b>	<b>0.08</b>	<b>0.31</b>	<b>0.58</b>	<b>1.07</b>	<b>1.7</b>	<b>1.98</b>	<b>2.29</b>	<b>2.81</b>
NIA Market Share	5%	14%	19%	26%	35%	35%	35%	35%

4.2.40 The cargo tonnage forecast for NIA presented above was segmented between belly and freight segments for the First Control Period as tabulated below:

**Table 29: Air Cargo Tonnage Forecast for Noida International Airport as per L&B Report (as submitted by YIAPL in its MYTP)**

(in Tonnes)

Particulars	Domestic			International			Total		
	Belly	Freight	Total	Belly	Freight	Total	Belly	Freight	Total
FY 26	69,200	17,300	86,500	14,500	21,800	36,300	83,700	39,100	1,22,800
FY 27	81,700	17,900	99,600	22,100	32,000	54,100	1,03,800	49,900	1,53,700
FY 28	96,300	18,400	1,14,700	32,400	42,300	74,700	1,28,700	60,700	1,89,400
FY 29	1,11,600	19,700	1,31,300	44,800	52,700	97,500	1,56,400	72,400	2,28,800
FY 30	1,17,400	20,700	1,38,100	59,300	63,300	1,22,600	1,76,700	84,000	2,60,700
<b>Total</b>	<b>4,76,200</b>	<b>94,000</b>	<b>5,70,200</b>	<b>1,73,100</b>	<b>2,12,100</b>	<b>3,85,200</b>	<b>6,49,300</b>	<b>3,06,100</b>	<b>9,55,400</b>

4.2.41 The freighter ATM was estimated considering the freighter fleet mix, average capacity and average utilization or load factor of the freighter aircraft as below:

**Table 30: Air Cargo ATM for Noida International Airport as per L&B Report**

(in Nos.)

Cargo ATM	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Domestic ATM	950	970	980	1,040	1,080	5,020
International ATM	1,080	1,580	2,070	2,560	3,060	10,350
<b>Total Cargo ATM</b>	<b>2,030</b>	<b>2,550</b>	<b>3,050</b>	<b>3,600</b>	<b>4,140</b>	<b>15,370</b>

\*For 12 months

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4.2.42 The Authority observed that the CAGR of International Cargo, at 35.56%, was high and sought clarification from YIAPL. The response from YIAPL is as follows:

“...NIA is better located and in closer proximity to the logistics supply chain, industrial clusters, and manufacturers than DEL. It has an excellent location with regards to areas of UP like Ghaziabad, Meerut, Bhadohi, Agra, Kanpur, Aligarh, Lucknow, Moradabad, Firozabad, Khurja, etc. The shorter travel distances, reduced cycle times, and reduced transportation costs from these suppliers could likely increase NIA’s favourability...”

4.2.43 The Authority noted that the operator’s response are in alignment with the assumptions given in the traffic study of L&B. Based on the above, the Authority proposed to consider the Cargo Freight traffic and Cargo ATM as submitted by YIAPL for the First Control Period – shifted by one year in line with the shift in control period, and to true up the Cargo traffic based on actual numbers for the First Control Period at the time of determination of tariff for the next Control Period.

**Table 31: Cargo throughput proposed by the Authority for the First Control Period at Consultation Stage**

(in Tonnes)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
International	33,316	54,100	74,700	97,500	1,22,600	3,82,216
<b>Total</b>	<b>1,12,706</b>	<b>1,53,700</b>	<b>1,89,400</b>	<b>2,28,800</b>	<b>2,60,700</b>	<b>9,45,306</b>

**Table 32: Cargo ATM Traffic proposed by the Authority for the First Control Period at Consultation Stage**

(in Nos.)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic	950	970	980	1,040	1,080	5,020
International	1,080	1,580	2,070	2,560	3,060	10,350
<b>Total</b>	<b>2,030</b>	<b>2,550</b>	<b>3,050</b>	<b>3,600</b>	<b>4,140</b>	<b>15,370</b>

4.2.44 The Authority’s proposals relating to passenger traffic, ATM and cargo are summarised below. The following table presents a comparison against YIAPL’s submission, as re-drawn by the Authority for the revised control period.

**Table 33: Passenger, ATM and Cargo Traffic proposed by the Authority for the First Control Period at Consultation Stage**

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>Domestic Passengers (in Mn)</b>						
Domestic PAX as per YIAPL (as per Table 16)	6.22	8.61	11.38	14.60	17.58	58.39
Domestic PAX proposed by the Authority (as per Table 26) (A)	6.60	9.85	14.44	17.39	19.22	67.50
<b>International Passengers (in Mn)</b>						
International PAX as per YIAPL (as per Table 16)	0.13	0.40	0.60	0.81	1.07	3.01
International PAX proposed by the Authority (as per Table 26) (B)	0.14	0.41	0.61	0.74	0.82	2.73
<b>Total Passengers (in Mn)</b>						



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Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total PAX as per YIAPL (as per Table 16)	6.35	9.01	11.98	15.41	18.65	61.40
Total PAX proposed by the Authority (as per Table 26) (C=A+B)	6.74	10.26	15.06	18.13	20.04	70.23
<b>Domestic Passenger ATM (in Nos)</b>						
Domestic Passenger ATM submitted by YIAPL (as per Table 17)	43,100	58,700	76,300	96,400	1,14,200	3,88,700
Domestic Passenger ATM proposed by the Authority (as per Table 27) (D)	43,100	64,650	95,359	1,14,431	1,25,874	4,43,413
<b>International Passenger ATM (in Nos)</b>						
International Passenger ATM submitted by YIAPL (as per Table 17)	900	2,700	3,900	5,300	6,900	19,700
International Passenger ATM proposed by the Authority (as per Table 27) (E)	900	2,700	3,983	4,779	5,257	17,618
<b>Total Passenger ATM (in Nos)</b>						
Total Passenger ATM as per YIAPL (Table 17)	44,000	61,400	80,200	1,01,700	1,21,100	4,08,400
Total Passenger ATM proposed by the Authority (as per Table 27) (F=D+E)	44,000	67,350	99,341	1,19,210	1,31,130	4,61,031
<b>Domestic Cargo ATM (in Nos)</b>						
Domestic Cargo ATM submitted by YIAPL (as per Table 18)	950	970	980	1,040	1,080	5,020
Domestic Cargo ATM proposed by the Authority (as per Table 33) (G)	950	970	980	1040	1080	5,020
<b>International Cargo ATM (in Nos)</b>						
International Cargo ATM submitted by YIAPL (as per Table 18)	1,080	1,580	2,070	2,560	3,060	10,350
International Cargo ATM proposed by the Authority (as per Table 33) (H)	1,080	1,580	2,070	2,560	3,060	10,350
<b>Total Cargo ATM (in Nos)</b>						
Total Cargo ATM submitted by YIAPL (as per Table 18)	2,030	2,550	3,050	3,600	4,140	15,370
Total Cargo ATM proposed by the Authority (as per Table 33) (I=G+H)	2,030	2,550	3,050	3,600	4,140	15,370
<b>Domestic Cargo (in MT)</b>						
Domestic Cargo submitted by YIAPL (Table 19Table 19)	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
Domestic Cargo proposed by the Authority (as per Table 31) (J)	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
<b>International Cargo (in MT)</b>						
International Cargo submitted by YIAPL (as per Table 18)	33,316	54,100	74,700	97,500	1,22,600	3,82,216
International Cargo proposed by the Authority (as per Table 31) (K)	33,316	54,100	74,700	97,500	1,22,600	3,82,216
<b>Total Cargo (in MT)</b>						
Total Cargo submitted by YIAPL (	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	9,45,306



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Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Table 19 Table 19)						
Total Cargo proposed by the Authority (as per Table 31) (L=J+K)	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	9,45,306

**4.3 Stakeholders' comments regarding Traffic for the First Control Period**

4.3.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26 with respect to Traffic for the First Control Period. The comments by stakeholders are presented below:

**YIAPL's comments regarding Traffic for the First Control Period:**

4.3.2 YIAPL's comments regarding Traffic Projections for the First Control Period are as follows:

*"Initially, YIAPL submitted the traffic forecast as part of MYTP submission basis the air traffic forecast study conducted by Landrum & Brown (L&B). Subsequently, YIAPL shared the revised traffic forecast due to change in anticipated COD and considering the prevailing market conditions. However, the Authority has forecasted traffic forecast for Years 2 and 3 applying materially higher growth rates than the L&B traffic study on the premise that COD delays will create pent-up demand and induce passenger diversion from other airports. The Authority's premise is not supported by airline discussions or observable regional capacity conditions.*

Table below is showing the projected traffic growth considered by YIAPL vis a vis by the Authority:

Full Year of Operations	Year 1	Year 2	Year 3	Year 4	Year 5	Total
L&B study (in mn)	6.48	9.01	11.98	15.41	18.65	61.53
Growth		39.1%	32.9%	28.6%	21.0%	
Authority Assumptions (in mn)	6.35	9.72	14.34	17.2	18.92	66.53
growth		53.1%	47.5%	19.9%	10.0%	

L&B study was based on certain assumptions derived from trends of Indian Aviation market, Delhi region airport traffic system and catchment potential, however the growth rates applied by the Authority seem arbitrary and lead to an increase of more than 8% in comparison to the passenger traffic projected by L&B study.

The Authority has assumed that Phase 1 terminal capacity of 12 million passengers would be exceeded before the end of the third year of operations. This represents a highly aggressive assumption for a greenfield airport commencing operations in a volatile environment.

An analysis of traffic at nearby airports (tabulated below) indicates a marginal decline in passenger traffic during FY2025-26 as compared to FY 2024-25. Further, a comparison of projected FY 2025-26 passenger traffic with the designated capacity of these airports suggests that there remains unutilized capacity in the region.

Nearby airports	Traffic in Mn					
	Apr'25-Jan'26	FY26 Projected*	FY25	YoY change	Designated Capacity	Capacity Utilization
Delhi	64.74	77.69	79.26	-2%	109	71.3%
Lucknow	5.05	6.06	6.44	-6%	8	75.8%

Source: AAI website

\*FY26 projected arrived wherein April to Jan'26 are actual and projected for balance 2months.



Based on YIAPL's interactions with airlines, traffic demand is completely based on the financial viability of operations for the airlines and cost effectiveness for the passengers. Based on the current scenario and the said interactions and discussions, YIAPL understands that in the current situation, there is no significant indication of additional demand beyond the projections already captured in the L&B traffic study. Accordingly, YIAPL submits that there is no reason or occasion for the Authority to revise the L&B traffic projections upwards.

It is further submitted that historically for other greenfield airports like in the case of MOPA, the Authority has not revised traffic projections in order to take into account the uncertainties of initial years, to account for catchment development and traffic build-up.

YIAPL is deploying strategies for development of catchment & stimulation of traffic during its initial years of operations and one of the key strategies for DXN to attract catchment is the proposal to offer a Variable Tariff Plan. The Variable Tariff Plan is proposed with the principal objective of achieving the desired traffic in a competitive catchment.

In view of above, we request the authority to kindly allow traffic projections as submitted by YIAPL in its submissions dated 16<sup>th</sup> January' 2026 and 02<sup>nd</sup> February 2026 respectively. Any deviation between projected and actual traffic can be appropriately addressed through true-up mechanisms in the subsequent control period"

4.3.3 YIAPL's comments regarding ATM and passenger exemption and for the First Control Period are as follows:

"YIAPL has submitted the traffic projections basis the independent traffic study (L&B study) ,wherein passengers travelling on routes operated under the RCS/UDAN are projected to constitute approximately 3% of domestic passengers during the First Control Period. However, owing to the smaller aircraft typically deployed on RCS routes, these flights account for a higher share of traffic movements, thus projected to constitute approximately 7% of domestic ATMs.

The same can be referred in Table A & B tabulated below:

Table A: RCS Passengers

L&B study	Y1	Y5
RCS Passengers	0.2	0.5
Total Domestic Passengers	6.2	17.58
% RCS passengers	3.2%	2.8%

Table B: RCS ATMs

L&B study	Y1	Y5
RCS ATMs	2900	7900
Total Domestic ATMs	43100	114200
% RCS ATMs	6.7%	6.9%

Pursuant to Order No. 20/2016-17 dated 31 March 2017 on the Regional Connectivity Scheme (RCS) – UDAN, flights operating under the scheme at major airports are exempt from aeronautical charges. Although RCS passengers and ATMs have been included in the total traffic projections, the corresponding exemption has not been considered in the calculation of billable passengers and ATMs, with the Authority proposing to address this during the true-up in the next control period.



Further, in paragraph 2.2.1(iv) of the Consultation Paper, the Authority refers to the application of Order No. 20/2016-17 dated 31 March 2017; however, in paragraph 4.2.28, the Authority appears to adopt a position that differs from the one stated earlier.

In view of above, we hereby submit that the share of RCS traffic as indicated in the L&B traffic study, is material in magnitude and therefore the approach of deferring the adjustment to the true-up stage may lead to an additional under-recovery of aeronautical revenue during the First Control Period. Accordingly, the Authority is requested to duly account for the RCS exemption while computing billable passengers and ATMs for tariff determination.

Lastly, in paragraph 4.2.29, the Authority has included exempt passengers in the traffic projections for the First Control Period. However, no corresponding adjustment has been made for such exempt passengers while determining billable traffic for NIA for the same period.

Accordingly, it is requested that exempt passengers be excluded while computing billable passengers and ATMs for tariff determination in line with DGCA's AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019 (Decision of Ministry of Civil Aviation, Govt. of India vide order no.

AV 29012/39/2018-AD dated 30.10.2019) respectively regarding exemptions."

4.3.4 YIAPL's comment regarding revision in Cargo traffic is as follows:

"In MYTP submission, cargo tonnage was projected based on the independent study conducted by BCG, which in turn relied on its projections for the North India air cargo market and assumed that NIA would achieve a 7% market share in the first year of operations.

However, basis the actual performance in air cargo segment as per the AAI Cargo Report, it is now observed that actual air cargo market size during FY 2024-25 is 24% lower than projections. This indicates that the original cargo projections for NIA were based on a market size assumption that appears to be materially higher than the actual market size.

Further, basis YIAPL's interaction with the business and other stakeholders, it is respectfully submitted that, being the second airport in the NCR region and being located in close proximity to a well-established cargo hub with spare capacity, NIA is likely to require a few years to ramp up cargo business. Cargo traffic, especially in the initial years, is expected to build up gradually for several reasons as set out below.

Firstly, exporters and importers generally rely on the strength of an established airport's airline network, connectivity, service ecosystem, and overall logistics and cost competitiveness before shifting to a new airport. Second, key cargo stakeholders, including freight forwarders, airlines, trucking operators, logistics service providers, and e-commerce players, are currently concentrated in close proximity to Delhi Airport / Gurgaon, and therefore a shift in cargo volumes to NIA is expected to be gradual over the first three to four years. In addition, established operating practices, familiarity with the existing airport, and the industry's general preference for proven logistics channels are also likely to slow the pace of transition in the initial years.

It is also submitted that the upcoming logistics parks and manufacturing units in and around Gautam Buddha Nagar, which are expected to support cargo demand for NIA over the medium term, will themselves take time to become operational. Accordingly, the cargo demand buildup at NIA is expected to be gradual rather than immediate.

Given the above factors, YIAPL hereby submits the revised freighter ATM projection



Financial Year	2027	2028	2029	2030	2031
Domestic Freighter ATMs	950	970	980	1040	1080
International Freighter ATMs	1080	1580	2070	2560	3060
<b>Total Freighter ATMs</b>	<b>2030</b>	<b>2550</b>	<b>3050</b>	<b>3600</b>	<b>4140</b>

*Freighter ATM projections as per YIAPL's earlier submissions and projections:*

Financial Year	2027	2028	2029	2030	2031
Domestic Freighter ATMs	39	182	468	1,040	1,456
International Freighter ATMs	258	696	1,149	1,584	1,701
<b>Total Freighter ATMs</b>	<b>297</b>	<b>878</b>	<b>1,617</b>	<b>2,624</b>	<b>3,157</b>

*In view of above, it is respectfully requested that the Authority take into account that the cargo revenue as well as the landing revenue from freighter ATMs may be substantially lower than the levels projected in MYTP, and requests to consider the revised submission in final tariff order for First Control Period for NIA."*

**Other Stakeholders' comments regarding Traffic for the First Control Period:**

4.3.5 Mr. Sumedh Bhagwat's comment regarding traffic forecasting is as follows:

*"Aggressive Traffic Forecasting Over Conservative Baselines*

*Project finance models for greenfield airports typically lean toward highly conservative traffic projections to justify higher initial unit yields. Given the severe capacity constraints at IGIA and the aggressive route expansion of domestic carriers, DXN's traffic elasticity will be exceptionally high. The Authority should stress-test YIAPL's baseline traffic projections and mandate a higher throughput assumption. A higher denominator in the tariff formulation model is the most direct mechanism to protect passenger interests and suppress the final UDF."*

4.3.6 Air India's comments regarding traffic forecasting by the Authority is as follows:

*"Traffic will be dampened by current events. We note that the Authority has revised upwards the passenger and ATM projections from YIAPL's submission.*

*We firmly believe that this traffic forecast will need to be updated/moderated, as the consultant (L&B) is may not have or is unlikely to have factored in:*

- Global supply chain issues delaying airlines aircraft deliveries by as much as 2 years.
- IGIA's capacity expansion (T1 opening, conversion of T3 Pier C to INT & the new Pier E).
- Opening of Hindon airport for commercial flights

*We disagree with the benefits that L&B has mentioned (pg. 36), such as:*

- Peak hour slots ex-NIA would take time to build up, as majority of catchment remains logistically closer to IGIA.



- Higher yield is also a function of the profile and maturity of the catchment area. Thus, until adequate and convenient ground connectivity is established, such corporate traffic will still choose to travel out of IGIA.

- Costs are a major issue and airlines would deploy flights where they can have better efficiency of operations. These can be seen at Navi Mumbai (NMIA), where the higher aeronautical tariffs hinder the rate of growth and delay the airport meeting its potential.

The above and many other related factors will affect the growth at NIA.”

4.3.7 IATAs comments regarding Traffic Assumptions and Risk Asymmetry is as follows:

“The CP notes that YIAPL submitted traffic forecasts for the First Control Period based on an independent study, subsequently revised to account for changes in COD and control-period timelines. The Authority has largely adopted this revised traffic profile, making mechanical adjustments to align the series to the extended period and ensure consistency in the treatment of passenger categories.

Traffic realization in the initial years of DXN remains uncertain, as it will depend on airline network decisions, market conditions, the operational readiness of a dual-airport system, and the overall cost of operating at the new airport, including the substantial set-up and establishment expenses airlines are expected to incur.

IATA member airlines have highlighted that:

- ‘Traffic diversion from DEL is challenging, as airlines have strong reasons to retain operations at DEL as long as sufficient capacity and slots remain available.’
- ‘International traffic is not expected to scale meaningfully in the near term, as DXN’s ability to attract international operations is constrained by point-of-call and related regulatory considerations, in addition to commercial factors.’

We also note that surface access challenges and limited inter-airport connectivity are likely to influence traffic behavior in the early years, meaning ramp-up may take longer than implied by purely demand-driven forecasts.

In this context, a prudent approach to early-year traffic assumptions is essential, particularly when these projections underpin upfront cost recovery.

Specifically, in relation to the information provided in the consultation document, the following points should be considered:

Clause 4.2.32

The load factor for the international and domestic flights would seem to be aggressive in the first three years of the period with the opening of a new airport and new routes, perhaps reducing the load factor in these years would be more appropriate. This would recognize the ramp-up period required to fully establish new routes within a market.

Clause 4.3.32

The increase in the average seats per ATM on domestic flights from 180 to 188 passengers for domestic Code C traffic would appear to be aggressive as it would assume that airlines would deploy a sizable portion of their larger Code C aircraft to the routes, primarily the A321. It might be more likely that airlines will launch new routes with their smaller aircraft, primarily the A320. An average seat of circa 184 per ATM perhaps



would be more suitable to strike a balance between the aircraft type deployed to the airport in the initial period.

*Table 25*

*There is a considerable increase in traffic from FY28 to FY29, especially for domestic traffic, as the base traffic from the previous year has built up and the percentage change for the year is high. This percentage increase could be aggressive at this point in the ramp-up of operations at the airport.*

*The current framework places a disproportionate share of downside risk on airlines and their passengers. When traffic forecasts are not realized, under-recovery is automatically carried forward and recovered through higher tariffs in subsequent periods, whereas the airport operator continues to benefit from assured cost recovery. This creates a structural asymmetry in which airport users bear the commercial risks of forecast deviations while the operator remains financially insulated.*

*Further, it is unclear whether the traffic forecast incorporates any sensitivity analysis of the proposed user charges or the Variable Tariff Plan (VTP), and how these pricing elements may influence traffic behaviour during the initial ramp-up phase and across the remainder of the Control Period.*

*Therefore, we request that these items are reviewed appropriately before final decision is made by the Authority."*

4.3.8 Indigo's comment regarding Passenger Traffic is as follows:

*"Additional Point on Passenger numbers*

*The passenger traffic projection (Table 15) in the consultation paper (refer Table 16 of this Tariff Order) seems too high, we project that the passenger growth initially would be slow and gradually increase considering that DEL will continue to expand in the years to come. We have assumed the ATM to be same as per the consultation paper (Table 26) (refer Table 27 of this Tariff Order) and reworked the figures. It may kindly be noted that we have taken a larger adjustment in FY27 because the airport is not operational for the whole financial year and there will be staggered growth"*

Particulars (in MPPA)	FY27	FY28	FY29	FY30	FY31	TOTAL
Domestic PAX	4.07	8.38	12.70	15.65	17.67	58.48
International PAX	0.11	0.35	0.54	0.69	0.80	2.50
Total PAX	4.19	8.73	13.24	16.34	18.48	60.98

*Note - The growth track mentioned above has been derived assuming that the cost is also at par with DEL.*

4.3.9 Lufthansa Group's comments regarding Cargo Projections is as follows:

*"Cargo Projections: Infrastructure and Operational Risks*

*In Paragraph 4.2.41, the Authority notes the projected compound annual growth rate (CAGR) of 35.56% for international cargo, premised on the assumption that proximity to industrial clusters such as Ghaziabad and Agra will result in an immediate modal shift of cargo traffic from Delhi (DEL) to Noida International Airport (DXN).*

*In this regard, we submit that the projections based on the BCG study lack sufficient granularity at the commodity level and do not adequately account for the incubation period required for industrial development. While land has been earmarked for aerospace and electronics industries, these sectors are currently in the development phase. Based on industry experience, such facilities typically require a lead time of 25 years*



year lead time before these facilities are fully operational and capable of generating significant export volumes. High growth rates should be adjusted to reflect this ramp-up phase rather than assuming peak output from the first year itself.

Feedback from current exporters and logistics stakeholders suggests that the "soft infrastructure" required to steer exports from DEL to NIA is not yet in place. In particular, there is a noted absence of forwarder offices and functional warehouses in the immediate vicinity. Without an established ecosystem of customs brokers and logistics providers near the airport boundary, a seamless transition of cargo from DEL is unlikely to happen at the pace that is projected in the CP.

We also draw the Authority's attention to Para 12.2.3 of the MYTP, where the operator explicitly acknowledges that the non-availability of "Eastern Access" at the time of opening will adversely "impact the operational efficiencies" of the cargo terminal. We submit that high traffic growth projections are inconsistent with these admitted infrastructure deficits and operational risks.

In light of the above, we urge the Authority to adopt more conservative cargo growth rates, particularly for the first three years. This will prevent an artificial inflation of the Aggregate Revenue Requirement (ARR) and avoid a potential "True-Up" in the subsequent control period."

#### 4.4 YIAPL's response to Stakeholders' comments regarding Traffic for the First Control Period.

##### 4.4.1 YIAPL's response to Mr. Sumedh Bhagwat's comments regarding traffic forecasting is as follows:

"Air traffic forecast study was undertaken by Landrum & Brown (L&B), which has been submitted to the Authority and same was the basis of YIAPL's MYTP submission. Subsequently, YIAPL shared a revised traffic forecast to account for changes in the anticipated COD and prevailing market conditions.

Further reference is drawn to comments provided by IATA, IndiGo, and Air India, highlighting that catchment development and traffic ramp-up will require time, given that NIA is a greenfield airport commencing operations in a volatile operating environment.

In addition to above, YIAPL request the authority to consider its submission made in paragraph 2 of YIAPL's comments on the Consultation Paper"

##### 4.4.2 YIAPL's response to Air India's comments regarding traffic forecasting is as follows:

"YIAPL notes the concerns raised by the Air India. In this regard, it is submitted that while the points highlighted may have some bearing on traffic ramp-up in the short term, they do not materially alter the long-term traffic prospects of the airport over the five-year Control Period. Traffic assessment for a greenfield airport serving the NCR catchment must be viewed over a medium-term horizon, taking into account structural demand drivers, regional growth and the long-term role of DXN within the dual-airport framework."

##### 4.4.3 YIAPL's response to IATAs comments regarding traffic assumptions and risk asymmetry is as follows:

"We acknowledge the observation that traffic realization in the initial years for DXN will be uncertain due to various factors.



*A key assumption underpinning the forecasts is that a significant portion of traffic will be new demand from the NCR catchment, rather than only diversion. The projections also considered reasonable aircraft induction plans prevailing at the time of assessment.*

*Further, the proposed Variable Tariff Plan is expected to support traffic development by incentivizing airline operations and improving market competitiveness.*

*In view of the above, the traffic assumptions represent a fair and balanced estimate and requested AERA to consider the projections submitted by YIAPL and any variation between projected and actual traffic may be addressed through the true-up mechanism based on actual performance in the subsequent period.*

*Further, Airport tariffs are determined based on the Yield per Passenger (YPP), which decreases when passenger traffic increases. If traffic forecasts are lower, higher tariffs are required to recover costs in the current period. While airlines can adjust their capacity and operations based on passenger demand, airport operators do not have similar flexibility. An airport's financial viability is directly dependent on the number of passengers using the airport. Therefore, it is incorrect to assume that the downside risk is disproportionately borne only by airlines and passengers."*

4.4.4 YIAPL's response to Indigo's comments regarding passenger traffic is as follows:

*"YIAPL acknowledges the traffic projections submitted by InterGlobe Aviation Limited and notes that the traffic projections for the First Control Period are broadly aligned with those projected by YIAPL, except for minor variations in the domestic and international traffic split.*

*It is suggested that the traffic projections for the first control period be considered as per YIAPL's submission. YIAPL has submitted its detailed comments on traffic for the control period in Section 2.1 of its comments on the Consultation Paper (refer para 4.3.2 of this Tariff Order). YIAPL respectfully requests the Authority to take the same into consideration."*

4.4.5 YIAPL's response to Lufthansa Group's regarding Cargo Projections is as follows:

*"YIAPL acknowledges the comment from Lufthansa suggesting to adopt a more conservative cargo growth than what is projected in the consultation paper. Considering the North India Cargo market performance in the proceeding years, YIAPL has submitted its comments in Section 10.11 of YIAPL's comments on the Consultation Paper (refer para 4.3.4 of this Tariff Order). It is requested that the Authority take the same into consideration."*

#### **4.5 Authority's analysis on Stakeholders' comments regarding Traffic for the First Control Period**

4.5.1 The Authority has carefully examined the comments of YIAPL, Air India, IndiGo and IATA, along with YIAPL's counter comments, in respect of rationalisation of passenger traffic and passenger ATMs for the First Control Period.

The Authority notes that YIAPL initially submitted the traffic forecast as part of its MYTP based on an independent traffic forecast study carried out by Landrum & Brown (L&B). The Authority has also considered the stakeholder submissions that highlight (a) the initial ramp up uncertainties typical to greenfield airports; (b) the role of airline fleet induction and supply constraints; (c) the impact of competitive dynamics in the NCR multi airport region including capacity additions at alternate airports; and (d) the influence of user charges and commercial viability on airline network decisions, which may affect the pace of traffic diversion and stimulation in the initial years.



The Authority has also taken cognizance of the comments received from Mr. Sumedh Bhagwat, who has, inter alia, submitted that project finance models for greenfield airports typically lean toward highly conservative traffic projections to justify higher initial unit yields. The Authority has also reviewed YIAPL's counter comments in this matter.

The Authority notes the prevailing market uncertainties impacting the Indian and global aviation sector, including, inter alia, volatility in fuel prices, supply-side constraints faced by airlines and the geopolitical developments such as the ongoing conflict in the Middle East. The Authority has taken cognizance of IndiGo's submission regarding moderation of passenger growth assumptions for the initial years and the revised projections shared. The Authority has considered these while deciding the traffic for the First Control Period.

The Authority is also cognizant of the challenges typically faced by greenfield airports in the initial years of operations, particularly in relation to catchment area development and traffic build-up. At the same time, the Authority remains of the view, as outlined in the Consultation Paper, that the delayed COD has the potential to result in a degree of pent-up demand and gradual passenger diversion from alternate airports over the initial control period. In order to strike an appropriate balance and taking into account the submissions of YIAPL as well as the current market conditions, the Authority has decided to moderate the projections considered in the Consultation Paper.

Accordingly, in view of the revised COD of 15<sup>th</sup> June 2026 (refer Para 1.2.6 of this Tariff Order), and the prevailing market conditions discussed above, the Authority has considered ~ 80% of the passenger traffic and passenger ATM projections adopted in the Consultation Paper for the first year of operations. For the remaining years of the Control Period, the Authority has considered ~ 96% of the projections adopted in the Consultation Paper, noting that the impact of the deferred COD and the associated market uncertainties would be partly absorbed and reflected across the subsequent years as well.

In the light of above, the passenger traffic and ATMs decided to be considered by Authority is as shown in Table 34 of this Tariff Order.

- 4.5.2 The Authority has carefully reviewed the comments of YIAPL with regard to exempt Pax / ATM. The Authority notes that the total Passenger and ATM projections represent the actual airport usage and demand. Excluding RCS / other exempt traffic at the projection stage would distort traffic forecasts and introduce uncertainty, particularly given the evolving nature of RCS routes, aircraft deployment and route continuity, which are better assessed on actuals at the true-up stage.

The Authority also draws reference to Para 4.2.26 of this Tariff Order and clarifies that this approach is consistent with the Authority's decision in other airports.

It is also noted that reliable trends relating to transfer and transit passengers are not presently available, given this is a greenfield airport. In the absence of operating history, no assumptions on transfer/transit passenger volumes can be factored at this stage.

Accordingly, the Authority finds no reasons to revise the methodology adopted at the Consultation Stage.

Further, the Authority notes that at the time of tariff determination for the subsequent control period, the actual aeronautical revenue derived from billable passenger traffic/ ATM is examined based on actuals, which inherently addresses any concerns relating to exemptions or non billable traffic/ATM.



4.5.3 The Authority has examined the submissions of YIAPL seeking a downward revision of cargo traffic projections and the comments of Lufthansa Group regarding incubation requirements and the non-availability of soft infrastructure. The Authority notes that the traffic projections adopted in the Consultation Paper are based on an independently assessed demand study, which would have already factored in the phased ramp up of operations and the progressive development of ancillary logistics support at the airport. The considerations now raised by YIAPL were available and foreseeable at the time of the demand study and do not constitute new information warranting a reassessment. Further, these projections represent normative expectations for tariff determination and are not intended to reflect short term market fluctuations.

The Authority also observes that tariff determination for the First Control Period is necessarily based on forward looking assumptions. In this context, the Authority notes that YIAPL has planned various cargo infrastructure facilities, including an integrated warehouse and logistics zone, which are envisaged to support the projected cargo activity.

Accordingly, after due consideration, the Authority is of the view that the cargo traffic projections adopted in the Consultation Paper are reasonable and appropriate.

4.5.4 The revised traffic projections after taking into consideration Authority's analysis in Paras 4.5.1, 4.5.2 and 4.5.3 of this Tariff Order is as follows:

**Table 34: Passenger, ATM and Cargo Traffic as decided by the Authority for the First Control Period**

Particulars	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
<b>Domestic Passengers (in Mn)</b>						
Domestic PAX as per YIAPL (as per Table 16)	6.22	8.61	11.38	14.60	17.58	<b>58.39</b>
Domestic PAX proposed by the Authority (as per Table 26)	6.60	9.85	14.44	17.39	19.22	<b>67.50</b>
Domestic PAX decided by the Authority (A)	5.30	9.50	13.90	16.70	18.50	<b>63.90</b>
<b>International Passengers (in Mn)</b>						
International PAX as per YIAPL (as per Table 16)	0.13	0.40	0.60	0.81	1.07	<b>3.01</b>
International PAX proposed by the Authority (as per Table 26)	0.14	0.41	0.61	0.74	0.82	<b>2.73</b>
International PAX decided by the Authority (B)	0.10	0.40	0.60	0.70	0.80	<b>2.60</b>
<b>Total Passengers (in Mn)</b>						
Total PAX as per YIAPL (as per Table 16)	6.35	9.01	11.98	15.41	18.65	<b>61.40</b>
Total PAX proposed by the Authority (as per Table 26)	6.74	10.26	15.06	18.13	20.04	<b>70.23</b>
Total PAX decided by the Authority (C=A+B)	5.40	9.90	14.50	17.40	19.30	<b>66.50</b>
<b>Domestic Passenger ATM (in Nos)</b>						
Domestic Passenger ATM submitted by YIAPL (as per Table 17)	43,100	58,700	76,300	96,400	1,14,200	<b>3,88,700</b>
Domestic Passenger ATM proposed by the Authority (as per Table 27)	43,100	64,650	95,359	1,14,431	1,25,874	<b>4,43,413</b>

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Particulars	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
Domestic Passenger ATM decided by the Authority (D)	34,480	62,060	91,540	1,09,850	1,20,840	4,18,770
<b>International Passenger ATM (in Nos)</b>						
International Passenger ATM submitted by YIAPL (as per Table 17)	900	2,700	3,900	5,300	6,900	19,700
International Passenger ATM proposed by the Authority (as per Table 27)	900	2,700	3,983	4,779	5,257	17,618
International Passenger ATM decided by the Authority (E)	720	2,590	3,820	4,590	5,050	16,770
<b>Total Passenger ATM (in Nos)</b>						
Total Passenger ATM as per YIAPL (as per Table 17)	44,000	61,400	80,200	1,01,700	1,21,100	4,08,400
Total Passenger ATM proposed by the Authority (as per Table 27)	44,000	67,350	99,341	1,19,210	1,31,130	4,61,031
Total Passenger ATM decided by the Authority (F=D+E)	35,200	64,650	95,360	1,14,440	1,25,890	4,35,540
<b>Domestic Cargo ATM (in Nos)</b>						
Domestic Cargo ATM submitted by YIAPL (as per Table 18)	950	970	980	1,040	1,080	5,020
Domestic Cargo ATM proposed by the Authority (as per Table 33)	950	970	980	1040	1080	5,020
Domestic Cargo ATM decided by the Authority (G)	950	970	980	1040	1080	5,020
<b>International Cargo ATM (in Nos)</b>						
International Cargo ATM submitted by YIAPL (as per Table 18)	1,080	1,580	2,070	2,560	3,060	10,350
International Cargo ATM proposed by the Authority (as per Table 33)	1,080	1,580	2,070	2,560	3,060	10,350
International Cargo ATM decided by the Authority (H)	1,080	1,580	2,070	2,560	3,060	10,350
<b>Total Cargo ATM (in Nos)</b>						
Total Cargo ATM submitted by YIAPL (as per Table 18)	2,030	2,550	3,050	3,600	4,140	15,370
Total Cargo ATM proposed by the Authority (as per Table 33)	2,030	2,550	3,050	3,600	4,140	15,370
Total Cargo ATM decided by the Authority (I=G+H)	2,030	2,550	3,050	3,600	4,140	15,370
<b>Domestic Cargo (in MT)</b>						
Domestic Cargo submitted by YIAPL (as per Table 19)	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
Domestic Cargo proposed by the Authority (as per Table 31)	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
Domestic Cargo decided by the Authority (J)	79,390	99,600	1,14,700	1,31,300	1,38,100	5,63,090
<b>International Cargo (in MT)</b>						

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Particulars	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
International Cargo submitted by YIAPL (as per Table 18)	33,316	54,100	74,700	97,500	1,22,600	3,82,216
International Cargo proposed by the Authority (as per Table 31)	33,316	54,100	74,700	97,500	1,22,600	3,82,216
International Cargo decided by the Authority (K)	33,316	54,100	74,700	97,500	1,22,600	3,82,216
<b>Total Cargo (in MT)</b>						
Total Cargo submitted by YIAPL (as per Table 19)	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	9,45,306
Total Cargo proposed by the Authority (as per Table 31)	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	9,45,306
Total Cargo decided by the Authority (L=J+K)	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	9,45,306

\*Traffic Considered by the Authority at the Order Stage is only for the period from 15<sup>th</sup> June 2026 onwards

#### 4.6 Authority's decision regarding Traffic for the First Control Period

Based on the material before it and its analysis, the Authority decides the following with regard to the traffic forecast for the First Control Period:

- 4.6.1 To consider the Passenger, ATM and Cargo traffic for the First Control Period for Noida International Airport as per Table 34.
- 4.6.2 To true up the traffic volume (Passenger, ATM and Cargo traffic) based on the actual traffic for the First Control Period at the time of determination of the tariff for the next Control Period.

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AERA



## 5. CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE FIRST CONTROL PERIOD

### 5.1 Background

- 5.1.1 RAB is an essential element in the process of Aeronautical tariff determination. The return to be provided on RAB constitutes a considerable portion of the Aggregate Revenue Requirement (ARR). To encourage the participation of the private sector in airport development and operations, investors must be fairly compensated for the capital outlays involved. At the same time, to safeguard the interests of the airport users, it must be ensured that the capital additions are efficient, their needs justified and the return on investment provided solely on the assets related to the core operations (i.e., Aeronautical Services) of the airport.
- 5.1.2 The Authority noted that YIAPL has proposed to plan and develop NIA, a greenfield airport in Noida, NCR in a phased manner during the tenure of the concession period. As specified in Table 1, Phase I of the airport development is required to be undertaken for a design capacity of 12 MPPA. This development includes key infrastructure such as the passenger terminal building, runway, taxiways, apron, air traffic control, cargo facilities, airside and landside access roads and other support systems. Expansion in subsequent phases will be triggered upon reaching pre-defined traffic thresholds outlined in Table 1.
- 5.1.3 To facilitate this development, YIAPL was required to prepare and submit a Master Plan which is in accordance with Civil Aviation Requirements (CAR) as prescribed by the DGCA, ICAO guidelines and conforming to Good Industry Practice, and in line with the specifications / requirements set out in the Master CA.
- 5.1.4 As per Clause 6 of Annex II to Schedule A of the Master CA,  
*The Master Plan is to be submitted to the Authority in 60 days from the date of this Agreement. Within 30 (thirty) days of the receipt of the Master Plan, the Authority shall provide to the Concessionaire, any comments or changes that the Authority may have on the Master Plan. If the Authority provides any comments and/or suggestions to the Master Plan, then the Concessionaire shall within 30 (thirty) days of receipt thereof, suitably incorporating such comments and/or changes suggested by the Authority in the Master Plan. This Master Plan will become a part of the Concession Agreement.*
- 5.1.5 The Authority noted that YIAPL has prepared and submitted a draft Master Plan, and received feedback from DGCA, AAI and BCAS. YIAPL reviewed the comments and suggestions and updated the Master Plan report, wherever applicable, and submitted the final Master Plan Final Report to Noida International Airport Limited (NIAL) – the concessioning the Authority on 23<sup>rd</sup> April 2021.
- 5.1.6 NIAL submitted this revised Master Plan to the Ministry of Civil Aviation (MoCA) for approval. MoCA, vide its letter dated 10<sup>th</sup> August 2021, conveyed the no objection / in-principle approval from DGCA, BCAS and AAI. NIAL's Board approved this Master Plan on 13<sup>th</sup> August 2021. NIAL received the in-principle approval from YEIDA Board on 17<sup>th</sup> August 2021 with the conditions to be fulfilled by YIAPL. The Master Plan showing the layout of the Airport for NIA was approved with effect from 17<sup>th</sup> August 2021 and the same was communicated through letter no NIAL/MP/247/2021 dated 17<sup>th</sup> August 2021.
- 5.1.7 In accordance with Clause 12.2.1 and Annex II to Schedule A of the Master CA, YIAPL had prepared the Development Plan for Phase I of NIA in compliance with the Master Plan of NIA and the requirements set forth in the Master CA. The facilities being built at NIA for Phase 1 are as below:

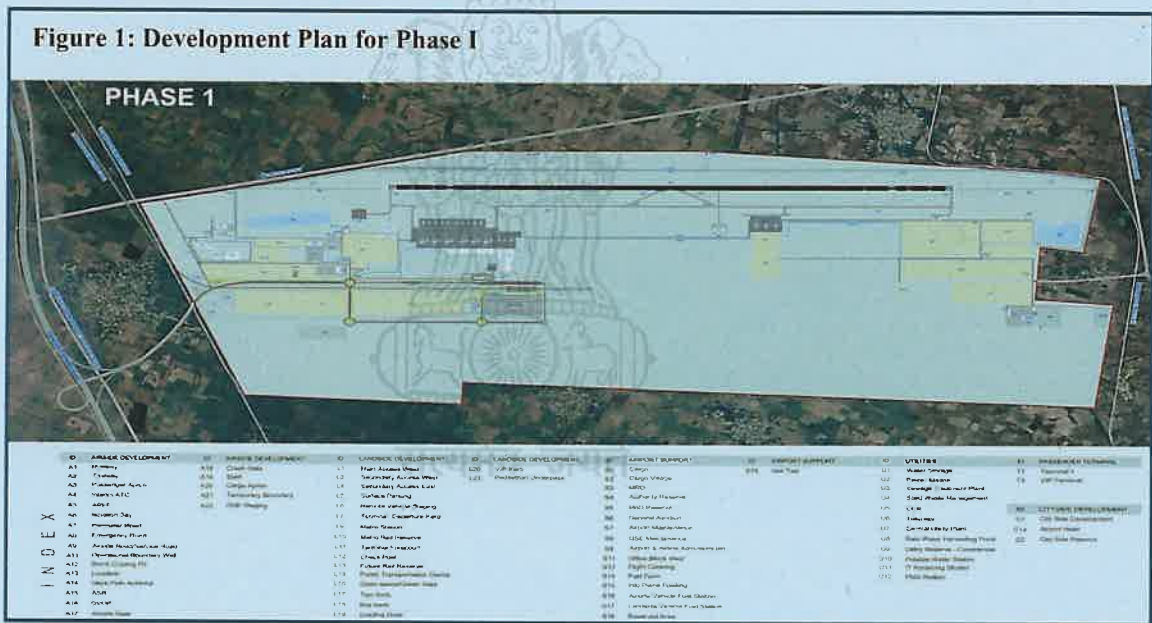


CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE FIRST CONTROL PERIOD

- Runway (orientation 10L-28R) of 3,900 m length along with all associated works to make it suitable for Code 4E operations.
- Terminal Building along with city side development for 12 MPPA capacity.
- Cargo facilities including apron, cargo terminal for international and domestic cargo, and other allied facilities.

5.1.8 The Development Plan of Phase 1 of Noida International Airport, Jewar, was approved by the Board of NIAL and the same was communicated to YIAPL vide letter no NIAL/DP/2022/367 dated 18<sup>th</sup> April 2022.

5.1.9 The figure below shows the planned facilities included as part of the Development Plan for Phase I:



The list of developments planned as part of Phase I is also given in Table 3.

- 5.1.10 The Authority noted that YIAPL is mandated to develop project facilities for NIA as stipulated in Schedule C of Annexure 1 of the Master CA while complying with clause 26.7.1 of the Master CA, which requires YIAPL to achieve and maintain the Airport Service Quality (ASQ) rating of at least 4.2 out of 5.0 and / or appear within top 20 percentile of all airports, in its category.
- 5.1.11 The Authority along with its Independent Consultant / Aviation Expert, undertook a site visit to assess the capital expenditure proposed for the First Control Period. During the site visit, the Consultant engaged with the technical team of YIAPL to understand the planned phasing of airport infrastructure, traffic estimation methodologies and the short, medium and long-term development plans for the Airport.
- 5.1.12 As part of the site visit, discussions were held with the design and planning teams to understand the scope of capital expenditure submitted by YIAPL for the First Control Period. These discussions included a review of the project plan, drawings, physical progress at site and the phasing of projects to align with projected passenger traffic and operational needs.



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- 5.1.13 Further, interactions were held with the project team of YIAPL to examine the contract award process, change order process, basis of cost estimation where contracts were yet to be awarded, contingency provisions and benchmarking against industry / normative standards for similar infrastructure projects.
- 5.1.14 The Authority observed that the assessment of Airport development and its phasing is a technical matter, which requires analysis by the domain expert. The Authority, through its Independent Consultant / Aviation Expert, had carried out an analysis of the submissions made by YIAPL regarding Capital Additions and RAB, and has performed the following:
- Examined the proposal of YIAPL in terms of the designated capacity of the airport/scope with reference to Passenger Growth/Cargo Volumes/Air Traffic Movement and assessed cost effectiveness of the proposal.
  - Examined the Building Standards, Designs and Pavement works including cost thereon submitted by YIAPL to be in line with IMG/IATA/ICAO norms.
  - Analyzed the reasonableness of the proposed cost with reference to the Tentative Ceiling decided by the Authority vide order No. 07/2016-17 dated 13.06.2016 based on the details of the rates and quantity as per Government / Industry approved norms.
  - Sought documentary evidence and verified the process of approval of Capital Expenditure projects including bidding process for award of various work orders and checked reasonableness of Time Schedule of Completion of work submitted by YIAPL.
  - Sought and verified various technical study reports provided by YIAPL, Drawings and Plans, BOQs, cost estimates and break-up, detailed justification and explanation, copies of Letter of Intent (LOI), Letter of Award (LOA), Purchase Orders, Work Orders, Contracts, Change Orders etc. as applicable, provided by YIAPL.
  - Reviewed the submissions presented as part of the Capex Study Report prepared by RITES Limited (refer Para 5.2.3 below) – consultant engaged by YIAPL.
- 5.1.15 The Authority, through its Independent Consultant / Aviation Expert, had sought and examined YIAPL's submission based on the following information / criteria:
- Nature of the expenditure
  - Necessity / requirement of the expenditure
  - Number of passengers projected for the First Control Period
  - Terminal capacity projected for the First Control Period
  - Other short-term and long-term plans of YIAPL
  - Sustainability of airport operations
  - Passenger consideration
  - Safety and security of the airport
  - Process of approval and sanction for various work orders / purchase orders
- 5.1.16 Based on the facts outlined above, the Authority, through its Independent Consultant / Aviation Expert, had examined the entire CAPEX plan in detail, considering the historical traffic trends in Delhi as a state and future traffic estimates for IGI and NIA, such that only essential, reasonable and efficient CAPEX is considered as part of RAB for the First Control Period with a view to encourage the investors while maintaining a balanced approach between the sustainable operations of YIAPL and the interest of the airport users. Further, the Authority takes cognizance of the fact that, if any excess CAPEX is allowed in this Control

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Period, it would be against the regulatory framework, as tariff would have no link to the services / facilities created at the Airport and the resultant high aeronautical charges would be unfair to the ultimate users.

5.1.17 Towards this objective, the Authority had examined in detail the Aeronautical Capital Expenditure and RAB submitted by YIAPL and had presented its views in the following order:

- i. Aeronautical Capital Expenditure Proposed for the First Control Period
- ii. Asset Allocation Ratios and Aeronautical Allocation of Capital Expenditure
- iii. Aeronautical Depreciation for the First Control Period
- iv. Regulatory Asset Base for the First Control Period

5.1.18 Based on the above, the Authority, through its Independent Consultant / Aviation Expert, had rationalized the capital expenditure for projects where necessary, and accordingly proposed capital additions for the First Control Period.

## 5.2 YIAPL's submission regarding Capital Expenditure (CAPEX) for the First Control Period of Noida International Airport

5.2.1 YIAPL submitted total Capital Expenditure of Rs. 7,209.80 crores in the MYTP dated 27<sup>th</sup> October 2024 for the First Control Period, the details of which are as given below:

**Table 35: Project wise details of Capital Expenditure submitted by YIAPL in the MYTP for the First Control Period**

(Rs. in crores)

Sl. No.	Asset Categories	Ref	Amount
A1	AGL System		215.50
A2	Airside Buildings		90.30
A3	Airside Roadways		53.30
A4	Runway, Apron and Taxiway		671.80
A5	Bomb Cooling Pit		0.30
A6	GSE Staging		45.90
A7	NAVAID Support Building		97.30
<b>A</b>	<b>Airside Projects</b>	<b>SUM(A1:A7)</b>	<b>1,174.50</b>
B1	Land Development		355.10
B2	Access Roadways		144.50
B3	Canopy		34.10
B4	Car Park		68.20
<b>B</b>	<b>Landside Development including Land Development</b>	<b>SUM(B1:B4)</b>	<b>602.00</b>
C1	IT Terminal Building		93.50
C2	Passenger Boarding Bridge		46.40
C3	PTB – BHS, ATRS, ABD		318.20
C4	Terminal Building		1,842.90
<b>C</b>	<b>Terminal Building</b>	<b>SUM(C1:C4)</b>	<b>2,300.90</b>
<b>D</b>	<b>Support Facility Buildings</b>		<b>278.40</b>
E1	AGL Substation		30.80
E2	Airside - HVAC Building		119.30
E3	IT		185.20
E4	Other Utilities		204.60



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Sl. No.	Asset Categories	Ref	Amount
<b>E</b>	<b>Utilities</b>	<b>SUM(E1:E4)</b>	<b>539.80</b>
F1	Vehicles - Crash Fire Tenders		31.40
F2	Vehicles - Others		67.40
<b>F</b>	<b>Vehicles</b>	<b>SUM(F1:F2)</b>	<b>98.80</b>
<b>G</b>	<b>Boundary Wall</b>		<b>56.40</b>
<b>H</b>	<b>VIP Terminal</b>		<b>12.70</b>
<b>I</b>	<b>GPU/ PCA</b>		<b>31.00</b>
<b>J</b>	<b>Other</b>		<b>12.40</b>
<b>(1)</b>	<b>Sub Total</b>	<b>1=SUM(A to J)</b>	<b>5,107.10</b>
<b>K</b>	Design Consultancy & PMC Expenses		320.60
<b>L</b>	Insurance, ORAT and Independent Engineer		36.40
<b>M</b>	Pre-Operative Expense		356.40
<b>(2)</b>	<b>Sub Total</b>	<b>2=SUM(K to M)</b>	<b>713.40</b>
<b>N</b>	Contingencies		422.70
<b>O</b>	Financing Allowance		897.50
<b>P</b>	<b>General and Maintenance CAPEX</b>		<b>69.00</b>
	<b>Grand Total</b>	<b>(1+2+N+O+P)</b>	<b>7,209.80</b>

5.2.2 The Capital Expenditure submitted by YIAPL for the First Control Period pertains to the development of Phase I of the airport catering to a traffic design capacity of 12 MPPA.

5.2.3 YIAPL had engaged M/s RITES Limited – an independent consultant for “Analysis of Capital Expenditure for Development of Greenfield Airport Facilities at Noida International Airport at Jewar”. M/s. RITES Limited is a Navratna and Schedule 'A' Central Public Sector Enterprise under the Ministry of Railways, incorporated on 26<sup>th</sup> April 1974. It is a multidisciplinary engineering and consultancy organization, providing a comprehensive range of services from concept to commissioning in all facets of transport infrastructure and related technologies. M/s RITES Limited has submitted its report which analyzes the Capital Expenditure, Pre-Operative, Design, PMC and Contingency Expenditure viz. proposed project cost, for development of greenfield facilities at Noida International Airport (“NIA”) hereinafter referred to as “Capex Study Report”. The scope of M/s RITES Limited as given in the report is as follows:

- To analyze the reasonableness of the proposed project cost which includes capital expenditure study of apron, taxiway, terminal building, runway, support buildings, and pre operatives, design, PMC and contingencies, with reference to orders issued by AERA based on the details of the rates and quantity as per government/industry approved norms.
- Prepare detailed analysis for submission before AERA.
- Review each building block in cost report to analyze that the treatment given to it is in line with AERA’s methodology, approach, studies, and Concession Agreement.
  - Identification and understanding of drivers of cost.
  - Study/Benchmark the cost with Indian Airports and International Airports
  - Review measurement and quantification of costs with respect to alignment to methodologies, directions, guidelines stipulated by AERA.
- Assist YIAPL in holding consultations with the AERA.
- Prepare Report and Recommendations for submission of Tariff filing by YIAPL.
- Justification of unawarded CAPEX.



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- To review and justify the reasonableness of time schedule of completion of works.  
M/s RITES Limited (RITES) has submitted its final analysis to YIAPL vide letter dated 18<sup>th</sup> October 2023.

5.2.4 The Authority, through its Independent Consultant / Aviation Expert, had reviewed the Capex Study Report to review the scope, financial estimates, and technical parameters of the proposed CAPEX projects, and the justifications provided to support the reasonableness of cost. The Authority had taken these factors into consideration while assessing the efficiency of the proposed capex for the First Control Period.

**Additional submission by YIAPL**

5.2.5 As stated in para 2.5.9, YIAPL in its submission dated 3<sup>rd</sup> February 2026, had submitted the following:

*“(a)Update on award of Capex Contracts:*

*The MYTP was submitted by YIAPL in October 2024. After the submission of the MYTP, certain developments have taken place during the intervening period. These developments include the award of select direct procurement packages, for which cost estimates had been considered at the time of MYTP submission.*

*Accordingly, the capital expenditure pertaining to these items, which was earlier considered as budgeted expenditure, has now been firmed up pursuant to the award of the respective contracts ....*

*.Further, as many activities/services are expected to ramp up closer to COD, the actual capex may kindly be considered basis the capitalisation of assets and The same may be appropriately considered during the consultation stage and in the final tariff order.*

*(b)Claim from EPC Contractor:*

*Pursuant to the EPC Contract executed between YIAPL and Tata Projects Limited (TPL), the contractor has raised multiple claims for more than 1100 crore on YIAPL, on account of alleged design changes, disruption costs, and prolongation costs arising from unforeseen circumstances.*

*To examine the admissibility and reasonableness of the aforesaid claims, YIAPL has constituted an internal committee to undertake a detailed and comprehensive evaluation of the same. The claims are presently under review, and upon completion of the assessment, only those claims that are duly substantiated and found to be justified in accordance with the technically shall be admitted and paid.*

*At present, basis our Prima facia assessment, we expect the claim will be settled between 500-600 Crs. Once YIAPL will conclude the assessment and post the board approval the claim process will be concluded and further details will be shared with the authority.*

*(c) Capex Cost for future expansion:*

*Till the completion of Phase II expansion for NIA, YIAPL proposes to undertake interim capacity augmentation measures, including expansion of the pier and apron, in order to cater to the projected passenger traffic of approximately 17–18 million passengers per annum by the end of the First Control Period.*

*These interim expansion works are envisaged to ensure adequacy of airside and terminal interface capacity and to facilitate smooth airport operations during the FCP, in advance of the commissioning of Phase 2. Detailed scope definition, engineering design, and procurement planning for the proposed pier and apron*



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*expansion shall be undertaken at an appropriate stage following the commencement of airport operations and once traffic trends stabilize.*

*At this stage, based on a preliminary assessment and high-level planning assumptions, the indicative capital expenditure for the proposed interim expansion is estimated at approximately INR 500-600 crores.*

*We request the Authority to kindly consider the above forming part of capex while determining tariffs for FCP..."*

5.2.6 The Authority's analysis of the its submission vide mail dated 3<sup>rd</sup> Feb 2026 forms part of the section below.

**5.3 Authority's examination regarding Capital Expenditure (CAPEX) for the First Control Period at Consultation Stage**

**The Authority's examination of CAPEX**

5.3.1 The Authority had undertaken a detailed review of the proposed Capital Expenditure to assess the need and reasonableness of the costs incurred. The review includes an examination of the necessity, feasibility, and cost-effectiveness of each of the proposed projects, with the objective of ensuring that the proposed expenditure is prudent and aligned with the long-term interests of the airport users and other stakeholders.

**User Consultation**

5.3.2 The Authority noted that YIAPL conducted an Airport Users Consultative Committee (AUCC) meeting on 19<sup>th</sup> July 2023 with all the stakeholders and discussed the CAPEX proposals above Rs. 50 crores planned to be undertaken during the First Control Period. The meeting was attended by various stakeholders including International Air Transport Association (IATA), Federation of Indian Airlines (FIA), Blue Dart, Airline Partners, IOSL etc.

As per the minutes of the meeting, the Authority observed that YIAPL had broadly discussed the following with the stakeholders:

- Various Air Traffic Demand Drivers that will influence the traffic at NIA, the reasoning behind the traffic projections which is backed by traffic study done by independent consultant, higher demand, connectivity, surrounding industries and nearby tourism destinations etc.
- Critical updates on the project which included key partnerships awarded, various approvals and agreements (including Fuel farm, Cargo and Hotels)
- Clarifications on specific CAPEX planned under Phase I, along with the additional capex to be planned as per future operational needs.

YIAPL also justified the reasoning behind CAT I ILS on Runway 10, stating that Runway 28 is CAT III compliant and Runway 10 is CAT I compliant. Runway 10 will be used mostly during strong eastern wind while Runway 28 can be used during Low Visibility Procedures (LVP).

Further, regarding a query on the airspace of Noida considering Delhi being nearby, YIAPL clarified that AAI is working with them to jointly develop efficient procedures and airspace redesign to accommodate ATM demand for both IGIA and NIA. AAI has confirmed to YIAPL that Boeing will be supporting AAI on this. YIAPL assured that with AAI, experts from Zurich airport and Boeing, airspace considerations will be addressed.

5.3.3 In evaluating the Capital Expenditure for YIAPL for the First Control Period, the Authority had considered the discussions and key observations emerging from the AUCC meeting. The Authority had reviewed the



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submissions made by YIAPL in relation to the CAPEX for the First Control Period and noted that the project is in the advanced stage of completion, with a majority of the contracts already awarded at the time of submission of MYTP.

- 5.3.4 As part of the awarded scope, YIAPL had finalized two major Engineering, Procurement and Construction (EPC) contracts. YIAPL submitted that RFP was issued during the COVID-19 pandemic which significantly impacted the bid prices, as the period was marked by considerable uncertainty and a sharp increase in commodity prices. The details of the contract award process for these two key packages are provided below.

**Bidding Procedure and Scope of EPC contracts**

- 5.3.5 YIAPL invited two significant EPC tenders for development of NIA as detailed below:

- I. EPC-1 – Passenger Terminal Building and associated works for construction of building of 1,37,985 sqm (Civil, MEP, IT related and PBB's)
- II. EPC-2 – Runway, Apron, Taxiways along with associated airside works for making the Airport suitable for code E operations along with Land side development works including Carpark, Access roads, drainage etc.

- 5.3.6 The Authority, based on the information made available by YIAPL along with necessary documents, noted that YIAPL had awarded EPC-1 and EPC-2 to Tata Projects Limited, the successful bidder through open competitive bidding by means of e-tendering. The project cost of EPC-1 and EPC-2 were arrived at based on price discovery through an open tendering process where reputed contractors with experience in similar projects were shortlisted for tendering.

- 5.3.7 The EPC-1 and EPC-2 contract was awarded after following a detailed tendering process which involved the following steps:

- The Request for Quotation (RFQ) was issued on 13<sup>th</sup> April 2021, with 3 bidders participating for the EPC-1 contract and 5 bidders participating for the EPC-2 contract.
- For EPC-1 RFP was issued in September 2021 and bids were received in January 2022. For EPC-2, RFP was issued in September 2021, and bids were received in December 2021.
- All 3 bidders qualified for the techno-commercial evaluation for EPC-1 contract, while only 3 out of 5 bidders qualified for the Techno Commercial Evaluation of EPC-2 contract.
- After the initial bid submissions, YIAPL conducted extensive market research, benchmarking, and three rounds of negotiations with all bidders, reducing the final bid by over 15% from the first bid.
- The techno-commercial evaluation considered the overall score for the bids, with 40% weightage given to the technical score and 60% to the financial bid.
- Amongst the three bidders who qualified for the techno-commercial evaluation round, Tata Projects Limited emerged as the lowest bidder (L1) for both EPC-1 and EPC-2 contracts.
- The EPC-1 contract was awarded to Tata Projects Limited at Rs. 1,892.42 crore (including GST @18%) on 8<sup>th</sup> June 2022.
- The EPC-2 contract was awarded to Tata Projects Limited at Rs. 2,689.57 crore (including GST @18%) on 8<sup>th</sup> June 2022.

- 5.3.8 The Authority, through its independent consultant/ aviation expert had examined the above process followed for award of EPC-1 and EPC-2 contract awarded to Tata Projects Limited.



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5.3.9 The scope of EPC-1 included:

- a) Civil works including foundation, basement, super structure, forecourt, Steel truss work, Aluminum standing seam roofing, Flooring, Finishes, Double glazed facades for 1,37,985 sqm.
- b) MEP works, IT related works including CCTV, FIDS, network cabling, BMS etc.
- c) Installation of PBBs.
- d) Civil & electrical infra works related to BHS, check-in-counters etc.
- e) Procurement of GPU, PCA etc.

5.3.10 The scope of EPC-2 included:

- a) Land development works include clearing sites, removing trees, existing utilities for construction of the Airport, cutting & filling as per site requirement and storm water drainage
- b) Runway, Apron and Taxiways
- c) Airfield Ground Lighting including CAT I & CAT III Approach Lighting
- d) Civil & electrical infra works related to NAV-AID buildings
- e) ATC and ARFF Building
- f) Service Roads inside operational area & GSE staging area
- g) Cityside Access Roads, Car Parking area
- h) Low level Tensile Fabric canopy from Car Park to Terminal Building etc.
- i) STP, WTP, Triturator etc.

5.3.11 Subsequent to the award of EPC-1 and EPC-2, YIAPL had outsourced the capital expenditure for Power Distribution System and Substation to Tata Power, which will provide these services to NIA as "Utility-as-a-Service" (UaaS) as follows:

- EPC-1 – Rs. 18.64 crores reduced from Electrical Works and SCADA
- EPC-2 – Rs. 323.74 crores reduced from Power distribution system, Power receiving substation and SCADA.

Accordingly, YIAPL has issued a change order for EPC-1 and EPC-2 contracts and reduced this cost from the CAPEX projections submitted as part of the MYTP and included related costs as a part of Repairs & Maintenance expenses as detailed in para 8.2.106.

**Breakdown of CAPEX for the First Control Period**

5.3.12 The Authority, for the purpose of its analysis, had categorized the proposed CAPEX for the First Control Period based on the asset categories submitted by YIAPL along with the respective base costs, as presented in table below.

Further, the GST and common cost allocations added to the base costs have been indicated in a separate column. The costs relating to Design Consultancy and PMC, Insurance, ORAT and Independent Engineer, Pre-Operative Expenses, Contingencies and Financing Allowance which have been proposed for the above capital expenditures have been shown separately as a consolidated total at the end of the table.

Additionally, the General and Maintenance CAPEX proposed for the last three years of the Control Period have been shown separately in the table.



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**Table 36: Breakdown of CAPEX submitted by YIAPL for NIA for the First Control Period**

(Rs. in crores)

Asset Category	Ref	Base Cost	Allocated Common Cost (S1)**	Total Cost after common cost allocation	GST (S2)#	Total Cost after common cost allocation and GST
		(i)	(ii)	(iii) = (i) + (ii)	(iv) = (iii) × 15.07%	(v) = (iii) + (iv)
Airside projects	A	1,001.34	19.30	1,020.64	153.84	1,174.48
Landside Development including Land Development	B	513.25	9.89	523.14	78.85	601.99
Terminal Building	C	1,961.82	37.81	1,999.63	301.40	2,301.03
Support Facility Buildings	D	237.36	4.57	241.93	36.47	278.40
Utilities	E	460.23	8.87	469.10	70.71	539.81
Vehicles	F	84.27	1.62	85.89	12.95	98.84
Boundary Wall	G	48.10	0.93	49.03	7.39	56.42
VIP Terminal	H	10.86	0.21	11.07	1.67	12.74
GPU/ PCA	I	26.50	0.51	27.01	4.07	31.08
Other	J	12.40	-	12.40	-	12.40
<b>TOTAL HARD COST</b>	<b>SUM(A:J)</b>	<b>4,356.13</b>	<b>83.72</b>	<b>4,439.85</b>	<b>667.35</b>	<b>5,107.20</b>
Design Consultancy & PMC	K					320.65
Insurance, ORAT and Independent Engineer	L					37.23
Pre-Operative Expenses	M					355.57
<b>TOTAL SOFT COST</b>	<b>SUM(K:M)</b>					<b>713.45</b>
Contingencies	N					422.69
Financing Allowance (FA)	O					897.50
General and Maintenance CAPEX	P					69.00
<b>TOTAL COST</b>	<b>SUM(A:P)</b>					<b>7,209.84*</b>

\*YIAPL has considered a cost of Rs. 7,209.84 crores in its Financial Model, whereas this cost has been rounded off to Rs. 7209.80 crores in the MYTP. The Authority has considered the cost of Rs. 7,209.84 crores submitted by YIAPL for its analysis.

\*\*YIAPL has identified multiple capital expenditure projects as common costs. These common costs have been consolidated and allocated across the other projects.

#YIAPL has factored a GST rate of 15.07% for capitalization, after adjustment for the estimated input tax credit entitlement.

5.3.13 The Authority, through its Independent Consultant, had conducted a detailed analysis of the CAPEX as below:

- I. The base cost for each project aggregating to Rs. 4,356.13 crores, had been assessed based on contracts awarded, change orders issued, and contracts or procurements which are in progress. (refer rows A to J of Table 36).
- II. Common costs of Rs. 83.72 crores and GST of Rs. 667.35 crores, which are incremental to the base cost and allocated by YIAPL to each project, had been reviewed separately. (refer column S1 and S2 of Table 36).
- III. Other cost costs like Design Consultancy and PMC Expenses, Insurance, ORAT and Independent Engineer, Pre-Operative Expenses, aggregating to Rs. 713.45 crores have been individually analyzed to assess their reasonableness. (refer rows K, L and M of Table 36).



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- IV. Contingencies of Rs. 422.69 crores had been reviewed in the context of current utilization, considering that, as of the date of this consultation paper, the project is in its advanced stages. (refer row N of Table 36).
- V. Financing Allowance of Rs. 897.50 crores had been analyzed separately (refer row O of Table 36).
- VI. General and Maintenance CAPEX of Rs. 69.00 crores, which is required after the commencement of airport operations, has been analyzed separately (refer row P of Table 36).
- 5.3.14 The Authority, through its Independent Consultant / Aviation Expert, had also examined the individual line items under each project and classified them into aeronautical, Non-Aeronautical and common on the nature of these projects. The common assets are further bifurcated using the Terminal Building Ratio (TBLR) or other appropriate ratios as applicable. Accordingly, only the aeronautical portion of the cost has been considered as part of aeronautical capital expenditure.
- 5.3.15 The Authority noted that additional submissions made by YIAPL (including those based on the revised Airport COD and revisions arising from change orders, where applicable) had been reviewed and the Authority's analysis had been given in para 5.3.181, 5.3.182 and 5.3.232. Any further changes on account of subsequent developments, including additional change orders or revisions to assumptions, shall be examined and appropriately addressed at the time of tariff determination / true-up, subject to review of necessity of project and reasonableness and efficiency of costs.

**I. Evaluation of Base cost of the Projects (Refer I of Para 5.3.13)**

**A - AIRSIDE PROJECTS (RS. 1,001.34 CRORES)**

**Table 37: Cost towards Airside Projects as submitted by YIAPL**

(Rs. in crores)

S. No	Asset	Base Cost
A1	AGL System	183.74
A2	Airside Buildings	77.02
A3	Airside Roadways	45.45
A4	Runway, Apron and Taxiway	572.79
A5	Bomb Cooling Pit	0.27
A6	GSE staging	39.12
A7	NAVAID Support building	82.95
<b>TOTAL = SUM (A1 : A7)</b>		<b>1,001.34</b>

**A1 - Airfield Ground Lighting System (AGL System) (Rs. 183.74 crores)**

YIAPL's submission

- 5.3.16 YIAPL had submitted that the scope of the Airfield Ground Lighting (AGL) System includes the Runway, Taxiway and Apron Edge Lightings, Runway Centre Line Lighting, Runway Threshold Lighting, Precision Approach Path Indicator (PAPI), Approach Lighting System (CAT I system for Runway 10L and CAT III system for Runway 28R) and Airport Surveillance Radar. These are proposed to be installed and used in conjunction with other navigational aids for instrument approaches. The scope also covers procurement, installation, testing and commissioning of primary and secondary cables along with related fittings and civil works. This work is covered as part of EPC-2 contract awarded by YIAPL as given below:



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**Table 38: Detailed cost break-up of AGL System submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
A1.1	AGL System (Civil Works, Cabling, Airfield lights with required accessories, software's and hardware's for ILCMS/CMS etc.)	Part of EPC-2	177.81
A1.2	Cost on additional works like Landing H, Caution sign, replacement of MARS tulip lead-in marking etc.	Part of EPC-2 Change Order	5.93
<b>TOTAL = SUM (A1.1:A1.2)</b>			<b>183.74</b>

The Authority's examination of Airfield Ground Lighting System

- 5.3.17 The Authority had reviewed the works executed under the EPC-2 contract, examined the contract award process and noted that the activities undertaken form an integral part of essential airport operations.
- 5.3.18 The Authority also noted that a change order has been issued post grant of original work, based on additional Civil Aviation Requirements (CAR) such as:
- Landing 'H' in accordance with DGCA Civil Aviation Regulation.
  - To assess safety of operations even during periods of low visibility and comply with low visibility procedures such as adding "Caution 3 Lane" sign north of Passenger Apron at Taxiway C5 and C6, adding location signs and markings, adding illuminated board stating "LVP in Progress" etc.
  - Replace MARS Code E tulip lead-in line marking, AGL and associated infrastructure and control features with standard 90-deg marking.
- 5.3.19 The cost submitted by YIAPL is justified considering the quantum of work involved like the length of cables, number of fixtures for AGL, CAT I & CAT III Approach Lighting System etc., based on CPWD / Market Rates of similar work done in other airports verified by the Independent Consultant / Aviation Expert.
- 5.3.20 In view of the above, the Authority proposed to consider the cost of Rs. 183.74 crores for AGL systems.

**A2 - Airside Buildings (Rs. 77.02 crores)**

YIAPL's submission

- 5.3.21 YIAPL had submitted that the scope of airside building works includes the construction of the Air Traffic Control (ATC) tower & Aircraft Rescue and Fire Fighting (ARFF) building, Watch Towers, Security Cabins, Airside Gates and Emergency Gates. The Air Traffic Control (ATC) Tower is proposed to be co-located with the Aircraft Rescue and Fire Fighting (ARFF) building. Together, these structures are planned with a combined built-up area of approximately 5,957 sqm (of which ATC Tower is 2,807 sqm and ARFF building is 3,150 sqm). Additionally, 1,173 sqm has been allocated for Crash Fire Tender (CFT) vehicle parking and associated service areas, bringing the total planned area to 7,130 sqm. This work is part of EPC-2 contract awarded by YIAPL. The cost break-up as submitted by YIAPL is given below:

**Table 39: Detailed cost break-up of Airside Buildings submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
A2.1	Security Cabins, Emergency crash gate, watch towers, Airside gate (including pavement beside gates), other miscellaneous	Part of EPC-2	20.44
A2.2	Air Traffic Control Tower & ARFF (including civil, structural, finishing works, MEP, VHT, ICT, external development works etc)	Part of EPC-2	56.76



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Sl. No.	Description	Remarks	Base Cost
A2.3	Proposed change in specification of finishes	Part of EPC-2 Change Order	(-) 0.18
<b>TOTAL= SUM(A2.1:A2.3)</b>			<b>77.02</b>

The Authority's examination of Airside Buildings

- 5.3.22 The Authority had physically inspected the site and notes that the ARFF building is located directly inboard of the main taxiway system to Runway 10L-28R and is co-located with the ATC tower. Further the Authority noted that, YIAPL had also provided a substation and DG sets as secondary source of power supply considering the essentiality of ATC and ARFF.
- 5.3.23 The cost of the ATC Tower and ARFF building works out to Rs. 93,936 per sqm including GST. M/s RITES Limited, in its capex study report, compared the unit cost of the ATC and ARFF Tower with similar recently awarded projects at AAI airports, where the construction cost for ATC Towers were found to range between Rs. 91,928.57/sqm and Rs. 1,05,823.50/sqm. M/s RITES Limited concluded that the cost of the ATC Tower and ARFF building for YIAPL falls within this range.
- 5.3.24 The Authority, through its Independent Consultant / Aviation Expert, had reviewed the proposed cost for the ATC Tower and ARFF buildings, taking into consideration that the applicable CPWD/PAR benchmark rates. The Authority further noted that in addition to the base cost, YIAPL had also included cost for additional scope of various works like secondary power supply system (DG set and mini substation exclusively used for ATC Tower and ARFF building), which are in addition to the CPWD/PAR benchmark rates. Also, the Authority noted that this contract was awarded based on open competitive bidding as detailed in Para 5.3.6. Based on the analysis submitted by YIAPL, the Authority's analysis and comparison with similar work done in other airports, the proposed cost of Rs. 93,936 per sqm including GST for the ATC and ARFF buildings is considered reasonable.
- 5.3.25 The Authority also reviewed the cost of CFT vehicle parking and service areas and the cost of security cabins, emergency crash gate, watch towers, airside gate etc. Based on the nature and quantum of work involved, and on comparison with cost of other such similar works in comparable airports, the Authority found the overall cost to be reasonable.
- 5.3.26 In view of the above, the Authority proposed to consider the cost of Rs. 77.02 crores towards Airside Buildings.

A3 - Airside Roadways (Rs. 45.45 crores)

YIAPL's submission

- 5.3.27 YIAPL had submitted the following as part of its MYTP submission:

*"The airside service road network is important for servicing the aprons and consists of service roads on the apron as well as connecting roads between the aprons. These roads are intended to allow efficient movement of all ground service vehicles such as passenger buses, baggage tugs, aircraft fueling trucks, flight catering vehicles, maintenance vehicles, cargo tugs, etc. Airside service and emergency roads and airside perimeter roads are proposed as part of Phase 1 development."*

- 5.3.28 This work includes the Airside Perimeter Road, Airside Service and Emergency Roads, HOS and ROS, as well as additional roads for eTaxi operations and the fire drill facility, covering a total airside road area of 1,21,588 sqm with a bituminous surface.



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**Table 40: Detailed cost break-up of Airside Roadways submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
A3	Airside roads/Service roads (Airside perimeter roads, service and emergency roads including lighting, signages, markings, fire drill facility etc.)	Part of EPC-2	45.45

5.3.29 The Authority had reviewed the works carried out by AO and the corresponding costs incurred for Airside Roadways. The per sqm cost amounts to Rs. 4,410 per sqm (including GST), which is considered reasonable when compared to the CPWD/MoRTH rate of Rs. 5,500 per sqm.

5.3.30 In view of the above, the Authority proposed to consider the cost of Rs. 45.45 crores for Airside Roadways

**A4 - Runway, Apron and Taxiway (Rs. 572.79 crores)**

5.3.31 YIAPL submitted that this work includes Runway of 3,900 m length along with full length Parallel Taxiway, Rapid Exit Taxiway, Apron and Taxiways connecting Apron & Runway and shoulders as per ICAO Standard suitable for Code E type Aircrafts operation, with total pavement area of 7,80,252 sqm. This work is part of EPC-2 contract awarded by YIAPL. The cost break-up given by YIAPL is as per table below:

**Table 41: Detailed cost break-up of Runway, Apron and Taxiway submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Cost
A4.1	<b>Airside Development (including runway system, taxiway system, apron works, bomb cooling pit, high mast lights, airside roads, airside security infrastructure etc.)</b>	Part of EPC-2	
A4.1.1	Pavement of Runway		124.87
A4.1.2	Pavement of Runway shoulder		19.08
A4.1.3	Pavement of Runway Blast pads		2.69
A4.1.4	Runway Grading		32.41
A4.1.5	Runway End Safety Area (RESA)		4.63
A4.1.6	Other miscellaneous - including marking, signages etc.		2.33
	<b>Total for Cost Centre A4.1</b>		<b>186.01</b>
A4.2	<b>Taxiway System (including parallel taxiway, rapid exit taxiways, Taxi Lanes, marking, signages, isolation bay etc.)</b>	Part of EPC-2	
A4.2.1	Pavement of Taxiways		132.94
A4.2.2	Pavement of Taxiway shoulder		24.26
A4.2.3	Other miscellaneous - including marking, signages etc.		2.02
	<b>Total for Cost Centre A4.2</b>		<b>159.21</b>
A4.3	<b>Apron Works (including Passenger Apron, high mast lighting, oil water separators, blast fence, walkways, footpaths, signages etc.)</b>	Part of EPC-2	
A4.3.1	Passenger Apron (Rigid Pavement) - contact stands, remote stand, cargo, etc.		171.92
A4.3.2	Additional Apron area for push back manoeuvring		0.94
A4.3.3	High Mast Lights		14.69
A4.3.4	Oil water Separators		3.19
A4.3.5	Other miscellaneous - including blast fence, walkway / footpath etc.		14.02
	<b>Total for Cost Centre A4.3</b>		<b>204.77</b>
	<b>GRAND TOTAL (Cost Centre A4.1+A4.2+A4.3)</b>		<b>549.99</b>
	<b>Grand Total including allocation of design cost included in EPC-2*</b>		<b>572.79</b>

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*\*This cost pertains to design and engineering activities undertaken as part of the EPC-2 contract execution, such as structural design and related engineering services, and is included within the overall EPC-2 contract value.*

The Authority's examination of Runway, Apron and Taxiway

**Runway**

5.3.32 The Authority noted that YIAPL engaged a consultant M/s Ramboll India Pvt. Ltd. for design of runway and pavement structures. The Consultant conducted a study of the site and modelled the requirement of runway length for various type of Aircrafts considering the take-off length and landing length. YIAPL, as part of its MYTP submission, has proposed a runway length of 3,900 x 45m with 7.5 m shoulders.

5.3.33 The Authority had referred to the requirement as given in Clause 2.1 of Schedule B of the Master CA regarding the construction and procurement of the Aeronautical Assets including runways, taxiways, apron, aircraft parking bays, and associated facilities, as detailed below:

*"...ICAO Aerodrome Reference Code: Geometrical layout of the facilities should conform to the Code F operation in all the phases. Airport to be constructed for Code 4E operations and upgraded to Code F, as and when any user demands..."*

5.3.34 The Authority had reviewed the specifications mentioned in the Master plan, which provides as follows:

*"...Preferably, the runway system should be capable of handling all aircraft types without payload restrictions. The Techno-Economic Feasibility Report (TEFR) by PwC, for Jewar Airport, provisioned for a 3,900 m long north runway and a 4,150 m long south runway. To validate the suitability of the proposed runway length of 3,900 m, a runway length analyses was conducted based on the aircraft fleet mix projected to operate at NIA over the planning periods PAL 1 to PAL 4.*

*The analysis was based on the following airport characteristics and methodologies:*

- Runway gradient of 1% was considered
- Average high temperature of the hottest month (May) is 40°C
- Field elevation of 199 m with minimal runway gradients
- Determined required take-off length at maximum take-off weight (MTOW) to provide maximum flexibility for future airline operations
- Used ICAO methodology to account for temperature, elevation, and runway gradients..."

5.3.35 The Authority had also referred to one of the queries raised by DGCA on the Master Plan, which related to the rationale for proposing the north runway length of 3,900 m — shorter than the runway length indicated by the analysis carried out for the B777-300ER at Maximum Take-Off Weight (MTOW). The response by YIAPL is as below:

*"...The Master Plan study validated the proposed runway length for the 3,900 m North Runway and found the length to be adequate to cater to ultra long-haul markets with Maximum Take-Off Weight (MTOW) for the fleet mix anticipated to operate out of NIA..."*

5.3.36 Based on the details mentioned in the Master Plan submitted by YIAPL and the analysis performed by the consultant appointed by YIAPL and the requirement in the Master CA, the Authority considered the length of runway of 3,900 m to be justified.

**Taxiway**

- 5.3.37 The Authority noted that YIAPL has proposed a full-length parallel taxiway, two taxiways at runway ends along with one Rapid Exit Taxiway (RET) and had further proposed three parallel cross-apron taxiways with Code E taxiway and Code C taxiway as part of its Phase 1 Development Plan.
- 5.3.38 The Authority had reviewed the taxiway flows as mentioned in the Master Plan and notes that these are designed to support a constant demand for service and strategic exits and are also planned in a way that would reduce Runway Occupancy Time (ROT).

**Apron**

- 5.3.39 YIAPL as part of its MYTP submission details the following regarding Apron:

*"Aprons are designed to provide aircraft parking to support the loading and unloading of passengers and baggage, and to support ground service equipment (GSE) movement including designated airside service roads, mail and cargo loading and maintenance operations."*

- 5.3.40 The Authority noted that YIAPL has proposed a total of 25 Code C passenger aircraft stands and 2 freighter aircraft stands for cargo aircraft. YIAPL further proposed to have a Visual Docking Guidance System (VDGS) for the passenger apron contact stands.

- 5.3.41 The Authority noted the following extract of Article 17 of the Concession Agreement:

*"17.15.3 Notwithstanding anything contained contrary elsewhere, the Concessionaire shall:  
(b) provide a separate apron of approximately 450M x 150M for parking wide bodied aircraft with office space for operation of IAF aircraft during hostilities/ exercise/ HADR missions;"*

- 5.3.42 The Authority further observed that YIAPL has estimated the cost for Apron by considering a total passenger apron area of 1,73,647 sqm and cargo apron area of 28,957 sqm. Considering the estimated traffic, the Apron area constructed is found to be reasonable by the Authority.

Benchmarking cost with the Authority's normative order

- 5.3.43 The Authority had issued its Order on Normative Cost vide Order No. 07/2016-17 on 13th June 2016 which provided the normative cost for the construction of pavement (Apron, Taxiway and Runway). The Authority compared the awarded cost of EPC-2 relating to Runway, Apron and Taxiway works with inflation-adjusted normative rate and sought detailed justification from YIAPL.
- 5.3.44 YIAPL submitted that the Appointed Date for YIAPL was 1st October 2021, requiring the completion of the EPC contract bidding within a constrained timeline to meet the Phase 1 COD deadline. The bidding occurred during a period of significant uncertainty due to the COVID-19 pandemic and high commodity prices.
- 5.3.45 YIAPL also submitted that the site proposed for construction of Airport is originally an agricultural land with low load bearing capacity soil which requires special additional treatment to the sub-base to strengthen the soil and improve the load bearing capacity. Further, the site falls in the seismic zone IV which needs to be considered while designing pavement and leads to additional thickness in pavement section than normal pavement section required for Code E operations, proper drainage system to avoid flooding / soaking of sub base and keep runway surface above the high flood level during monsoon period to ensure safe and uninterrupted operations of the Airport.
- 5.3.46 The Authority also noted that the tender for the work was finalized based on the open competitive bidding process. The Authority, through its Independent Consultant / Aviation Expert, notes that the cost proposed



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by YIAPL appears to be reasonable and justified based on the MoRTH and market rates applicable in the given circumstances.

5.3.47 Upon examination of the rationale submitted by YIAPL and the overall project requirements and specifications, the Authority proposed to consider the cost of Rs. 572.79 crores for Runway, Apron and Taxiway works.

**A5 - Bomb Cooling Pit (Rs. 0.27 crores)**

YIAPL's submission

5.3.48 YIAPL submitted that bomb cooling pit is provided to deal with suspected explosive devices if found on the airport ground or on an aircraft. The facility will be located to the north-west, in proximity to the northern isolation bay, at about 475 m from the 10 L threshold. This location will ensure a quick response if an active device is found in the Passenger Terminal or Apron, General Aviation Terminal as well as the VIP Terminal.

5.3.49 This work is part of EPC-2 contract awarded by YIAPL. The total cost submitted by YIAPL towards Bomb Cooling Pit is Rs. 0.27 crores.

The Authority's examination of Bomb Cooling Pit

5.3.50 The Authority noted that bomb cooling pit is a requirement to be provided in an airport for safety and security reasons, as mandated by DGCA. The cost as submitted by YIAPL appears to be reasonable and justified based on CPWD/ Market rates.

5.3.51 In view of the above, the Authority proposed to consider the cost of Rs. 0.27 crores.

**A6 - GSE Staging (Rs. 39.12 crores)**

YIAPL's submission

5.3.52 YIAPL submitted that the proposed GSE Staging area is required for parking and movement of GSE vehicles and equipment for smooth operation of Aircrafts. The total area proposed for construction is 70,550 sqm. This work is part of the EPC-2 contract awarded by YIAPL, with a total proposed cost of Rs. 36.83 crores.

5.3.53 YIAPL had sought the opinion of the ARFF consultant on the scope of the GSE Staging. Based on the consultant's recommendation, certain modifications were required to be incorporated into the GSE Maintenance Building. As these changes were identified after the issuance of the EPC-2 contract, a change order was raised for the items listed below:

- In First floor, increase the office units / meeting rooms from 3 to 12.
- To provide a corridor in-between the additional office spaces. All MEP, FPS, FFE and finishings to be carried out in these additional spaces as per the requirements of the Contract for similar spaces.

5.3.54 A change order was subsequently issued towards the above to Tata Projects at a cost of Rs. 2.29 crores.

**Table 42: Detailed cost break-up of GSE Staging submitted by YIAPL**

<i>(Rs. in crores)</i>			
Sl. No.	Description	Remarks	Base Cost
A6.1	GSE Staging, additional bus staging area east of PTB, additional GSE area on Terminal etc.	Part of EPC-2	36.83
A6.2	Adjustments to MEP, FPS, FFE, and finishes.	Part of EPC-2 Change Order	2.29
<b>TOTAL = SUM (A6.1:A6.2)</b>			<b>39.12</b>



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The Authority's examination of GSE Staging

- 5.3.55 The Authority noted that the change order is proposed for the GSE maintenance building of Rs. 2.29 crores, which is part of the Support Facility Buildings (refer project D). Accordingly, the Authority proposed to not consider this change order as part of GSE staging works but has dealt this as part of Support Facility Building works (refer para 5.3.130).
- 5.3.56 The Authority compared the awarded cost per sqm for the GSE Staging works with the CPWD / MORTH rates and observed that the awarded rate was marginally higher. Accordingly, the Authority sought clarification from YIAPL on the variance. YIAPL submitted that the standard CPWD / MORTH rates factor cost only for the base and surface pavement layers. However, awarded cost also includes the cost of the excavation and sub-grade preparation works, which are not part of the CPWD / MORTH rates. YIAPL further submitted that its technical team had adopted certain enhanced design and material specifications, resulting in higher composite unit rates.
- 5.3.57 The Authority noted YIAPL's submission and proposed to consider the cost of Rs. 36.83 crores for the development of GSE Staging.

**A7- NAVAID Support Building (Rs. 82.95 crores)**

YIAPL's submission

- 5.3.58 YIAPL submitted that the scope includes civil and electrical works for ANS infrastructure such as DVOR, LLZ Building, GP Hut, Foundations for LLZ, GP & DVOR Antennas, Footpaths etc., at a cost of Rs. 19.43 crores. This work is part of EPC-2 contract awarded by YIAPL.
- 5.3.59 YIAPL through AAI conducted a CNS Simulation Study for obtaining NOC for ATC. As an outcome of the study, AAI had communicated that NIA needs to have an operational ASR in the south for safe flight operations. Since this was not covered as part of the original EPC contract, a change order was issued to the EPC Contractor (as part of EPC-2 contract) at a cost of Rs. 16.91 crores for these changes.
- 5.3.60 YIAPL further submitted that certain additional requirements from AAI like Physical ICT Network, fibre optic cables, precision AC, AHU, Gas Suppression System, LT DG Sets etc. had to be procured, on account of which additional cost of Rs. 46.61 crores had been budgeted and included in the total cost as submitted in the MYTP over and above the cost as per EPC-2 and change order.
- 5.3.61 The break-up of cost for NAVAID Support Building as submitted by YIAPL is given below:

**Table 43: Detailed cost break-up of NAVAID Support Building submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
A7.1	DVOR Bldg., GP & LLZ Hut, Foundations, Platforms etc.	Part of EPC-2	19.43
A7.2	ASR building (South side additional Requirement)	Part of EPC-2 Change Order	16.91
A7.3	Additional Requirement of AAI – ICT networks, DG set, Gas suppression system etc.	Budgeted Cost	46.61
<b>TOTAL = SUM (A7.1:A7.3)</b>			<b>82.95</b>

The Authority's examination of NAVAID Support Building

- 5.3.62 The Authority noted the requirement of DVOR Building, GP and LLZ Hut, Foundations, Platforms etc., and the change order issued for South ASR. As per the scrutiny of the Independent Consultant / Aviation Expert,



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the cost appears to be reasonable and justified as compared with the CPWD/ MoRTH market rates for civil and electrical infrastructure.

- 5.3.63 The cost for additional requirement of AAI (ICT networks, DG set, Gas suppression system) was budgeted as Rs. 46.61 crores by YIAPL and included in the Capital Expenditure submitted as part of their MYTP, since at that point of time, the contract was yet to be finalized. The Authority, through its Independent Consultant / Aviation Expert, enquired on the current status of these works, for which YIAPL, vide email dated 13th March 2025, submitted that the change order had been issued for this work at a cost of Rs. 64.15 crores as against the original budgeted cost of Rs. 46.61 crores. The Authority sought explanation for the increase in cost of Rs. 17.54 crores, for which YIAPL further submitted that:

*"...This is the cost towards AAI additional requirements. 17.6 Crores is a movement from contingency to Hard Cost. Requesting to please consider the same..."*

- 5.3.64 The Authority reviewed the change order and noted that various items such as replacement of water suppression system with GSS in AAI equipment room, provision of ICT networks, additional LT DG sets, provision of cable trays etc are included therein. Considering that these are essential for the airport operations, and after benchmarking the cost with market rates, the Authority proposed to consider the revised cost of Rs. 64.15 crores against budgeted cost of Rs. 46.61 crores as submitted by YIAPL. The revised cost proposed to be considered by the Authority for the NAVAID Support Building is Rs. 100.50 crores, i.e., an additional cost of Rs. 17.54 crores.

- 5.3.65 Based on the above discussions, the cost estimate proposed to be considered by the Authority for Airside Projects is given in the table below:

**Table 44: Cost proposed by the Authority for Airside Projects**

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL (A)	Revised Submission by YIAPL (B)	Base Cost proposed by the Authority (C)	Variance* (D=C-B)	Remarks
<b>A</b>	<b>Airside Projects</b>					
A1	AGL System	183.74	183.74	183.74	-	Cost found reasonable.
A2	Airside Buildings	77.02	77.02	77.02	-	Cost found reasonable.
A3	Airside Roadways	45.45	45.45	45.45	-	Cost found reasonable.
A4	Runway, Apron and Taxiway	572.79	572.79	572.79	-	Cost found reasonable.
A5	Bomb Cooling Pit	0.27	0.27	0.27	-	Cost found reasonable.
A6	GSE staging	39.12	39.12	36.83	(2.29)	Refer Para 5.3.55.
A7	NAVAID Support Building	82.95	100.50	100.50	-	Refer Para 5.3.64.
	<b>TOTAL=SUM(A1:A7)</b>	<b>1,001.34</b>	<b>1,018.89</b>	<b>1,016.61</b>	<b>(2.29)</b>	



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**B- LANDSIDE DEVELOPMENT INCLUDING LAND DEVELOPMENT (Rs. 513.25 crores)**

**Table 45: Cost towards Landside Development including Land Development submitted by YIAPL**

(Rs. in crores)

Sl. No.	Asset	Base Cost
B1	Land Development	302.79
B2	Access Roadways	123.22
B3	Canopy	29.07
B4	Car Park	58.17
<b>TOTAL = SUM (B1:B4)</b>		<b>513.25</b>

**B1 – Land Development (Rs. 302.79 crores)**

YIAPL's submission

5.3.66 YIAPL submitted that the land development activities includes removal of trees for construction of Airport infrastructure, transplantation of trees, removal of existing utilities, and construction of storm water drainage network including retention ponds.

5.3.67 The cost break-up submitted by YIAPL is as given below:

**Table 46: Detailed cost break-up for Land Development submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
B1.1	Enabling/ temporary works	Part of EPC-2	21.38
B1.2	Land development works	Part of EPC-2	162.07
B1.3	PHE and drainage work	Part of EPC-2	119.33
<b>TOTAL = SUM (B1.1:B1.3)</b>			<b>302.79</b>

5.3.68 YIAPL had justified the total cost of Enabling works / Temporary works and Land Development Works as follows:

- The cost per unit area works out to be Rs. 230.69 per sqm.
- As per the CPWD Plinth Area rates, the unit cost of site levelling considered is Rs. 300 per sqm.
- Since the cost of the award by NIA for Enabling works / Temporary works and Landside Development Works of Airside and Landside areas is less than the cost of levelling works considered in CPWD Plinth Area Rates, the same is considered reasonable.

5.3.69 PHE and Drainage work includes storm water drains both on the airside and the land side, including those parallel to runway, taxiway, perimeter road and access roads and cross drainage etc., YIAPL had justified the cost (along with the cost for STP, WTP and Trituratur – (refer project E4) as follows:

- The cost per unit area works out to be Rs. 14,768.63 per meter.
- As per the CPWD Plinth Area rates, the unit cost of PHE and Site Drainage considered is Rs. 15,550 per meter.
- Since the unit cost of the PHE and Drainage Works considered by NIA is less than the cost of PHE and Drainage works considered in CPWD Plinth Area Rates, the overall cost of PHE and Drainage Works is considered reasonable.



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The Authority's examination of Land Development

**B1.1 – Enabling / temporary works (Rs. 21.38 crores)**

5.3.70 The Authority noted the need and requirement of Enabling / Temporary works for the development of land required for airport operations, including the removal of trees and the relocation / removal of existing utilities like electricity lines, water supply pipelines, roads and drains. Given the nature of these works, the cost typically forms a portion of overall land development expenditure, which in this case, is 7% of the total land development cost. Considering the quantum of work involved, and scrutiny carried out by the Independent Consultant / Aviation Expert based on CPWD / Market Rate analysis, the cost appears to be reasonable and justified.

**B1.2 - Land development works (Rs. 162.07 crores)**

5.3.71 The area proposed for site levelling work (cutting and filling) includes airside operational area and landside areas like terminal building, access road areas etc. The total area of land developed is approximately 635 acres (25,69,460 sqm).

YIAPL submitted that the land development encompasses the following major cost components:

- Excavation and Backfilling: The cost associated with building excavation is allocated to the respective building's overall cost. For instance, the excavation and backfilling expenses related to the EPC-2 buildings cost are included in the EPC-2 building's total cost. The site-wise area of the excavation and backfilling are as below:

**Table 47: Details of land development submitted by YIAPL**

Sl. No.	Site	Area (sqm)
1	Airside	5,26,856
2	Car park	8,084
3	Access roadways and landside	47,812
4	City side	-
<b>SUM (1:4)</b>	<b>Total excavation area</b>	<b>5,82,752</b>
5	Airside	18,18,199
6	Car park	-
7	Access roadways	1,68,509
8	City side	-
<b>SUM (5:8)</b>	<b>Total backfilling area</b>	<b>19,86,708</b>

5.3.72 The Authority through Independent Consultant / Aviation Expert noted that the scope of land development work involves the site grading, levelling, cutting high grounds and filling low lying areas for construction / development of Airport including airside facilities like Runway, Apron, Taxiways, Runway basic strip, RESA, support facility buildings, NAVAID Buildings etc., and cityside facilities like Terminal Building, OBW, MRSS, WTP, STP and access roads including footpaths, landscaping etc., Taking into account the extent of land area involved in this work, the volume of excavation and backfilling required for site levelling, site grading etc., the cost submitted by YIAPL appears to be reasonable and comparable based on CPWD DSR/Market rates analysis as verified by the Independent Consultant / Aviation Expert.

**B1.3- PHE and drainage work (Rs. 119.33 crores)**

5.3.73 The Authority, through Independent Consultant / Aviation Expert, noted that the scope of PHE and Drainage work includes storm water drain for city side as well as airside including culverts below Runway and



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Taxiways, parallel drain along the runway, cross drainage etc., to effectively manage the rainwater disposal for safe and smooth operations of Airport covering a total surface drainage network length of 59 kms as submitted by YIAPL. Considering the quantum of work involved as stated above, the cost submitted by YIAPL appears reasonable and justified compared to CPWD/market rates.

- 5.3.74 In view of the above, the Authority proposed to consider the cost of Rs. 302.79 crores together for projects B1.1, B1.2 and B1.3.

**B2 - Access Roadways (Rs. 123.22 crores)**

YIAPL's submission

- 5.3.75 YIAPL had submitted that the scope of work for Access Roadways include main west access road to Passenger Terminal Building from Yamuna Expressway, Main east access road which connects to Cargo facilities, secondary access west road providing access to the utilities and service area in the west precinct including the west fuel farm, general aviation, VIP terminal, Central Utility Plant (CUP), Office Block West (OBW) and utility facilities along with other roads include departure road, arrival road, departure exit road, service road, Landscaping along roads etc.
- 5.3.76 This work is part of the EPC-2 contract awarded by YIAPL, with total area of access roadways of around 2,50,000 sqm, at a cost of Rs. 113.4 crores. Additionally, YIAPL had issued a change order for Rs. 1.35 crores for the Western Entry Road alignment change.
- 5.3.77 Initially, NHAI had only planned to construct the road connecting the highway up to the boundary of the airport, but in order to match the road level, NHAI had now planned to extend their scope until the roundabout inside the airport boundary. A budgeted cost of Rs. 8.47 crores has been included as cost reimbursement to NHAI for the portion of road planned to be constructed by them within the Airport land.
- 5.3.78 The total cost submitted by YIAPL is as follows:

**Table 48: Detailed cost-breakup for Access Roadways submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
B2.1	Access Roads (main access road, main access West, secondary access East, secondary access West, loading dock access & area, departure kerb -3.5m. level, security check posts, morchas, cabins, boom barriers, lighting, signages, external landscaping & horticulture, bus stops etc.)	Part of EPC-2	113.40
B2.2	Western entry road alignment change	Part of EPC-2 Change Order	1.35
B2.3	Cost reimbursement to NHAI	Budgeted Cost	8.47
<b>TOTAL = SUM (B2.1:B2.3)</b>			<b>123.22</b>

The Authority's examination of Access Roadways:

- 5.3.79 The Authority noted that the access roads submitted by YIAPL are designed to meet the minimum infrastructure requirements essential for maintaining smooth airport operations and ensuring the convenience of passengers and other users. Further, the Authority noted that the change order for the Western Entry Road alignment change is essential for the connectivity to the main Highway constructed by NHAI. The cost of the access roads, including the landscaping along the roads, works out to Rs. 5,352 per sqm including GST, and the same is comparable with the CPWD / MoRTH rate of Rs. 5,500 per sqm for roads.



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5.3.80 The Authority noted that the portion of road to be constructed by NHAI within the airport boundary is already covered as part of the scope of Tata Projects Limited in EPC-2. If the road were to be constructed by NHAI, the same needs to be recovered from the EPC-2 contractor. Hence, the Authority proposed not to include the cost of Rs. 8.47 crores towards construction of this extra piece of land at this stage.

Based on the above, the Authority proposed to consider the cost of Rs. 114.75 crores towards access roadways against Rs. 123.22 crores submitted by YIAPL as per the table below:

**Table 49: Cost for Access Roadways proposed by the Authority at Consultation Stage**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
B2.1	Access Roads (Main access road, main access West, secondary access East, secondary access West, loading dock access & area, departure kerb -3.5m. level, security check posts, morchas. cabins, boom barriers, lighting, signages, external landscaping & horticulture, bus stops etc.)	Part of EPC-2	113.40
B2.2	Western entry road alignment change	Part of EPC-2 Change Order	1.35
<b>TOTAL = SUM (B2.1:B2.2)</b>			<b>114.75</b>

**B3 - Canopy (Rs. 29.07 crores)**

YIAPL's submission

5.3.81 YIAPL submitted that a low height canopy is proposed over Kerb area in front of the Terminal Building and passage from car park to Terminal Building. Canopy is made up of tensile fabric with steel structure and spans approximately 16,464 sqm at a total cost of Rs. 29.07 crores.

The Authority's examination of Canopy

5.3.82 The Authority sought clarification on the planned usage of the canopy, including any proposals for Non-Aeronautical activities in the area. The response given by YIAPL is as below:

*"This is the canopy over the kerb side which will be used by the passengers during pick-up and drop-off. We clarify that there are no commercial shops under this canopy."*

5.3.83 The Authority noted that this canopy is essential for providing a covered walkway for the passengers between the Terminal Building and the car park area. As the canopy does not operate as a standalone facility and forms an integral part of terminal access infrastructure, the Authority proposed to consider this under the Terminal Building Ratio (refer Section 5.4). The Authority also noted that the cost per sqm as per YIAPL submission is Rs. 20,834.91 sqm. The Authority, through its Independent Consultant / Aviation Expert, had reviewed the costs and considers the same to be reasonable based on similar works done in other airports.

5.3.84 Accordingly, the Authority proposed to consider the cost of Rs. 29.07 crores.

**B4 - Car Park (Rs. 58.17 crores)**

YIAPL's submission

5.3.85 YIAPL had submitted that a car park is planned approximately 100 m in front of Terminal Building to accommodate around 1000 cars, 300 taxis, 500 two wheelers and bus staging in Phase I. The area of parking is around 54,277 sqm. YIAPL had also budgeted a cost of Rs. 4.24 crores for parking management system as part of CAPEX. YIAPL had classified these assets as Non-Aeronautical assets.



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**Table 50: Detailed cost break-up for Car Park submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
B4.1	Parking Area (incl. at grade parking incl. staff parking, amenities in parking areas, lighting works, IT works, check posts, boom barriers etc.)	Part of EPC-2	53.93
B4.2	Car Park – Parking Management	Budgeted Cost	4.24
<b>TOTAL = SUM (B4.1:B4.2)</b>			<b>58.17</b>

The Authority's examination of Car Park

5.3.86 On review of clause 7.1 to Schedule B of the Master CA, the Authority noted the following:

*"The Concessionaire shall earmark land within the Site for car Park facility including Reserved Car facility as per the applicable law and Good Industry Practice".*

5.3.87 Car parking area, created for providing parking facility, being a NAR activity, the Authority proposed to consider the entire cost of Rs. 58.17 crores as a Non-Aeronautical asset.

5.3.88 Based on the above, the cost proposed by the Authority for Landside Development including Land Development is as below:

**Table 51: Cost proposed by the Authority for Landside Development including Land Development at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Base Cost proposed by the Authority	Base Cost considered by the Authority for Aero Allocation	Variation	Remarks
		(A)	(B)	(C)	(D=C-A)	
B1	Land Development	302.79	302.79	302.79	-	Cost found reasonable.
B2	Access Roadways	123.22	114.75	114.75	(8.47)	Refer Para 5.3.80
B3	Canopy	29.07	29.07	29.07	-	Cost found reasonable.
B4	Car Park*	58.17	58.17	-	(58.17)	Refer Para 5.3.87
<b>TOTAL = SUM (B1:B4)</b>		<b>513.25</b>	<b>504.77</b>		<b>(66.64)</b>	

\*Considered as non-aero in the section on asset allocation refer Table 98

**C – TERMINAL BUILDING PROJECTS (Rs. 1,961.82 crores)**

YIAPL's submission

5.3.89 The following is the break-up of terminal building project cost as submitted by YIAPL:

**Table 52: Cost of Terminal Building as submitted by YIAPL**

(Rs. in crores)

Sl. No.	Asset	Base Cost
C1	IT Terminal Building	79.71
C2	Passenger Boarding Bridge	39.50
C3	PTB – BHS, ATRS, ABD	271.40
C4	Terminal Building	1,571.21
<b>TOTAL=SUM(C1:C4)</b>		<b>1,961.82</b>



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**C1- IT Terminal Building (Rs. 79.71 crores)**

5.3.90 YIAPL submitted that the IT related works include Building Management System, Distributed Antenna System (TETRA), IT and Related Works like cabling, networks etc., and are part of Terminal Building contract (i.e., EPC-1). The Airport Operational System was awarded to M/s SITA.

**Table 53: Detailed cost break-up for IT Terminal Building submitted by YIAPL**

(Rs. in crores)

Item	Description	Remarks	Base Cost*
C1.1	IT and Related Works (cable trays, raceways, communication racks and enclosures, horizontal cabling, communication backbone, distributed antenna, PA system etc.)	Part of EPC-1	79.71
<b>TOTAL</b>			<b>79.71</b>

\* Based on the contracts submitted, the cost comes to Rs 79.69 crores (difference being due to round-off). The Authority proposed to consider this figure for further analysis.

**C2 - Passenger Boarding Bridges (Rs. 39.50 crores)**

5.3.91 YIAPL submitted that 7 nos. of Passenger Boarding Bridges are planned in Phase I along with bus gates which will meet the requirement of smooth and timely boarding of passengers and aid Airlines with minimum turnaround time. This work is part of EPC-1 and cost of PBBs is Rs. 39.50 crores.

**C3 - PTB-BHS, ATRS, ABD (Rs. 271.40 crores)**

5.3.92 YIAPL submitted that 2 islands of check-in-counters along with in-line baggage screening system, auto sortation, automatic tray retrieval system, automatic bag drops etc., for Departure and 4 Carousels for Arrival are planned in Phase I for smooth and easy processing for boarding passengers, which will also help Airlines for minimum turnaround time.

5.3.93 Contracts for the supply and installation of both the Baggage Handling System (BHS) and the Hold Baggage System with Security Screening Equipment (HBS/SSE) were awarded through open tender.

5.3.94 YIAPL had executed an addendum with the BHS Contractor on 1st August 2024 in order to accelerate the work and revise the project completion schedule. Due to the revised project completion schedule, the parties have mutually agreed to include a service cost of Rs. 9.50 crores by executing a Change Order.

5.3.95 The total cost of these contract amounts to Rs. 271.40 crores as shown in table below:

**Table 54: Detailed cost break-up for PTB-BHS, ATRS, ABD submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
C3.1	Design, supply, installation, testing and commissioning of BHS	Awarded Cost	161.36
C3.2	HBS/SSE	Awarded Cost	82.90
C3.3	BHS & HBS – civil works	Part of EPC-1	17.55
C3.4	Service cost towards revision (for BHS contractor)	Awarded Cost – Change Order	9.50
<b>TOTAL=SUM(C3.1:C3.4)</b>			<b>271.31*</b>

\* YIAPL has submitted a cost break-up for Rs. 271.31 crores as against cost of Rs. 271.40 crores submitted in the Financial Model. The Authority proposed to consider this cost of Rs. 271.31 crores for further analysis.



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**C4 - Terminal Building (Rs. 1,571.21 crores)**

**Table 55: Detailed cost break-up for Terminal Building submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
C4.1	Terminal Building	Part of EPC-1	1,436.40
C4.2	Non-OSS	EPC-1 Change Order	67.90
C4.3	Cellar Space Under Forecourt Slab	Part of EPC-1	2.10
C4.4	Airside / GHA Ramp Canteen	Part of EPC-1	0.38
C4.5	Exhaust System for Front Cooking at Courtyards Show kitchen	Part of EPC-1	0.40
C4.6	Swap immigration and international security screening	Budgeted	1.70
C4.7	Exhaust system for the kitchen for both the facade F&B units (F1 and F2)	EPC-1 Change Order	0.10
C4.8	Body Scanners	Budgeted	10.80
C4.9	CT X-ray	Awarded Cost	24.50
C4.10	Walk through metal detector	Budgeted	3.80
C4.11	Handheld metal detector	Budgeted	0.10
C4.12	Artwork	Budgeted	1.10
C4.13	Artwork & Sculptures package (including Professional Fee for Art Consultant)	Budgeted	5.50
C4.14	Trolley	Budgeted	5.70
C4.15	Other security items	Budgeted	2.50
C4.16	Other operational procurement	Budgeted	8.50
<b>TOTAL=SUM(C4.1:C4.16)</b>			<b>1,571.48*</b>

\* YIAPL has submitted a cost break-up for Rs. 1,571.48 crores as against cost of Rs. 1,571.21 crores submitted in the Financial Model. The Authority has considered the cost of Rs. 1,571.48 crores for further analysis.

5.3.96 YIAPL submitted that the Terminal Building plan is based on the passenger capacity of 12 MPPA and peak hour demand of 4,289 passengers. The terminal building is designed with flexibility so that future developments can be done with ease without impacting the existing operations.

5.3.97 YIAPL further submitted the planning parameters and facilities proposed as below:

**Table 56: Peak hour planning parameters as submitted by YIAPL pertaining to the Terminal Building**

Sl. No.	Particulars	Pax (In Nos.)
A	Domestic Departure Pax	2,063
B	Domestic Arrival Pax	1,794
C	International Departures Pax	216
D	International Arrival Pax	216
<b>Total peak hour Pax (A:D)</b>		<b>4,289</b>

5.3.98 The Terminal layout is based on a simple composition of a Central Processor (Headhouse), with the Forecourt immediately to the south on the landside and a connected Pier to the west. The Headhouse and the pier handles both international and domestic traffic. The area of the planned building is 1,37,985 sqm.

5.3.99 The Headhouse is organized in a functional manner over three main levels, creating an efficient and flexible processor that can be easily expanded. Pier is organized in three levels.

- The upper level (Level 2) is designed for check-in of departing passengers.

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- Pier Mezzanine Level (PM1) is used for domestic and international arrival of passengers coming through Pier Contact Gates.
- The middle level (Level 1) is for passengers arriving from bus gates, transfers (D-D) and also as a space for technical support functions, restrooms, commercial storage areas, offices, and staff facilities. The pier portion of the Terminal Building is used as boarding bus gate for departing passengers.
- The Ground floor (Level 0) is used for immigration, baggage reclaims and passenger services, customs, recheck-in, as well as for international departure and arrival, and for bus lounges.

5.3.100 For item C4.2 “Non-OSS”, YIAPL had provided the following details:

*“YIAPL aimed to implement one-stop-security (OSS) concept that releases transferring passengers from being security checked again at the point of transfer. However, as the OSS concept is a change in the current Indian security policy, it has not been approved by the responsible authorities. This Change to the Contract will encapsulate changes related to adoption of Non-OSS concept. The Non-OSS concept mandates bifurcation of the inbound and outbound flow of pax at gate level itself. Under this change, following works are proposed:*

- 1. The full pier including Gates A16 and A20 shall be designed and constructed as per the Non-OSS concept. However, Gate A14 shall be retained as per the OSS scheme with modifications for achieving Non-OSS flow*
- 2. The east bus arrival to be designed and constructed as per Non-OSS.”*

5.3.101 YIAPL had also submitted that certain passenger processing and security equipment and other operational requirements are currently budgeted.

The Authority’s examination of Terminal Building Projects:

5.3.102 The Authority, through its Independent Consultant / Aviation Expert, had reviewed clause 2.1 (ii) of the Master CA which enumerates the specifications that the terminal building shall adhere to, the extracts of which are reproduced below:

*“ii. Construction and procurement of the Terminal Building as follows:*

- a. Level of service for Terminal Building – IATA Level of Service Optimum compliant.*
- b. 75% (Seventy five percent) of each of the international and domestic aircraft gates shall be served by the boarding bridges.*
- c. Unit area of the Terminal Building (including all miscellaneous and support spaces), per Peak Hour passenger (including arrival and departure), shall be minimum 30 sq. m.*
- d. Provide international standard range of retail and other passenger services; and*
- e. Terminal design must be capable of incremental expansion with minimum impact on current operations*
- f. All facilities and services should be state-of-the-art technology and international standards.”*

5.3.103 Further, Clause 2.2 of the Master CA states as follows:

*“The Airport shall be constructed by the Concessionaire in conformity with the Master Plan as set forth in Schedule A and the specification and Standards as set forth in Schedule D.”*

5.3.104 As per Clause 3.3.4.1 of the Master Plan:

*“Terminal 1 will be built in two stages, linked to PAL 1 and PAL 2. PAL 1’s development caters to 12 MPPA demand level, and PAL 2’s development caters to a 30 MPPA capacity.”*

5.3.105 The Authority noted that the Terminal Building is planned for 12 MPPA as a modular structure with expansion possible without affecting operations at later date.



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5.3.106 It was noted that in the original development plan, the area of terminal building was mentioned as 1,10,590 sqm whereas the actual area under construction was noted to be 1,37,985 sqm. On enquiry, YIAPL stated as follows:

*"..Master planner while calculating area has inadvertently left some areas which were not airconditioned like forecourt, departure balcony, airside kerb, staircases, basement access, kerb etc., which accounts for (26000 sqm app.) and additional area provided for Arriving passengers due to change from One Stop Security (OSS) to Non-OSS as per BCAS requirement, Immigration office, cellar area etc., which accounts for 7000 sqm (app).."*

5.3.107 The Authority noted the following on the costs submitted by YIAPL:

- Item C3.4 – Service cost towards revision - The change order for BHS was necessitated due to a delay caused by the EPC contractor. Hence the Authority proposed not to consider the cost of Rs. 9.50 crores deeming it inefficient.
- Item C4.8 – The cost submitted by YIAPL for 2 full body scanners is Rs. 10.80 crores, which appears to be excessive compared to the cost approved by the Authority in recent tariff orders. Accordingly, the Authority proposed to consider only a cost of Rs. 2.50 crores per FBS as per recent tariff orders issued for other airports, i.e. Rs. 5.00 crores for 2 FBS units. Accordingly, the Authority proposed not to consider Rs. 5.80 crores (being Rs. 10.80 crores less Rs. 5.00 crores).

Benchmarking cost with the Authority's normative order

5.3.108 The Authority, vide its Order No. 07/2016-17 dated 6th June 2016, determined the normative cost for Terminal Buildings. As per the above order, the cost of following items have been considered for analysis of the prescribed rate per sqm which includes the cost of terminal building, air conditioning, fire-fighting system, water supply, sanitary, substation equipment for power supply including stand by system, passenger facilities viz FIDS, Furniture, Signages and Security surveillance, airlines related services viz Check-in, CUTE, CUSS and Baggage Reconciliation System, In-line X ray screening, Standalone screening, BHS for arrival and departure, Escalators, Elevators, Travelators and PBB.

5.3.109 The Authority compared the awarded cost for Terminal Building as per EPC-1 with the inflation-adjusted normative cost up to FY 2025-26 and sought detailed explanations from YIAPL.

5.3.110 The relevant extracts from this submission is reproduced below:

a) Additional cost on account of increased pile foundation

*YIAPL incurred higher cost for piling works due to the challenging geotechnical conditions at the site, which is characterized by clayey soil with a high-water table. Clayey soil, known for its low bearing capacity and poor drainage properties, requires the use of larger diameter and deeper piles to ensure structural stability and load-bearing capacity. Additionally, the presence of a high-water table requires continuous dewatering during pile installation to prevent water ingress, adding to construction complexities.*

*To mitigate these conditions, specialized piling techniques and equipment are employed. The extended construction time, increased material usage, and the need for enhanced quality control measures further contribute to the cost.*

b) Additional cost due to more steel and concrete requirement for larger size of RCC Column & Beams due to consideration seismic zone IV

“...Overall Structural Design of Passenger Terminal Building NIA site is located in the Jewar region of Uttar Pradesh, which falls under Seismic Zone-IV according to India's seismic zoning classification, signifying a high-risk damage zone. In compliance with IS 1893:2016 (Criteria for Earthquake Resistant Design of Structures), all RCC and steel structures in Seismic Zone-IV are required to be ductile and must follow the design guidelines for Special Moment Resisting Frame (SMRF) structures. Considering the IS codes i.e. IS 13920:2016 (Ductile Design and Detailing of Reinforced Concrete Structures) and IS 800:2007 (General Construction in Steel), the design forces / moments for RCC and steel structures were increased...”

c) Superior BHS arrangement of ICS

“...2. Advanced BHS system based on Individual Carrier System (ICS) technology in comparison to Conventional conveyor technology

When we compare the 2 systems following criteria in terms of design requirement has to be taken into consideration

- Common check counters availability for Airline Handling
- Throughput requirement to be achieved for the system
- Service level requirement for distribution of bags from check in to Departure make up system
- Space occupancy within the Terminal Building
- Quick turnaround time for Baggage movement for transfer passengers

In terms of common check in counter availability, this can be achieved in Belt system using multiple methods but without sacrificing the bag throughput, most optimal method has been to use Belt in combination with Sortation system such as Tilt tray or cross belt sorters. The challenge when compared to the tray system still lies in maintaining the track loss percentage within acceptable levels & the requirement to have diversion after every level of screening to allow segregation. The advantage required and necessary thus lies in complete isolation of bag which can only happen in a tray/tote & reduced requirement of space/track length as the same track can be used for carrying the bags in isolated environment. With high speed of trays that can be moved on track the throughput is achievable with lesser length of actual equipment installed. Again that also reduces the time of bag with in the system thus distributing the bags to the carousel at high throughput. Modular, redundant components with in the ICS conveying system helps in reducing the downtime thus achieving higher availability. There is no track loss with in the Tray system thus the bags which are routed to level 3 room are actually rejected or time out bags that really require manual checks. This would eventually lead to reduced manhandling & operator requirement at level 3 room. Vertical space requirement with the tray system is much lesser when compared to the alternative such as tilt tray sorter while achieving the same kind of redundancy. So, in overall terms better reliability, availability, tracking of bags, higher throughput, reduced building space requirement are some of the parameters where tray system is ahead of the comparable belt-based systems. Additionally, NIA must adhere to the requirement of a 45-minute Minimum Connect Time for Domestic-to-Domestic transfer traffic as stipulated in the Concession Agreement. To ensure compliance with this requirement during Phase I of the project and in subsequent phases when the traffic volume increases to that of a mega hub, the BHS system must possess advanced specifications to enable speed and operational reliability of baggage connections. As compared to the normal BHS system, considering more intricate sub-systems like sorters carousels etc which are not used in a conventional BHS system or the quantum is less, there is an additional expenditure. Also, there is additional requirement of electricals, IT system and motors etc. Further, the steel used in this system is approx. 170 MT while in a

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normal system, this would range some where approx. 70 to 80 MT. This implies an additional 100MT of steel was also used..”

d) Superior specification for compliance of IGBC platinum grade

“...NIA project aims that complete Airport to be one of the most sustainable, setting sector standards for reducing the consumption of water, energy and materials, and demonstrating efficiency in operation. Sustainability measures will seek synergies with the user experience, providing comfort and wellbeing to those passing through the Airport premise, Terminal Building etc. Following key points are being considered:

- Efficient use of natural resources for building materials
- Efficient use of water and energy
- Min generation of non-degradation waste
- Ensure reduce carbon footprint
- Ensure lower operating cost
- Highest degree of indoor environmental quality
- Sustainable site development

Under Platinum rating design for PTB, a range of advanced design strategies aimed at achieving the IGBC Platinum rating for the building have been incorporated. a. The roofing system, designed with skylights, optimizes the use of natural daylight, thereby minimizing the reliance on artificial lighting and enhancing energy efficiency. Additionally, the roofing system features high insulation and a reflective surface to reduce heat gain and support energy savings. b. The wall and glazing systems are carefully selected for their superior thermal performance, characterized by low U-values, thereby improving overall energy efficiency. c. Water conservation measures are integrated through the installation of low-flow plumbing fixtures, a mechanical irrigation system for landscape areas, and the reuse of treated soil water via a Sewage Treatment Plant (STP). d. The HVAC system is equipped with high-efficiency MERV filters and Indoor Air Quality (IAQ) sensors to ensure optimal air quality. Furthermore, energy-efficient pumps and motors, in accordance with Bureau of Energy Efficiency (BEE) ratings, have been specified to reduce operational energy consumption. e. A waste management strategy has been implemented, including waste segregation at the source and efficient disposal facilities at the common waste collection area. f. The lighting design features LED fixtures with high luminous efficacy, and the integration of occupancy sensors in back-of-house areas, daylight sensors, and a DALI dimming system in public areas further optimizes energy use and occupant comfort. These comprehensive measures are essential to the achievement of the IGBC Platinum rating and ensure the building’s sustainability and long-term operational savings...”

- e) Further, cost of Full body scanner and cost of CT X-ray machines are not part of the normative benchmark, and consequently have to be excluded for comparison.
- f) As detailed in Para 5.3.4, the EPC-1 contract bidding period was uniquely challenging due to the uncertainty and unpredictability on account of various issues including COVID-19 pandemic and the requirement to meet the lump-sum contract during a cycle of high commodity prices.

5.3.111 Based on the submissions made by YIAPL, the Authority noted that the Appointed Date for YIAPL was 1st October 2021, requiring the completion of the EPC contract bidding within a constrained timeline to meet the Phase 1 COD deadline. The bidding occurred during a period of significant uncertainty due to the COVID-19 pandemic and high commodity prices.

5.3.112 The Authority, through its Independent Consultant / Aviation Expert and based on discussions with YIAPL’s technical team, noted that the site proposed for construction of Airport was originally agricultural land with



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low bearing capacity soil. Due to this condition, instead of the isolated RCC footing normally used for construction, pile foundation up to hard strata had to be done, which requires additional expenditure. Also, the site falls in seismic zone IV, which requires for heavier structural members such as Columns & Beams through additional steel reinforcement to negate and withstand the seismic forces, which also increases the cost of construction. It is also noted that the in-line baggage system with ATRS for departure is proposed over the conventional baggage system considered in the normative benchmark rate. Considering these additional works, the Authority found merit in YIAPL's justification for the cost over and above the AERA's normative benchmark rates for Terminal Building. The Authority also noted that the tender for the work was finalized based on an open competitive bidding process. Based on the above, the awarded cost for Terminal Building Works appears to be reasonable and comparable with CPWD PAR/DSR rates and market rates in the given circumstances. Accordingly, the Authority proposed to consider the cost of Rs. 1,946.68 crores for Terminal Building works as per table below:

**Table 57: Cost proposed by the Authority for Terminal Building Works at Consultation Stage**

*(Rs. in crores)*

Sl. No.	Particulars	Base cost submitted by YIAPL	Revised cost submitted by YIAPL	Base cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C - B)	
C1	IT Terminal Building	79.71	79.69	79.69	-	
C2	Passenger Boarding Bridge	39.50	39.50	39.50	-	
C3	PTB – BHS, ATRS, ABD (refer Table 54 for revised cost submitted by YIAPL)	271.40	271.31	261.81	(9.50)	Refer para 5.3.107
C4	Terminal Building (refer Table 55 for revised cost submitted by YIAPL)	1,571.21	1,571.48	1,565.68	(5.80)	Refer para 5.3.107
<b>TOTAL=SUM (C1:C4)</b>		<b>1,961.82</b>	<b>1,962.00</b>	<b>1,946.68</b>	<b>(15.30)</b>	

**D - SUPPORT FACILITY BUILDINGS (237.36 CRORES)**

**Table 58: Cost towards Support Facility Buildings as submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Asset	Base Cost
D	Support Facility Building	237.36

YIAPL's submission:

5.3.113 YIAPL submitted that the Support Facility Buildings includes Office Block for YIAPL and other users such as CISF, Airlines, Concessionaires etc. Airport Maintenance and General Support (AM&GS) Building, Barrack Accommodation for CISF personnel and on-site facilities for CISF like office, armoury room, Dog kennel etc., Project office for YIAPL, Data Centre, VDGS etc., which are essentially required for smooth and safe operations of Airport.

**Table 59: Detailed cost break-up for Support Facility Building submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Asset	Remarks	Base Cost
D.1	CISF Bachelor accommodation and on-site facilities	Awarded Cost	43.18



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Sl. No.	Asset	Remarks	Base Cost
D.2	Various support facility buildings included in EPC-2		150.75
D.2.1	Airport Maintenance Building (incl. civil, structural, finishing works, MEP, ICT, external development works etc.)	Part of EPC-2	37.23
D.2.2	Office Block West (incl. civil, structural, finishing works, MEP, ICT, external development works, IT Infrastructure for APOC, AEOC, SOCC etc.)	Part of EPC-2	82.51
D.2.3	Various amenities for the above two buildings including Vertical and Horizontal Transport, Building Management System, Fire Detection and Alarm System, Supervisory control and data acquisition (SCADA), CCTVs, Security Access Control System - Controllers, readers and licenses along with Master Key and Electronic Displays	Part of EPC-2	31.01
D.3	Data Centre 2	Awarded Cost	5.83
D.4	Solid waste management	Awarded Cost	7.42
D.5	VDGS	Awarded Cost	7.68
D.6	Project Office and Extension of Project Office along with training Centre	Awarded Cost	17.10
D.7	NIA Centre and ARFF / IT related communication system	Budgeted	5.28
	<b>Total=SUM (D.1:D.7)</b>		<b>237.25*</b>

\* YIAPL has only submitted a cost break-up of Rs. 237.25 crores as against the cost of Rs. 237.36 crores submitted in the MYTP. The Authority proposed to consider this for further analysis.

The detailed description of each of the assets mentioned in table above is detailed in the ensuing paragraphs:

**D.1 - CISF Bachelor accommodation & on-site facilities (Rs. 43.18 crores)**

5.3.114 The CISF bachelor accommodation through temporary barracks is proposed to be provided by NIA within the airport premises as per the requirements of BCAS. NIA will be providing the on-site bachelor accommodation on the eastern side for 576 personnel (55% of sanctioned strength of 1048 personnel)

5.3.115 NIA will also be providing on-site facilities for CISF like office, armoury room, QRT room, Dog kennel etc., on the western side of Airport near utilities block.

**D.2 – Support facilities included as part of EPC-2 (Rs. 150.75 crores)**

5.3.116 NIA plans to construct an Office Block West (OBW) and Airport Maintenance & General Support building as part of Support Facilities.

5.3.117 The Office Block West (OBW) is located in the western area. The key driver for positioning Office Block West is the easy access from landside and quick access to airside whenever required. The Office Block is planned to meet the functional requirements for the different usages such as Airport Operation Control Centre (AOCC), Air Traffic Services Technical Block, Security Operation Control Centre (SOCC), Data Centre, Airport Emergency Operations Centre, Pass Section and general support offices. The approximate area of building is 9,805 sqm.

5.3.118 The Airport Maintenance & General Support building will be having common shared facilities like Maintenance Bays for GSE and Airport Maintenance Equipment's with Inspection pits, Stores, Workshops, EV Charging facility for GSE vehicles, Electric & Vehicle maintenance offices, Parking Outside for GSE and Airport Maintenance Vehicles etc., The approximate area of this building is 7,338 sqm.

**D.3- Data Centre 2 (Rs. 5.83 crores)**

5.3.119 The Data Centre 2 is located near utilities area on the western side and will support hosting of all communication related IT systems and services and have the ability to provide high availability quality and



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a secure place for all stakeholder IT equipment. It will also provide reliable, redundant and secure wired and wireless connectivity and communications for all network reliant systems throughout and between the Passenger Terminal Building and associated buildings and facilities. This building is of 708 sqm area. It is to be noted that Data Centre 1 is housed inside the OBW building.

**D.4 - Solid waste management (Rs. 7.42 crores)**

5.3.120 The Solid waste management is proposed for collection of solid waste and segregation of waste for proper disposal as per standard practice and bye laws.

**D.5 – VDGS (Rs. 7.68 crores)**

5.3.121 The Visual Docking Guidance System (VDGS) is proposed for proper guidance to Aircrafts to the designated parking bay and stands.

**D.6 - Project Office & Extension, Training Centre (Rs. 17.10 crores)**

5.3.122 The Project Office and Training Centre is proposed for YIAPL and PMC personnel at Airport site for better coordination and monitoring of project.

**D.7 - NIA Centre and ARFF / IT related communication system (Rs. 5.28 crores)**

5.3.123 YIAPL had also planned a training centre for the staff and ARFF / IT related communication system.

**The Authority’s examination of Support Facility Building:**

5.3.124 On D.1, the Authority noted that the CISF accommodation and on-site facilities have been developed based on the request from CISF vide letter number 23-7953 dated 30th November 2023 which contains the consolidated list of various amenities required to fulfil the pre-induction formalities of CISF at NIA. The scope of the building has been compared with the letter. Of the total sanctioned strength of 1,058 numbers, family accommodations are to be provided for 482 numbers and balance 576 are to be bachelor accommodation. Considering 15 sqm/ bachelor accommodation, the area required works out to 8,640 sqm whereas the area planned is 8,160 sqm. Accordingly, the Authority finds this considered area to be justified. The Authority has reviewed the contracts awarded and compared with market rates and notes that the cost projected by YIAPL for CISF accommodation appears to be reasonable and justified.

5.3.125 On D.2, the Authority noted the need and requirement of the Office Block West and Airport Maintenance Building. The Authority requested YIAPL to furnish details of usage of area in these buildings. The submission by YIAPL is given below:

**Table 60: Planned usage of Office Block West and Airport Maintenance Building submitted by YIAPL**

Building	Total built up area (in sqm)	Area planned to be used by YIAPL(in sq. m.)							Others (common space, staircase, utilities & washrooms)
		Non-Aero Concessionaires	Aero Concessionaires (Ground Handling, Fuel Farm and Cargo)	YIAPL	CISF	Airlines	AAI	IMD	
Office Block West	9,805	437	-	4,881	400	-	1,889	113	2,085



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Building	Total built up area (in sqm)	Area planned to be used by YIAPL(in sq. m.)							Others (common space, staircase, utilities & washrooms)
		Non-Aero Concessionaires	Aero Concessionaires (Ground Handling, Fuel Farm and Cargo)	YIAPL	CISF	Airlines	AAI	IMD	
Airport Maintenance Building	7,338	-	2,032	2,200	-	500	-	-	2,606

5.3.126 The cost of the above two building before considering the additional amenities but after considering the Fire Detection & Alarm System, works out to Rs. 1,03,765.39 per sqm including GST:

5.3.127 This cost appears to be higher than the cost of Rs. 79,229.40 per sqm for a single storied building as derived by RITES in the CAPEX Study Report based on CPWD Plinth Area Rates. However, the Authority noted that there are various additional amenities like Vertical and Horizontal Transport, Building Management System, CCTV, Security Access Control System etc., which had not been considered by RITES in deriving the CPWD Plinth Area Rates. After considering these additional amenities, the Authority, through its Independent Consultant / Aviation Expert, noted that the cost submitted by YIAPL appears to be reasonable and justified.

5.3.128 The Authority, through its Independent Consultant / Aviation Expert had reviewed the cost of the other facilities such as Vertical and Horizontal Transport, Building Management System, Fire Detection and Alarm System etc., included in the cost of Support Facility Buildings and benchmarked the same against CPWD DSR / market rates. Based on this review, the Authority notes that the cost submitted by YIAPL appears to be reasonable and justified.

5.3.129 The Authority had reviewed the costs of the projects D.3 to D.7 with the justification provided by YIAPL and the contract copies/ estimates. The Authority found the costs to be reasonable and justified, except in case of D.6 where the cost as per contract is lower by Rs. 2.18 crores as compared to the cost submitted by YIAPL in the MYTP. The Authority proposed to consider the cost as per the contract for the same.

5.3.130 As detailed in Para 5.3.55, the cost associated with the GSE Maintenance building of Rs. 2.29 crores is proposed to be considered under this head from its earlier classification as GSE Staging Works under Airside Projects.

5.3.131 In view of the above discussions, the Authority proposed to consider the following towards Support Facility Buildings.

**Table 61: Cost proposed by the Authority for Support Facility Buildings at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C - B)	
D.1	CISF Bachelor accommodation and on site facilities	237.36	43.18	43.18	-	Cost found reasonable.
D.2	Various support facility buildings included in EPC-2		150.75	150.75	-	Cost found reasonable.



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Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
D.3	Data Centre 2		5.82	5.82	-	Cost found reasonable.
D.4	Solid waste management		7.41	7.41	-	Cost found reasonable.
D.5	VDGS		7.68	7.68	-	Cost found reasonable.
D.6	Project Office and Extension of Project Office, along with training Centre		17.10	14.92	(2.18)	Refer para 5.3.129.
D.7	NIA Centre and ARFF / IT related communication system		5.28	5.28	-	Cost found reasonable.
	<b>Total=SUM (D.1:D.7)</b>	<b>237.36</b>	<b>237.25</b>	<b>235.04</b>	<b>(2.18)</b>	
A6.2	Change order for GSE Maintenance Building		2.29	2.29	-	Refer para 5.3.130.
	<b>Grand Total</b>	<b>237.36</b>	<b>239.54</b>	<b>237.32</b>	<b>(2.18)</b>	

**E – UTILITIES (Rs. 460.23 crores)**

YIAPL submission

5.3.132 Utilities as submitted by YIAPL comprises of AGL Substation, Airside - HVAC Building, IT utilities and other utilities like STP and WTP.

**Table 62: Cost towards Utilities as submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Asset	Base Cost
E.1	AGL Substation	26.22
E.2	Airside - HVAC Building	101.73
E.3	IT	157.90
E.4	Other Utilities	174.39
	<b>TOTAL=SUM(E1:E4)</b>	<b>460.23</b>

**E1 - AGL Substation (Rs. 26.22 crores)**

YIAPL's submission

5.3.133 YIAPL submitted that the cost for AGL Sub-Station includes two CCR rooms with equipment, UPS etc., in the East as well as West side of the airport. These two CCR buildings are of area 525 sqm each, located on a plot size of 2,150 sqm. The AGL substation provides proper and uninterrupted distribution of power supply for AGL systems including approach lights on both ends of the runway.

5.3.134 This work is part of EPC-2 contract awarded by YIAPL.

The Authority's examination of AGL Substation

5.3.135 The Authority noted the need and requirements of this work for smooth and safe operations of Airport. Considering the CPWD DSR / market rates / prevailing rates / rates considered in other similar airports of the



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building infrastructure works, CCR equipment, UPS, cables etc., the cost appears to be reasonable and justified. Hence, the Authority proposed to consider the cost of Rs. 26.22 crores submitted by YIAPL.

**E2 - Airside-HVAC Building (Rs. 101.73 crores)**

YIAPL's submission

5.3.136 YIAPL submitted that this work includes civil, structural, finishing works, MEP, chilled water compressors, pumping systems, cooling tower, utility corridor and piping etc., The approximate area of building is 3,050 sqm.

5.3.137 The entire terminal building (including the gate houses) is air conditioned through this HVAC building. This HVAC building is proposed at a centralized location where pumps are also located for chilled water distribution. This work is part of the EPC-2 contract awarded by YIAPL.

The Authority's examination of Airside-HVAC Building

5.3.138 The Authority noted the need and requirements of these works for operations of Airport and finds that the area for HVAC in the terminal building is 1,16,585 sqm excluding forecourt, toilets, baggage handling area in basement and utilities like electrical and AHU room, and the HVAC building area of 3,050 sqm appears reasonable considering the above. The Authority had reviewed the rates based on the CPWD DSR / market rates of the building, equipment, pipelines cooling towers etc. and notes that the cost submitted by YIAPL appears to be reasonable and justified. Accordingly, the Authority proposed to consider the cost of Rs. 101.73 crores submitted by YIAPL.

**E3-IT (Rs. 157.90 crores)**

YIAPL's submission

5.3.139 YIAPL has submitted that the proposed IT Infrastructure includes the infrastructure for 2 IT receiving shelter, security and wireless infrastructure and networks for Phase I. The IT receiving shelters are proposed at two locations viz, adjacent to the West boundary for the West precinct and adjacent to the East boundary for the East precinct. The IT receiving shelters are air-conditioned buildings with DG power back-up, security and wireless infrastructure and networks.

5.3.140 The telecom service provider room, or Internet Service Provider (ISP) room, is located in the Office Block West to house service provider equipment including Base Terminal Stations (BTS) for mobile signals.

5.3.141 It is proposed to additionally provide up to six transmission towers for uniform mobile coverage. These towers will house the telecommunications transmission hardware and antennae for extending 2G/4G/5G mobile networks across the airport. Fiber Optic cables shall connect these Towers to the service provider's equipment hosted inside Office Block West building.

5.3.142 The cost breakup for this work is given below:

**Table 63: Detailed cost break-up for Utilities -IT submitted by YIAPL**

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
E3.1	Airport Wide Fiber Optic Cabling and Security System	Part of EPC-2	133.70
E3.2	IT - Provision of shared storage and vCenter	Part of EPC-2 Change Order	0.36
E3.3	IT - OFC Supply- NHP Provisions (IT passive network materials supply (AAI and NHP works)	Awarded Cost	10.48



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Sl. No.	Description	Remarks	Base Cost
E3.4	IT - OFC Supply- NHP Provisions (YIAPL Procurement of NHP Fibre)	Awarded Cost	4.16
E3.5	IT - Truck Mobile radio system	Awarded Cost	9.20
	<b>TOTAL=SUM(E3.1:E3.5)</b>		<b>157.90</b>

The Authority's examination of Utilities-IT

5.3.143 The Authority noted the need and requirement of these works for operations of Airport and has requested YIAPL to submit a detailed note on the IT works undertaken, including commercial activities, if any.

5.3.144 YIAPL submitted a note stating that the cost includes the following works:

- Civil works such as ducts banks, manhole, pits, chambers etc. including the supply, transportation, installation, testing, and commissioning of precast pull pits, ground excavation to lay conduits and cables.
- The OFC Backbone (only passive component is considered) involves the supply of core single mode armoured OFC multitube, PLB HDPE duct, trenching, laying and backfilling for PLB HDPE duct, cable pulling, and the installation of chambers, fiber patch cords, and SFPs.
- Installation of Wireless Access Points Outdoor to ensure seamless connectivity.
- The Data & Voice Communication Network Equipment & Management encompassing the lump sum cost of all necessary equipment and management services to ensure efficient data communication across the network. This also includes Firewalling Equipment for protecting all Airport systems.
- The Racks, Frames, Power Strips, and Miscellaneous items to support the infrastructure and ensure proper organization and power management.
- Works for IT Telecoms receiving shelter/IT huts and Satellite CFT Shelters etc.
- Provision of Server Room grade facility including Power, Airconditioning, Fiber Optic Cables towards Neutral Host Provider systems to enable Mobile signal availability across multiple facilities.
- Structural foundations and equipment housing facilities for Communication Towers inside Airport.

5.3.145 YIAPL had also submitted as under:

*"...Commercial activities is planned under NHP Fiber provision whose revenues are considered as non-aero. and concession has been awarded with scope for design, development, construction, build, finance, operations, commission, management and maintenance model of NHP..."*

*"...We confirm that there is No Capex pertaining to NHP service provider considered in RAB..."*

5.3.146 The Authority, through its Independent Consultant / Aviation Expert, reviewed the cost based on quantum of work involved and the market rates, and finds that the cost appears reasonable and justified. The Authority also noted that YIAPL has submitted that capex cost given above does not include the cost for Non-Aero initiatives. The Authority also noted that while the breakup submitted by YIAPL had been rounded off to 157.90 crores, the actual contract totals to Rs. 157.85 crores. Accordingly, the Authority proposed to consider the cost of Rs. 157.85 crores towards Utilities - IT.

**E4 - Other Utilities (Rs. 174.39 crores)**

YIAPL's submission

5.3.147 YIAPL submitted that this work includes water treatment plant of 3 MLD capacity, Sewage treatment plant of 4.5 MLD capacity, Triturator for Aircraft waste and EV charging points on airside.

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5.3.148 As part of the West Precinct Facilities, the following infrastructure is planned: a raw water storage tank and a clear water storage tank, along with a dedicated pump house; a Sewage Treatment Plant (STP) equipped for both secondary and tertiary treatment; and a non-potable water storage tank for treated STP water, supported by an additional pump house.

**Table 64: Detailed cost break-up for Other Utilities submitted by YIAPL**

(Rs. in crores)

S. No	Asset	Remarks	Base Cost
E4.1.1	Sewage Treatment Plant & Sewerage System (utilities up to the tapping point for all facilities)	Part of EPC-2	58.00
E4.1.2	Water Treatment Plant (WTP) & water supply (utilities up to the tapping point for all facilities)	Part of EPC-2	71.85
E4.1.3	Triturator	Part of EPC-2	4.97
E4.2	Airside EV charging infrastructure	Part of EPC-2 – Change Order	0.89
E4.3	EV charging works & utility provision for APHO	Budgeted	38.69
<b>TOTAL = SUM (E4.1-E4.3)</b>			<b>174.39</b>

\*The breakup as per the contracts / submissions totals to Rs. 174.42 crores and the same has been considered by the Authority for further analysis.

The Authority's examination of Other Utilities

5.3.149 The Authority noted the need and requirement of these works for operations of Airport. The Authority also notes that the cost appears reasonable considering the scope of work involved like building, equipment, pipelines, EV point stands/Stacks, cabling etc.

5.3.150 The Authority noted that since the cost for EV charging works & utility provision for APHO is budgeted at this stage, detailed cost breakdowns may not be available with YIAPL. The Authority enquired with NIA on whether there was any recovery proposed to be collected by YIAPL for the EV chargers. YIAPL submitted that it has plans to charge the airlines and ground handlers for the usage of EV chargers on airside. However, YIAPL also stated that this is expected to be a very nominal amount, and that it has not yet finalized the modus operandi of charging at this stage.

5.3.151 The Authority noted the submission made by YIAPL and directed YIAPL to include the revenues from these activities as aeronautical revenues at the time of submission of the rate card. Accordingly, the Authority proposed to consider the cost of Rs. 174.42 crores as submitted by YIAPL.

5.3.152 Based on the above discussions, the cost proposed by the Authority for utilities is as below:

**Table 65: Cost proposed by the Authority for Utilities at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C – B)	
<b>E</b>	<b>Utilities</b>					
E1	AGL Substation	26.22	26.22	26.22	-	Cost found to be reasonable.
E2	Airside - HVAC Building	101.73	101.73	101.73	-	Cost found to be reasonable.

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Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C – B)	
E3	IT	157.90	157.85	157.85	-	Cost found to be reasonable.
E4	Other Utilities	174.39	174.42	174.42	-	Cost found to be reasonable.
<b>TOTAL = SUM (E1:E4)</b>		<b>460.23</b>	<b>460.22</b>	<b>460.22</b>	<b>-</b>	

**F – VEHICLES AND CFTS (RS. 84.27 CRORES)**

5.3.153 YIAPL submitted that the break up of Vehicles and CFT as per table below:

**Table 66: Cost towards Crash Fire Tenders and Other Vehicles submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Asset	Base Cost
F.1	Vehicles - Crash Fire Tenders	26.77
F.2	Vehicles – Others	57.50
<b>TOTAL = SUM (F.1:F.2)</b>		<b>84.27</b>

5.3.154 YIAPL had also submitted the detailed cost for the vehicles based asset category of Fire Crash Tenders / Other Vehicles together with the status of award of contract as per table below:

**Table 67: Detailed cost break-up for Vehicles and CFT submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Asset	Contract Status	Base Cost
<b>F.1</b>	<b>Fire Crash Tenders</b>	Awarded	<b>26.77</b>
F.2.1	Threat Containment Vessel (TCV) & Suspect Luggage Containment Vessel (SLCV)	Awarded	13.32
F.2.2	QRT Bullet Resistance Vehicle	Awarded	1.00
F.2.3	Vehicles for ARFF operations	Budgeted	5.09
F.2.4	Vehicles for airside operations	Budgeted	17.68
F.2.5	Vehicles for CISF operations	Budgeted	9.90
F.2.6	Other O&M Vehicles	Budgeted	10.44
<b>F.2</b>	<b>Other Vehicles</b>		<b>57.50</b>
<b>TOTAL</b>		<b>SUM(F.1:F.2)</b>	<b>84.27</b>

**F.1 Vehicles - Crash Fire Tenders**

YIAPL's submission

5.3.155 YIAPL submitted that the project cost pertains to the procurement of 4 Crash Fire Tenders (CFTs). The supply of these is awarded to M/s National Fire Fighting Manufacturing FZCO after an open tender process. It is also noted that the vehicles have already been received at site.

The Authority's examination of Vehicles Crash Fire Tenders

5.3.156 The Authority noted the need and requirement of these vehicles for operations of Airport and finds that the cost quoted by YIAPL is in line with market rates / procurement in other airports.



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5.3.157 Accordingly, the Authority proposed to consider the cost of Rs. 26.77 crores as submitted by YIAPL.

**F.2 Vehicles – Others**

YIAPL's submission

5.3.158 YIAPL had submitted that this procurement includes one Threat Containment Vessel, one Suspect Luggage Containment Vessel, 2 QRT vehicles, one mobile command post, one small fire tender, one runway rubber removal vehicle, one BDDS truck, other O&M vehicles for airside and land side etc. YIAPL submitted that some of these vehicles are already received at site and the rest are expected to be received before COD and hence costs have been budgeted for some of them.

The Authority's examination of Vehicles

5.3.159 The Authority noted the need and requirement of these vehicles for various critical operations like airside operations, ARFF, Threat Containment and Suspect Luggage Containment, O&M, CISF etc.

5.3.160 The Authority noted that the cost is justified based on market rates / recent procurement in other airports. The Authority further notes that the total as per the contract / breakup submitted by YIAPL aggregates only to Rs. 57.42 crores as against the cost of Rs. 57.50 crores. Considering the operational requirement, the Authority proposed to consider the cost as submitted by YIAPL of Rs. 57.42 crores for projects F.2.

5.3.161 The Authority accordingly proposed to consider the cost of Rs. 84.19 crores under project category F.

**G - BOUNDARY WALL (RS. 48.10 CRORES)**

**Table 68: Cost towards Boundary Wall as submitted by YIAPL**

Sl. No.	Asset	Base Cost
G	Boundary Wall	48.10

YIAPL's submission:

5.3.162 YIAPL submitted that the boundary wall work includes property boundary wall along the YIAPL Airport Land and operational boundary wall for airside safe operations and also temporary operational boundary fence along the terminal and apron for airside/landside boundary separation etc., with 80 mm Precast + Prestressed panel walls with 4 m/c/c spacing of pre-cast RCC posts including Perimeter Intrusion Detection System (PIDS) as per BCAS specifications. The approximate length of the property wall is 17 kms and the length of the operational boundary wall is 11 km. The cost submitted by YIAPL, including the change order for realignment of boundary wall, is given below:

**Table 69: Detailed cost break-up of Boundary Wall submitted by YIAPL**

Sl. No.	Description	Contract Reference	Base Cost
G.1	Airport Perimeter Security Fencing (including property boundary wall, PIDS, operational boundary wall etc.,)	Part of EPC-2	28.80
G.2	Boundary wall realignment	Part of EPC-2 – Change Order	1.80
G.3	Supply and Installation of Precast Boundary Wall System at NIA	Awarded Cost	17.50
<b>TOTAL=SUM (G1:G.3)</b>			<b>48.10</b>

\*The total as per contract / other submissions totals to Rs. 47.81 crores, and the same has been considered by the Authority for further analysis.



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The Authority's examination of Boundary Wall:

5.3.163 The Authority noted the need and requirement of these works and finds that the rate per running metre of Rs. 17,178 appears to be reasonable and comparable with CPWD PAR / Market rates.

5.3.164 Accordingly, the Authority proposed to consider the cost of Rs. 47.81 crores as submitted by YIAPL.

**H- VIP TERMINAL (RS. 10.86 CRORES)**

**Table 70: Cost towards VIP Terminal as submitted by YIAPL**

Sl. No.	Asset	Base Cost
H	VIP Terminal	10.86

**YIAPL's submission:**

5.3.165 YIAPL submitted that the VIP Terminal is planned at NIA to facilitate the arrival and departure of guests who are entitled under VIP category (i.e., Persons exempted from Pre-Embarkation Security Check (PESC) and immigration processes of Govt. of India). These include high-profile dignitaries like the President of India, Vice-President of India, Prime Minister of India, Chief Ministers of States etc. VIP terminal is approved as part of the Master Plan by Noida International Airport Limited (NIAL), the Concessioneering the Authority.

5.3.166 The VIP Terminal will include an entrance lobby, general lobby seating, private seating areas, food and beverage area, restrooms and private showers, conference room, check-in, security screening, government inspection areas, baggage handling areas (arrival and departure), offices, support spaces and mechanical rooms. The area of proposed Terminal is 794 sqm at a cost of Rs. 10.86 crores. This is part of EPC-2 change order.

**The Authority's examination of VIP Terminal:**

5.3.167 The Authority noted that as per clause 19.5. of Master CA, YIAPL is required to provide and maintain, at all times, VIP lounges in the Terminal Building for the use and comfort of the guests and personnel of GOI, Designated GOI Agencies. The Master CA, however, does not require the construction of a VIP Terminal.

5.3.168 The Authority sought clarification on the above citing no requirement in the Master CA and also enquired about the planned usage of this terminal. The response by YIAPL is as below:

*"...It is clarified that this is not VIP terminal instead it is VVIP terminal. VVIP terminal is planned at NIA, approved as part of the Master Plan by Noida International Airport Limited (NIAL), concessioning the authority. VVIP terminal is to facilitate the arrival and departure of VVIP guests who are entitled under VVIP category (that is, exempted from Pre-Embarkation Security Check (PESC) and immigration processes of Govt. of India). This terminal will not be used for General Aviation activity. VVIP terminal can be used as ceremonial lounge (for Category-1 VVIP (President/PM))."*

5.3.169 The Authority had reviewed the cost and notes that the rate works out to Rs. 1,36,776 per sqm including GST. This is slightly higher than the normative cost for PTB which is Rs. 1,30,867 per sqm. However, considering that this terminal will be with superior finishes and enhanced security / IT infrastructure designed to be used as a ceremonial lounge, the Authority proposed to consider the cost of Rs. 10.86 crores.



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**I - GPU/PCA (Rs. 26.50 crores)**

**Table 71: Cost towards GPU/PCA as submitted by YIAPL**

(Rs. in crores)

Sl. No.	Asset	Base Cost
I	GPU/ PCA	26.50

\*The amount as per contract / other submissions totals to Rs. 26.46 crores, and the same has been considered by the Authority for further analysis.

YIAPL's submission:

5.3.170 YIAPL had submitted that the Ground Power Unit (GPU) and Pre-conditioned Air (PCA) will be provided to the aircrafts at the Apron in Phase I development.

The Authority's examination of GPU/ PCA cost:

5.3.171 The Authority noted the need and requirement of the infrastructure for operations of Airport. In line with industry practice, GPU and PCA systems are typically considered operational equipment to be deployed, operated, and maintained by licensed Ground Handling Service Providers, not by the airport operator directly. While the facilitation, i.e., enabling the provision of necessary interfaces, space, and utility connections can be met by airport operator, the investment for GPU/PCA equipment is required to be met by the GHSPs. The Authority also draws reference to Para 18.2.1 of the Master CA which states

"...The Concessionaire shall provide or cause to be provided, the infrastructure required for operation of the ground handling services required at the Airport for and in respect of aircrafts, passengers and cargo, which shall include ramp handling, traffic handling, aircraft handling, aircraft cleaning, loading and unloading (the "Ground Handling Services"). Such infrastructure shall include luggage conveyor belts, computer terminals, IT backbone and all other associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice..."

However, since the Airport Operator had already procured these equipment, the Authority proposed to consider the cost of Rs. 26.46 crores towards GPU / PCA, after verifying the EPC contract, which was awarded based on open competitive bidding. The Authority found the cost to be reasonable based on review of market rates. YIAPL was directed to include the revenues from these activities as aeronautical revenues at the time of submission of the rate card during consultation process.

5.3.172 Based on the above discussions, the cost proposed to be considered by the Authority for Vehicles and CFTs, Boundary wall and GPU / PCA is as below:

**Table 72: Cost proposed by the Authority for Vehicles and CFTs, Boundary Wall, VIP Terminal and GPU/PCA at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL*	Base Cost proposed by the Authority	Variance*	Remarks
		(A)	(B)	(C)	(D = C - B)	
F	Vehicles and CFTs	84.27	84.19	84.19	-	Cost found reasonable.
G	Boundary Wall	48.10	47.81	47.81	-	Cost found reasonable.
H	VIP Terminal	10.86	10.86	10.86	-	Cost found reasonable.
I	GPU/ PCA	26.50	26.46	26.46	-	Cost found reasonable.



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Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL*	Base Cost proposed by the Authority	Variance*	Remarks
<b>TOTAL=SUM(F+G+H+I)</b>		169.73	169.32	169.32	-	

**J – OTHERS (12.40 CRORES)**

- 5.3.173 YIAPL submits that there are various minor assets like computers along with computer software, vehicles, office equipment procured for the project team and to support the overall project operations in the initial period prior to commencement of operations. These assets have been capitalized in the respective years of procurement, and are disclosed as Property, Plant and Equipment in the financial statements for the year ended 31st March 2024.
- 5.3.174 The Authority had reviewed the submissions and notes that there is a small round-off adjustment of 0.20 crores. Accordingly, the Authority proposed to consider the cost of Rs. 12.20 crores towards minor assets grouped under item “J - Others”.

**II. Examination of Common Costs and its allocation to base cost (Refer II of Para 5.3.13)**

**S1 - Common cost**

YIAPL submitted that in Greenfield airport development, various common costs are incurred at the project level that enable multiple components of the overall infrastructure. As these costs cannot be directly assigned to any specific project component, they are distributed across all projects based on the proportion of each component's cost. The costs considered as common by YIAPL is given below:

**Table 73: Detailed break-up of Common cost as submitted by YIAPL**

Sl. No.	Asset	Base Cost
S1.1	Expenses for 33 kV Connection	21.36
S1.2	Irrigation system and water storage	19.50
S1.3	Various minor assets	42.93
	<b>TOTAL</b>	<b>83.72</b>

(Rs. in crores)

- 5.3.175 On 33kV connection, YIAPL submitted as follows:

*“...NIA, being a greenfield airport, needed to procure a new electricity connection from the local distribution companies (discoms). As per statutory requirements, NIA was required to pay a deposit to secure the 33kV connection. This deposit was paid by NIA to obtain the necessary electricity connection. NIA has funded the deposit through its equity and debt raised for project funding. Accordingly, NIA is eligible to get the return on the investment of such an amount which is essential for the airport to start. Accordingly, the deposit has been considered as a capital asset and considered as part of the Regulatory Asset Base (RAB). YIAPL further submitted that this classification is consistent with AERA's first control period order for Mopa (Goa), where such deposits are also treated as part of the RAB...”*

*“...We have deposited a sum of 10.42 Crs towards security deposit & metering cost for ESS and similar deposit (Rs. 10.94 Crs) is required to be done for MRSS...”*

- 5.3.176 On Irrigation system and water storage, the Authority noted that the cost comprises of 3 works as follows:

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- Rs. 11.00 crores - manual irrigation system included as part of EPC-2 is proposed to be replaced with an automatic irrigation system based on operational requirement and as an environment sustainability initiative. YIAPL has submitted that the change order has been issued for this work.
- Rs. 3.20 crores for design, engineering, procurement, supply, assembly, construction, erection and installation of raw water storage tank for irrigation purposes. YIAPL submitted that the change order has been issued for this work.
- Rs. 5.30 crores for the second contract on water storage. YIAPL submitted that this cost is currently budgeted.

5.3.177 On “Various minor assets” in Table 73, YIAPL submitted that there are various minor contracts / awards less than Rs. 5 crores. These contracts have been classified based on functional nature and a list has been shared. These include various items such as:

- Costs of topographical survey, peer review studies, drainage review, survey of airport surrounding etc.
- Preparatory costs such as fencing works, environmental monitoring on site, geo tagging & carbon sequestration study of trees on site, cost for noise monitoring stations etc.

5.3.178 The Authority had reviewed the submissions provided by YIAPL and noted that these are operational requirements at the airport. The Authority had also evaluated the details of costs submitted by YIAPL which appear to be reasonable and justified. Based on the nature of these items, the Authority proposed to reclassify the category of these assets as per the table below:

**Table 74: Reclassification of Common costs proposed by the Authority at Consultation Stage**

(Rs. in crores)

Sl. No.	Asset submitted by YIAPL	Cost submitted by YIAPL	Revised classification proposed by the Authority	Cost proposed by the Authority
S1-1	Expenses for 33 kV Connection	21.36	Utilities (part of Hard Cost)	21.36
S1-2	Irrigation system and water storage	19.50	Utilities (part of Hard Cost)	19.50
S1-3	Various minor assets	42.93	Design Consultancy & PMC (part of Soft Cost)	16.43
			Pre-Operative Expenses (part of Soft Cost)	26.47
	<b>Grand Total</b>	<b>83.72</b>		<b>83.72</b>

**S2 - Goods and Service Tax (GST)**

5.3.179 The Authority notes that YIAPL would be eligible to claim GST Input Tax Credits on procurement of certain movable property. Accordingly, while submitting the MYTP, YIAPL has considered 15.07% of the hard cost as ineligible GST that needs to be added to cost of asset, instead of the 18% GST rate. The Authority notes this approach to be reasonable at this stage.

5.3.180 The Authority expects that YIAPL would properly account for such credits in its submissions in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 at the time of true up of the RAB for the First Control Period. The Authority will examine the accounting of input tax credits and make necessary adjustments in this regard at the time of determination of tariffs for the next Control Period.

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**The Authority's examination of YIAPL's revised submission vide mail dated 3<sup>rd</sup> February 2026**

5.3.181 The Authority noted the submission of YIAPL vide mail dated 3<sup>rd</sup> Feb 2026 regarding claims raised by the EPC contractor. The Authority also noted that these claims are presently under-going detailed examination by YIAPL and remain under negotiation as submitted in para 5.2.5. The admissibility, quantum, and final settlement value of such claims are yet to attain finality and are subject to technical validation, commercial negotiation and Board approval. In view of the inherent uncertainty and the time required for closure of the claim process, the Authority proposed not to consider these as part of RAB at this stage. The Authority proposed to consider the admissible amount, if any, based on actual settled values at the time of determination of tariff of the Second Control Period, subject to evaluation of efficiency and reasonableness of cost.

5.3.182 Via the same mail, YIAPL had proposed interim Phase-II capacity augmentation works to the quantum of Rs. 500 – 600 crores. Towards this, the Authority also noted that interim expansion of pier and apron facilities is proposed to address projected capacity constraints as submitted in para 5.2.5. Based on the traffic projections submitted by YIAPL, passenger traffic is expected to exceed the designated built capacity of 12 MPPA during the Control Period. While this indicates the likely requirement for augmentation measures to maintain operational efficiency and service levels, these are to be planned and executed after understanding of the actual trends in traffic etc. Further, the detailed scope, technical configuration, implementation timeline and firm cost estimates for the proposed interim expansion are presently not available. In the absence of sufficient project definition and cost certainty, the Authority proposed not to include the said capex at this stage. Further, YIAPL is expected to follow the Consultation Process prescribed by the Authority with all stakeholders before finalization of project scope and cost estimates. The Authority proposed that the requirement and admissibility of such expenditure will be examined based on actual implementation and capitalization at the time of true-up during tariff determination for the Second Control Period subject to evaluation of efficiency and reasonableness.

**III. Examination of Design Consultancy and PMC Expenses, Insurance, ORAT and Independent Engineer, Pre-Operative Expenses ("Soft Costs") (Refer III of Para 5.3.13)**

5.3.183 The break-up of soft costs submitted by YIAPL is as per table below:

**Table 75: Break-up of Soft Cost submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Particulars	Base Cost	% of Hard Cost
	Total Hard Cost with GST	<b>5,217.94</b>	
K	Design Consultancy & PMC	320.65	6.14%
L	Insurance, ORAT and Independent Engineer	37.23	0.71%
M	Pre-Operative Expenses	355.57	6.81%

**K. DESIGN CONSULTANCY & PROJECT MANAGEMENT CONSULTANCY (PMC) EXPENSES**

**YIAPL's submission regarding Design Consultancy and PMC expenses**

5.3.184 YIAPL had submitted that the inclusion of design consultancy, contingencies, pre-operative cost, PMC, preliminary expenses for the projects is based on established practices followed by both domestic and international airports. These costs include components such as planning consultancy, project management consultancy, and other technical services, which are necessary for the efficient execution of infrastructure projects. Vendor wise details of design consultancy and PMC expenses as submitted by YIAPL is as detailed in table below:



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**Table 76: Detailed cost breakup of Design, Consultancy and PMC submitted by YIAPL**

(Rs. in crores)

Sl. No.	Vendor	Nature of Service	Cost (Excl. GST)	Cost (Incl. GST of 15.07%)*
K.1	Vendor 1	Master Plan Advisory Services	10.68	12.29
K.2	Vendor 2	Project Management Consultant	139.47	160.49
K.3	Vendor 3	Master Architect – Design of Terminal	107.54	123.75
K.4	Vendor 4	Airfield Design Consultant	15.43	17.76
K.5	Vendor 5	Building Design Consultant	3.22	3.71
K.6	Vendor 6	Airport Development Consultancy	2.31	2.66
<b>Total = SUM(K.1:K.6)</b>			<b>278.63</b>	<b>320.65</b>

\*The Input Tax Credit eligible on soft costs is considered to be in the same range as that on hard costs for estimation.

5.3.185 Vendor 1 had been appointed as the Master Advisor. Their scope of work includes developing a strategy and philosophy, traffic forecasts with growth-linked triggers for phased facility development, vision for the airport and its precincts at each phase with its ultimate capacity vision, and a technical, economic, and environmental investigation of development concepts and alternatives.

5.3.186 Vendor 2 had been appointed as the Project Management Consultant to manage and coordinate the project to ensure commissioning by the deadline. This includes creating a project roadmap with risk mitigation, supervising contractors, and monitoring progress.

5.3.187 A consortium of firms, collectively referred to as Vendor 3 for the purpose of this consultation paper, have been appointed as the Master Architects. Their scope of services includes design responsibility and design management for Phase 1 of Terminal 1, which is intended to accommodate a capacity of 12 MPPA. The Master Architect's responsibilities for Phase 1 encompass the following areas: the Terminal Building (including Forecourt, Plaza, Departure/Arrival kerbs, and Metro Station integration); Public and Staff Carparks; the Central Utilities Plant and associated corridors; connections to the Terminal Building and supporting facilities; as well as Landscaping, Landside development, and the approach road (from the site boundary to the Terminal). Additionally, the Master Architect is also responsible for developing the concept layout for the landside Central Terminal Area, with a focus on the physical location and footprint of key facilities and supporting infrastructure.

5.3.188 Vendor 4 had been appointed as the Airfield Design Consultant to provide integrated engineering and planning services for the airfield design, preparing EPC tender documents for the airside infrastructure associated with 12 MPPA, and coordinating designs with the terminal master architect and other relevant consultants.

5.3.189 Vendor 5 had been appointed as the building design consultant for various structures. Their scope includes designing Ancillary Buildings (Airport and Airline Administration, Office Block West, VIP Terminal, Public Transportation Center, and Data Center 2), along with other buildings.

5.3.190 Vendor 6 had been appointed as the Airport Development Consultant to develop comprehensive design reports comprising airport development concepts, a landscape master plan, and real estate development guidelines.

YIAPL has cited Tariff Order No. 27/2023-24 for Manohar International Airport, Goa, where the Authority approved costs ranging between 13% and 16% for design consultancy, PMC, and other pre-operative

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expenses. Similarly, in YIAPL's case, the Operator has proposed a blended cost of 14%, which, according to their submission, is in line with both domestic and international standards.

The Authority's examination of Design Consultancy and PMC expenses:

5.3.191 The Authority had reviewed the contract award process for design and PMC expenses and examined the costs in relation to the scope of work. Also, as referred to in Para 5.3.216 of this consultation paper, costs aggregating to Rs. 5.25 crores are reclassified from Pre-operative expenses to Design and PMC expenses and as detailed in Para 5.3.178 of this consultation paper, costs aggregating to Rs. 16.43 crores are reclassified from Common expenses to Design and PMC expenses. The net impact, after considering the GST @ 15.07% as detailed in Para 5.3.179 above, is an addition to Design and PMC expenses of Rs. 24.95 crores. The total cost arrived at is Rs. 345.23 crores after minor round-off adjustments based on comparison of contract cost with those submitted by YIAPL.

5.3.192 The Authority had reviewed the percentage of Design and PMC as a % of hard costs. It is noted that the PMC and design cost as a percentage of hard costs is 6.62%, which appears reasonable given the nature of the project.

**Table 77: Computation of Design and PMC Cost as a percentage of Hard Cost during Consultation Stage**

<i>(Rs. in crores)</i>	
Particulars	Amount
Total Hard Cost (refer Table 96)	5,217.94
Design and PMC Cost (refer Table 96)	345.23
Design and PMC Cost as a % of Hard Cost	6.62%

5.3.193 As a Greenfield airport, the services under this involves master advisory services, overall airport planning, the first comprehensive master plan, which includes traffic projections for all future years. Given these unique requirements, the costs appear justified within the broader context of long-term infrastructure planning and strategic airport development.

**L. INSURANCE, ORAT AND INDEPENDENT ENGINEER (RS. 37.23 CRORES)**

**Table 78: Details of Cost incurred towards Insurance, ORAT and Independent Engineer as submitted by YIAPL**

<i>(Rs. in crores)</i>		
Sl. No.	Particulars	Amount
L.1	Insurance	19.45
L.2	Independent engineer	8.21
L.3	ORAT	9.59
	<b>Total</b>	<b>37.23</b>

**Insurance (Rs. 19.45 crores)**

5.3.194 YIAPL had submitted that, for the NIA project site, the following insurance policies have been taken:

- Erection All Risk
- Contractor's All Risk policy
- Standalone Terrorism Policy

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- Marine policy

5.3.195 YIAPL had represented that the insurance cost is capitalized because it directly pertains to the project delivery. Capitalizing this expense aligns with the accounting principle of matching costs with the benefits they generate. Since the insurance cost is incurred to protect the project during its development phase, it is considered a necessary expenditure for the successful completion of the project. YIAPL also submits that the Authority had considered insurance expense for construction activities as capital cost in the Third Control Period order for Hyderabad Airport and other airports.

5.3.196 The Authority noted that, as per Schedule 5 of the EPC contracts with Tata Project Limited, YIAPL is responsible for procuring and maintaining certain insurance policies, including the Contractors All Risk Insurance, while Tata Projects Limited is responsible for procuring and maintaining certain other insurance policies.

5.3.197 YIAPL had stated that it needs to adhere to the requirements of the Master CA with respect to the insurance. The relevant extract is given below:

*"...37.2. Insurance Cover Without prejudice to the provisions contained in Clause 37.1, the Concessionaire shall, during the Concession Period, procure and maintain Insurance Cover including but not limited to the following: a) Loss, damage or destruction of the Project Assets, including assets handed over by the Authority to the Concessionaire, at replacement value; b) comprehensive third-party liability insurance including injury to or death of personnel of the Authority or others who may enter the Airport; c) the Concessionaire's general liability arising out of the Concession; d) liability to third parties for goods or property damage; e) workmen's compensation insurance; and f) any other insurance that may be necessary to protect the Concessionaire and its employees, including all Force Majeure Events that are insurable at commercially reasonable premiums and not otherwise covered in items (a) to (e) above..."*

5.3.198 The Authority noted that the insurance costs incurred by YIAPL is required for risk mitigation and project delivery. Further, the Authority noted that based on the revised COD, YIAPL had submitted that an additional cost is expected to be incurred, bringing the total to Rs. 22.18 crores. Accordingly, the Authority proposed to consider the cost of Rs. 22.18 crores as submitted by YIAPL.

**Independent Engineer (Rs. 8.21 crores):**

5.3.199 YIAPL has submitted an amount of Rs. 8.21 crores as being incurred to acquire services of an independent engineer as part of capital expenditure for the First Control Period. The Authority reviewed Article 27 of the Master CA, which details the requirement for Independent Engineer as below:

*"The Authority shall appoint a consulting engineering firm substantially in accordance with the selection criteria set forth in Schedule-Q, to be the independent consultant under this Agreement (the "Independent Engineer"). The appointment shall be made no later than 180 (one hundred and eighty days) days from the date of this Agreement and shall be for a period of 3 (three) years. On expiry or termination of the aforesaid appointment, the Authority shall appoint an Independent Engineer for a further term of 3 (three) years in accordance with the provisions of Schedule-Q, and such procedure shall be repeated after expiry of each appointment".*

5.3.200 According to clause 3.1 of Schedule Q to the Master CA,

*"In determining the nature and quantum of duties and services to be performed by the Independent Engineer during the Development Period and Construction Period, the Authority(NIAL) shall endeavour that*



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payments to the Independent Engineer on account of fee and expenses do not exceed 1% (one per cent) of the Total Project Cost. Payments not exceeding such 1% (one per cent) shall be borne equally by the Authority and the Concessionaire in accordance with the provisions of this Agreement and any payments in excess thereof shall be borne by the Authority”.

5.3.201 The Authority also reviewed the Letter of Award issued towards the same to the tune of Rs. 16.42 crores. It is noted that YIAPL has considered only 50% of such expenses, i.e., Rs. 8.21 crores as part of their MYTP submission. As per the above discussions, the Authority proposed to consider the cost of Rs. 8.21 crores submitted by YIAPL for the Independent Engineer to be reasonable and justified.

**ORAT (Rs. 9.59 crores)**

5.3.202 YIAPL had submitted that Rs. 9.59 crores is budgeted to meet costs for ORAT in order to ensuring the smooth transition of an airport from construction to operational status. The budgeted costs includes expenses on stakeholder events and/or individual workshops with stakeholder decision making groups, content creation, PPE, transport, merchandize and handouts, e-learning, stationary and megaphones, wayfinding and geo-context, first aid and site briefing etc., Training content, external trainers, Hardware support equipment, bags, transport, refreshments, PPE, integrated trial events, support and administration, communication expenses, videography, photography, conferences, relationship management etc.

5.3.203 The Authority noted that this is a necessary expenditure for being operationally ready and proposed to consider the cost of Rs. 9.59 crores submitted by YIAPL.

**Table 79: Details of Cost proposed by the Authority towards Insurance, ORAT and Independent Engineer at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Cost Submitted by YIAPL (A)	Revised cost submitted by YIAPL (B)	Cost Proposed by the Authority (C)	Variance (D = C – B)	Remarks
L.1	Insurance	19.45	22.18	22.18	-	Cost found reasonable
L.2	Independent engineer	8.21	8.21	8.21	-	Cost found reasonable
L.3	ORAT	9.59	9.59	9.59	-	Cost found reasonable
	<b>TOTAL</b>	<b>37.23</b>	<b>39.96</b>	<b>39.96</b>	-	

5.3.204 Given that the ORAT is presently only an estimate, the Authority directed YIAPL to submit a detailed break-up of incurred costs at the Consultation Stage as part of the CWIP / capitalization submissions.

**M. PRE-OPERATIVE EXPENSE (RS. 355.57 CRORES)**

5.3.205 YIAPL had submitted an amount of Rs. 355.57 crores as pre-operative expenses as part of CAPEX for the First Control Period in its MYTP Submission. These are expenses incurred towards development of airport before the start of the airport operations. YIAPL submits that NIA being a greenfield airport, had to build the airport team, set-up offices, establish IT systems, undertake approvals, etc. for the development of the airport



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before the start of the airport operations. The expenses involved in these activities have been considered as pre-operative expenses and are capitalized by YIAPL.

**Table 80: Details of Pre-operative expenses submitted by YIAPL**

(Rs. in crores)

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Personnel Cost	3.78	23.66	40.48	50.62	83.66	8.36	210.56
Professional and consultancy fees	11.16	13.24	17.64	8.53	11.40	0.26	62.23
Travelling and conveyance	-	0.18	0.55	0.19	0.19	0.01	1.12
R&M - IT – Preops	-	-	4.94	11.74	23.13	-	39.80
Intercompany operational expenses	11.60	9.55	3.97	5.05	4.72	-	34.88
Other Costs	-	-	3.29	3.69	-	-	6.98
<b>TOTAL</b>	<b>26.54</b>	<b>46.63</b>	<b>70.86</b>	<b>79.81</b>	<b>123.10</b>	<b>8.63</b>	<b>355.57</b>

5.3.206 The Authority, through its Independent Consultant / Aviation Expert, had compared the pre-operative expenses with the Financial Statements up to FY 2023-24 and found the same to be in agreement. The Authority also noted that while YIAPL had submitted the Financial Statements for FY 2024-25, the corresponding detailed item-wise break-ups of pre-operative expenditure have not been provided. Accordingly, YIAPL was directed to submit the complete details / schedules supporting pre-operative expenditure for FY 2024-25 during the consultation process. The Authority also noted that YIAPL has submitted the latest CWIP position for the period April 2025 - November 2025 and had requested the Authority to extrapolate the same up to the revised COD. The Authority had considered the revised COD of the Airport as 1<sup>st</sup> April 2026 (as stated in Para 1.2.5) and had accordingly extrapolated the pre-operative expenditure for FY 2025-26 up to 31<sup>st</sup> March 2026, considering that YIAPL would capitalize all assets as on 31<sup>st</sup> March 2026. The revised pre-ops considered as submitted by YIAPL up to 31<sup>st</sup> March 2026 works out to Rs. 543.93 crores. However, detailed breakups have not been provided by YIAPL. The Authority had analyzed each head of pre-operative expenses below based on the initial submission made by YIAPL, latest unaudited CWIP submitted by them and reasonableness of such expenditures, and a final table has been drawn comparing the initial and revised submission of YIAPL along with the Authority's proposal.

**Personnel Costs (Rs. 210.56 crores):**

5.3.207 YIAPL submitted as follows:

“...It is submitted that the personnel cost under pre-ops which relates to the project construction has been considered as capital expenditure while the remaining is considered as operational expenditure. Salary capitalization is determined based on the employee's role or involvement in the capital project. This percentage reflects the employee's anticipated or agreed-upon contribution to the project over the relevant period, ensuring that the capitalized amount corresponds to their expected involvement in the asset development. It is further submitted that the pre-ops cost (including the personnel expenditure) bifurcation into capital expenditure and operational expenditure till FY24 is approved by the statutory auditors in the financial statements...”

“...The year-on-year increase in the personnel cost is on account of the increase in the employee numbers as per the project requirement. The year on year employees are 23 in FY21, 47 in FY22, 74 in FY23, 150 in FY24 and 359 in FY25. It is submitted that the employees till FY24 is as per the actuals and have increased as per the project requirement. The employee growth from 150 in FY24 to 359 in FY25 is on account of the following reasons:

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- (i) NIA COD is 30 April 2025 and the ORAT exercise usually starts 6 to 8 months before the COD. Accordingly, the requirement of the personnel is from the operational readiness perspective which are thus part of the capital expenditure.
- (ii) Further, the airport needs to hire the employees beforehand to ensure their onboarding, training, etc. for smooth start of the operations on COD... ”

5.3.208 YIAPL was requested to provide the rationale for capitalization of various department costs for which detailed breakdown was received and reviewed by the Authority. The summary of the submission is given below:

**Table 81: Department-wise headcount and average salary submitted by YIAPL (FY 2022-23 to FY 2024-25)**

Department Group	Average Headcount			Average Salary		
	2023	2024	2025 (till 10 March 2025)	2023	2024	2025 (till 28 Feb 2025)
Airside Operations	3	7	10	52.80	45.93	29.21
APOC and Terminal Ops	1	3	7	-	34.63	22.60
Quality	1	1	2	-	-	44.00
CDO Office	2	4	6	157.20	119.63	122.77
CEO Office	3	4	6	227.00	231.30	136.19
Commercial non-aero	4	10	21	96.00	44.22	38.75
COO Office	4	6	44	80.10	69.40	96.75
Engineering & Maintenance	4	15	31	59.20	31.85	26.55
Finance & Accounts	7	13	14	60.50	46.86	41.31
Human Resources	2	3	5	46.90	44.19	35.48
Legal	3	5	5	48.10	66.81	41.60
ORAT & Program Development	7	9	7	54.60	45.00	47.48
Procurement & Contracts	3	4	4	23.90	22.63	25.50
Project Delivery	18	18	17	47.10	47.38	50.22
Security & Safety	1	4	25	49.60	37.52	12.59
Information Technology	8	11	13	40.20	42.51	39.77
<b>Total</b>	<b>71</b>	<b>117</b>	<b>217</b>			

**Table 82: Department-wise rationale for capitalization as given by YIAPL**

Department group	Rationale for capitalization as given by YIAPL
Airside Operations	Airside operations personnel are responsible for preparing runways, taxiways, aprons, lighting systems, signage, etc. Their involvement in testing, inspections and operational planning is essential for bringing the airport to its intended use.
APOC and Terminal Ops	The AOCC is critical for coordinating airport operations, including airside, resource allocation within terminal for aircraft operations, etc. During the construction phase, AOCC personnel are involved in setting up operational procedures, testing systems and ensuring compliance which are essential for the airport to become operational.
Quality	The Quality team ensures compliance with construction standards. Their role in testing, audits and quality assurance directly contributes to the airport's construction.
CDO Office	The Chief Development Officer (CDO) office is responsible for strategic planning, stakeholder coordination and high-level decision making for the airport construction works. As their role is directly related to airport's construction, their cost is capitalized.



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<b>Department group</b>	<b>Rationale for capitalization as given by YIAPL</b>
CEO Office	The CEO's role during the construction phase includes strategic oversight, stakeholder engagement and high-level decision making, directly contributing to airport development. However, a portion of their responsibility also includes administrative and corporate governance tasks. Therefore, 50% capitalization is proposed for CEO office.
Commercial non-aero	The Commercial - Non-aero team is responsible for ensuring alignment between the infrastructure requirements of the concessionaires and the facility at the airport. Based on their role, 75% capitalization is proposed for commercial non-aero team.
COO Office	The COO is heavily involved in overseeing operational planning & Readiness and ensuring compliance with regulatory requirements. COO also supports in administrative and corporate management tasks. ARFF team is part of the COO function. ARFF team is a regulatory requirement for airport certification and readiness efforts during the construction phase are essential to bringing the airport to operational status. These resources are required in line with CAT 09 requirements. Based on their role in preparing the airport for operational readiness and integrating various functions, 75% capitalization is proposed.
Engineering & Maintenance	Engineering and Maintenance personnel are involved in commissioning critical airport infrastructure, including runways, terminals, lightings and utilities. Their involvement in testing, inspections and system integrations is essential airport construction and operational readiness.
Finance & Accounts	The Finance and Accounts team manages project funding, cost control, financial reporting and regulatory compliance, all of which are essential for completing the airport construction. However, some of their activities such as corporate finance and routine accounting, are operational and hence, 50% capitalization is proposed for Finance and Accounts team.
Human Resources	These are not capitalized.
Legal	The Legal team manages contracts, regulatory approvals, compliance issues and risk mitigation during the airport's development.
ORAT & Program Development	ORAT and program management personnel ensure a smooth transition from construction to full airport operations. Their activities include testing systems, training staff, conducting operational trials and coordinating stakeholders. These efforts are essential for achieving operational readiness and thus capitalized.
Procurement & Contracts	The procurement team is responsible for sourcing and managing contracts for construction materials, equipment and operational systems necessary for airport's construction. This expense is thus capitalized.
Project Delivery	The Project Delivery team manages the execution of airport construction and ensuring timelines are met through efficient scheduling. Their role in coordinating with contractors, resolving construction challenges directly contributes to asset development.
Security & Safety	Safety and security personnel establish emergency response plans, conduct risk assessments and ensure compliance with aviation security regulations. Their role in preparing airport for certification is essential for airport construction and its readiness for operation.
Information Technology	IT personnel are responsible for implementing, testing and commissioning airport systems, such as networks, cables, etc.

5.3.209 The Authority had reviewed the submissions made by YIAPL and observed the following:

- While YIAPL had given the headcount as 23 in FY 2020-21, 47 in FY2021-22, 74 in FY 2022-23, 150 in FY 2023-24 and 359 in FY 2024-25 as part of their submission dated 25<sup>th</sup> January 2025, they have revised the headcount to 71 in FY 2022-23, 117 in FY 2023-24 and 217 in FY 2024-25 in their submission made on 11<sup>th</sup> March 2025.



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- YIAPL had grouped the ARFF staff as part of COO Office and submitted that the total headcount under this head is 44 staff with an average salary of Rs. 96.75 lakhs per person. This appears to be inconsistent with the average salary cost data for ARFF staff submitted by YIAPL as part of operation and maintenance expenditure.

5.3.210 The Authority, through its Independent Consultant / Aviation Expert, had considered the following approach in analyzing pre-operative expenses:

For pre-operative cost for FY 2020-21 to FY 2023-24:

- The Authority had obtained and reviewed the average headcount and average salary details and has reviewed the rationale for capitalizing these costs as submitted by YIAPL.
- Pre-Operative Expenses submitted by YIAPL had been reconciled with the Capital Work in Progress (CWIP) disclosed in the audited financial statements.
- The Authority had reviewed and excluded salaries pertaining non-aero departments included as part of pre-operative expenses

For pre-operative cost for FY 2024-25 and FY 2025-26:

- YIAPL had provided the employee cost included in the unaudited CWIP up to March 2025 in their mail dated 5<sup>th</sup> May 2025. This same has been considered as pre-ops for FY 2024-25 after review, since detailed breakup of CWIP as per audited financial statements of FY 2024-25 is awaited. From this, salaries of Non-Aero depts. have been excluded considering FY 2023-24 numbers as base with inflation of 6% p.a.
- For FY 2025-26, YIAPL has provided the CWIP up to November 2025 vide emailed dated 31<sup>st</sup> December 2025. This has then been pro-rated up to 31<sup>st</sup> March 2026 as mentioned in Para 5.3.206. Salaries of non-aero departments have been excluded from the costs so derived based on estimates.

5.3.211 Taking the above methodology into consideration, the personnel cost proposed to be considered by the Authority to be included as part of pre-operative expenses is as per the table below:

**Table 83: Personnel Cost proposed by the Authority to be included as part of Pre-operative costs at Consultation Stage**

(Rs. in crores)

Particulars	Cost submitted by YIAPL (A)	Revised cost submitted by YIAPL (B)	Cost proposed by the Authority (C)	Variance (D=C-B)	Remarks for difference
FY 21	3.78	3.78	3.50	(0.29)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 22	23.66	23.66	22.81	(0.86)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 23	40.48	40.48	37.60	(2.88)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.



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Particulars	Cost submitted by YIAPL (A)	Revised cost submitted by YIAPL (B)	Cost proposed by the Authority (C)	Variance (D=C-B)	Remarks for difference
FY 24	50.62	50.62	47.31	(3.32)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 25	83.66	83.66	55.87	(27.78)	Adjusted based on CWIP draft numbers for FY 2024-25 as submitted by YIAPL. Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 26	8.36	86.94*	81.20	(5.73)	Adjusted based on CWIP up to November 2025 pro-rated upto 31 <sup>st</sup> March 2026. Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
<b>Total</b>	<b>210.56<sup>#</sup></b>	<b>289.14</b>	<b>248.28</b>	<b>(40.85)</b>	

\*Additional Rs. 57.96 crores submitted by YIAPL based on unaudited CWIP extrapolated up to 31<sup>st</sup> Mar 2026 as Rs. 86.94 crores

**Professional and consultancy fees (Rs. 62.23 crores):**

5.3.212 YIAPL submitted that various consultants were engaged for development of the airports and their costs have been included under Professional and consultancy fees.

5.3.213 The Authority reviewed the party-wise breakup provided by YIAPL and reconciled the same with the CWIP included in the audited financial statements. The Authority raised certain queries on the items included under this head and YIAPL provided justifications for the same. Key cost elements are as given below:

- The Authority noted that YIAPL has engaged a firm of consultants to provide a cargo study at a cost of Rs. 12.03 crores. YIAPL was asked to submit a note justifying the same, response for which has been submitted as below by YIAPL:  
*"...Considering the potential of cargo in catchment, NIA has been intending to develop cargo as a strategic hub which will not only help to develop airport ecosystem but also contribute to state growth. With this objective NIA had engaged BCG to develop strategic and infrastructure plan for cargo focusing on the facility size, capacity, physical infrastructure and technical capabilities of its cargo facilities which would be needed in line with the future growth. This include market assessment to define and conceptualise the infrastructure requirements, design, business model etc. Considering this expenses has been made to conceptualise the infrastructure, will help developing the ecosystem it has been considered as an expense to put the overall infrastructure to use and have been capitalised..."*
- The Authority noted that YIAPL has reimbursed to YEIDA a sum of Rs. 3.38 crores towards the ground-breaking ceremony. YIAPL was asked to submit a note justifying this cost, and their submission is as below:



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“...These expenses are incurred on foundation stone ceremony by Honourable PM which was a critical event to start the construction work. These expenses were reimbursed to NIAL, concessioning the authority as agreed by YIAPL board to the tune of 50%. Since the expenses were incurred to kick off the process to construct the asset and eventually put to use, this has been discussed with statutory auditors and capitalised in FY 22-23...”

- The Authority noted that YIAPL had incurred certain legal costs and requested YIAPL to submit a note on the same. YIAPL submitted that the Professional and consultancy fees includes legal cost of Rs. 3.74 crores and clarified as below:

“...It is clarified that the legal fees is for drafting of the several contracts that airport has entered into including EPC contracts and Design and PMC contracts...”

5.3.214 For FY 2025 - YIAPL in its response dated 5th May 2025, submitted the legal and consultancy costs for the year ended 31st March 2025 totaling to Rs. 27.91 crores as against Rs. 11.40 crores submitted at the time of MYTP. Considering that no detailed breakup has been received for Rs. 27.91 crores, the Authority proposed to consider Rs. 11.40 crores as submitted by YIAPL in their MYTP submission for the purposes of this Consultation Paper. The Authority also proposed to review and true up the same based on detailed submissions, if any, that will be made by YIAPL during the consultation process, subject to evaluation of reasonableness and efficiency of costs.

For FY 2026 - Similarly, the Authority reviewed the CWIP of Rs. 10.16 crores up to November 2025 submitted by YIAPL and noted that detailed breakup / schedules have not been furnished. In the absence of the requisite details, the Authority proposed to consider Rs. 11.40 crore, being the corresponding cost submitted by YIAPL for FY 2024-25 in its MYTP, as the cost for FY 2025-26 also. The Authority also proposed to review and true up the same based on detailed submissions, if any, that will be made by YIAPL during the consultation process, subject to evaluation of reasonableness and efficiency of costs.

5.3.215 The Authority undertook the following rationalizations / adjustments in pre-operative cost:

- The Authority noted that YIAPL engaged a consultant at a cost of Rs. 87.55 lakhs for the assessment of city side land parcel and for product mix formulation for city-side development. The Authority noted that city-side development is Non-Aeronautical in nature and proposed to exclude this cost from pre-operative expenses.

5.3.216 The Authority noted that the following expenses included under pre-operative expenses are in the nature of Design and PMC and accordingly proposed to reclassify them to the respective head.

**Table 84: Adjustment for Pre-Operative Expenses proposed by the Authority at Consultation Stage**

(Rs. in crores)

Party Name	Amount	Note on the nature of expense provided by YIAPL	Adjustment proposed by the Authority
Vendor A	3.00	Providing services for management of architect competition and providing design related consulting services.	To be reclassified as Design and PMC cost.
Vendor B	1.13	The Honorarium paid for participation in Design Competition to the unsuccessful Architects (2 Nos.) was 0.15 million USD each. The reference is given in the jury report. If we consider a 2 months effort for ideation with the single Architect the Fee would have been approximately 2 million USD for the ideation effort which is much higher than 0.15 million USD paid to other Architect for their ideations.	To be reclassified as Design and PMC cost.
Vendor C	1.12		To be reclassified as Design and PMC cost.



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Party Name	Amount	Note on the nature of expense provided by YIAPL	Adjustment proposed by the Authority
<b>Total</b>	<b>5.25</b>		

5.3.217 Considering the responses and justifications provided by YIAPL, the Authority has proposed to consider the costs as per the table below, as part of pre-operative costs for Noida International Airport for the First Control Period.

**Table 85: Cost for Consultancy, Legal and Professional Fees as proposed by the Authority at Consultation Stage**

(Rs. in crores)

Particulars	As submitted by YIAPL (A)	Revised submission of YIAPL (B)	Rationalisation / Adjustment of costs (C)	Reclassification as PMC (D)	Proposed by the Authority (E = B - C - D)	Remarks
FY 21	11.16	11.16	0.27	4.00	6.90	Commercial Non-Aero Costs not considered. Refer Para 5.3.216.
FY 22	13.24	13.24	0.18	1.76	11.30	
FY 23	17.64	17.64	0.43	0.29	16.92	
FY 24	8.53	8.53	-	-	8.53	Cost found reasonable
FY 25	11.40	27.91*	16.51	-	11.40	Refer Para 5.3.214, 5.3.213
FY 26	0.26	15.23**	3.83	-	11.40	Considered based on CWIP submitted for FY 2025
<b>Total</b>	<b>62.23<sup>#</sup></b>	<b>93.72<sup>#</sup></b>	<b>21.22</b>	<b>6.05</b>	<b>66.46</b>	

<sup>#</sup> As per unaudited CWIP for FY 2025

<sup>\*\*</sup> Unaudited pre-op for Apr-Nov 2025 of Rs. 10.16 crores extrapolated up to 31<sup>st</sup> Mar 2026 as Rs. 15.23 crores

<sup>\*</sup> YIAPL revised submission considered as Rs. 87.67 crores in Table 87 (being Rs. 93.72 crores less Rs. 6.05 crores of reclassification)

**R&M IT (Rs. 39.80 crores):**

5.3.218 On R&M IT, YIAPL submitted as follows:

“...The R&M IT pre-ops expenses for FY24 are primarily allocated towards the cost of the Master Systems Integrator (MSI), with the remaining amount covering minor software licenses required for construction purposes. The MSI fees amount to INR 31.46 crore (excluding GST) for construction-related activities. Additionally, minor software licenses required for project delivery brings the overall IT pre-ops expenses to INR 33.7 crore.

The MSI contract expenses are distributed as follows: INR 3.9 crore in FY23, INR 9.58 crore in FY24, and an estimated INR 17.98 crore in FY25, totaling INR 31.46 crore....”

5.3.219 The Authority noted that the Master Systems Integration is in the nature of IT cost and not a part of pre-operative expenses. Accordingly, the Authority proposed to reclassify the cost of Rs. 31.46 crores to Hard Cost as Utilities- IT.



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Based on the above, the cost proposed by the Authority for R&M – IT is as below:

**Table 86: Cost for R&M – IT as part of pre-operative costs as proposed by the Authority at Consultation Stage**

(Rs. in crores)

Particulars	As submitted by YIAPL	Rationalisation of costs	Reclassification as IT Cost*	As proposed by the Authority	Remarks
FY 21	-	-	-	-	
FY 22	-	-	-	-	
FY 23	4.94	-	3.90	1.04	Reclassification as IT.
FY 24	11.74	-	9.58	2.16	Reclassification as IT.
FY 25	23.13	4.62	17.98	0.53	Reclassification as IT and rationalization of FY 2024-25 projections.
FY 26	-	-	-	-	
<b>Total</b>	<b>39.80</b>	<b>4.62</b>	<b>31.46</b>	<b>3.72</b>	

\*The pre-operative expense above is inclusive of GST. The base amount which is proposed to be reclassified to IT (under the asset category 'Utilities') is Rs. 27.34 crores (refer Table 91)

**Intercompany operational expenses (Rs. 34.88 crores):**

5.3.220 YIAPL submitted a cost of Rs. 34.88 crores towards intercompany operational expenses as part of pre-operative expense and provided the following justification:

*"...ZAIA holds expertise and strategic hands on experiences for airports. During the construction & Project delivery phase, YIAPL received the support from ZAIA in the area of Infrastructure project management support, Master Planning related strategic support, Strategy planning consultancy services operations, Environmental management support services etc. For all the above support provided by ZAIA, ZAIA charges on the basis of man days basis the Arm's length Price as per the benchmarking conducted...."*

5.3.221 The Authority had reconciled the expenses with the related party transactions disclosed in the Financial Statements, reviewed the benchmarking of Arm's Length Pricing as presented in the Transfer Pricing Study for FY 2022-23 and accordingly, proposed to consider Rs. 34.88 Cores of inter-company expenses as part of pre-operative expenses.

**Other Pre-ops (Rs. 1.12 crores for travelling and Rs. 6.98 crores for other costs such as office electricity charges):**

5.3.222 The Authority had reviewed the remaining pre-operative costs (Rs. 1.12 crores for travelling expenses and Rs. 6.98 crores for other costs such as office electricity charges) with the financial statements and notes them to be reasonable and in line with the costs reported in the Financial Statements. Accordingly, the Authority proposed to consider Rs. 6.98 crores for other costs and Rs. 1.23 crores for travelling expenses, which was redrawn based on revised COD of 1<sup>st</sup> April 2026 (refer Para 5.3.206).

**Debt Processing Fees (Rs. 102.46 crores)**

5.3.223 YIAPL claimed financing charges of Rs. 102.46 crores paid / expected to be paid on debt as part of MYTP, clubbing the same with Financing Allowance. Subsequently, YIAPL revised this based on actual financing charges and submitted that a cost of Rs. 85.24 crores be considered as financing charges. The Authority



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reviewed the detailed breakup and notes that these costs were in the nature of upfront fees, syndication fees, service fee etc. The Authority further noted that as per Para 5.1.4 (e) of AERA guidelines 2011, the relevant extract of which is given below, the financing charges are to be included as part of capital cost.

*“...Financing costs associated with debt considered for the determination of weighted average cost of debt, shall be considered in the capital costs of the project and not as an adjustment to the cost of debt...”*

Accordingly, the Authority proposed to consider the financing charges of Rs. 85.24 crores as part of pre-operative expenses.

Based on the above discussions, the cost for pre-operative expenses proposed to be considered by the Authority for the First Control Period is given below:

**Table 87: Pre-operative expenses as proposed by the Authority at Consultation Stage**

(Rs. in crores)

Particulars	Ref	Base as per			Variance (D=C-B)
		YIAPL (A)	Redrawn YIAPL submission (based on revised COD and after reclassifications) (B)	The Authority (C)	
Personnel Cost	Table 83	210.56	289.14	248.28	(40.85)
Professional and consultancy fees	Table 85	62.23	87.67	66.46	(21.22)
Travelling and conveyance	Para 5.3.222	1.12	1.23	1.23	-
R&M IT – Preops	Table 86	39.80	8.34	3.72	(4.62)
Intercompany operational expenses	Para 5.3.221	34.88	34.88	34.88	-
Other Costs	Para 5.3.222	6.98	6.98	6.98	-
Add: Reclassification of common costs (base cost of Rs. 26.47 crores + GST @ 15.07%)	Table 74	-	30.46	30.46	-
Debt Processing Fee	Para 5.3.223	-	85.24	85.24	-
<b>Total</b>		<b>355.57</b>	<b>543.93</b>	<b>477.24</b>	<b>(66.69)</b>

5.3.224 The Authority noted that the pre-operative expenses submitted by YIAPL include a range of activities essential for the development of a greenfield airport. These include costs incurred towards studies conducted for establishing cargo as a strategic hub, the preparation of a comprehensive master plan for cargo, fuel farm, and ground handling, as well as specialist consultancy services for geotechnical surveys and airspace management studies. Such expenditures are one-time in nature and are required for the planning requirements specific to greenfield airport projects. In addition, YIAPL had submitted that a part of the pre-operative phase coincided with the COVID-19 pandemic and its immediate aftermath, which introduced considerable disruption across project development cycles.

5.3.225 Given the scale of operations and additional factors detailed above, the Authority noted the overall level of pre-operative expense proposed to be reasonable and consistent with the nature and scope of a greenfield



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airport development. However, the Authority noted that a portion of these pre-op costs are currently based on estimates. Accordingly, YIAPL is directed to submit detailed, party and nature-wise breakup of pre-operative expenses incurred during the Consultation Stage.

**N. CONTINGENCIES (REFER IV OF PARA 5.3.13)**

**Contingencies (Rs. 422.69)**

5.3.226 YIAPL had submitted that contingencies of Rs. 422.69 crores is considered as part of capex for the First Control Period based on inputs from design and delivery team. The justification provided by YIAPL is as below:

“

- *Proposed contingency covers multiple elements which are still considered as risk based on detailed risk assessment.*
- *Time to time certain changes have been identified basis inputs given by various regulatory bodies such as AAI, BCAS etc. This aspect till airport gets its necessary licenses remain a risk so has been covered through contingencies.*
- *Change orders expected during the finishing phase of the project. Few examples being MEP related, any small design changes to bring efficiencies.*
- *Additional works on access roadways (critical for airport commissioning), works for water supply line to the airport, etc.*
- *Claims by any contractors due to delay in the project which has happened due to unforeseen circumstances.*
- *Any other unforeseen risks including unexpected site conditions .....*”

It is to be noted that contingency costs are in addition to the budgeted costs discussed above.

5.3.227 The Authority requested YIAPL to submit a detailed cost breakdown of the contingency cost and the breakup submitted by YIAPL is as below:

**Table 88: Details for contingencies submitted by YIAPL**

(Rs. in crores)

Sl. No.	Particulars as submitted by YIAPL	Amount
1	Change orders expected and under process during the finishing phase of the project. Few example being MEP related, any small design changes to bring efficiencies. Out of Rs. 136 crores, Change order for 29 crores have already been awarded. Balance are the cases where discussion is ongoing.	135.66
2	Time to time certain changes have been identified basis inputs given by various regulatory bodies such as AAI, BCAS etc. This aspect till airport gets its necessary licenses remain a risk so has been covered through contingencies. The total cost on account of these regulatory changes will account for approximately INR 98 cr. Following are a few anticipated items: AAI - Changes to CNS/ ATM related requirements are under discussion with AAI of INR 37 cr. excl. GST which includes the following elements: separate dedicated physical ICT networks for: a) AAI. Aero + CCTV + SACS; b) IP Telephony; and c) VHF link between ATC/ARFF and OBW, VESDA-based clean agent gas suppression system for AAI equipment rooms in ATC/ARFF and OBW, additional LT DG sets at ASR-North (1 no.-750kVA), ATC/ARFF (1 no.-1250kVA), and ASR-South (2 nos-750kVA.), etc.	98.00



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Sl. No.	Particulars as submitted by YIAPL	Amount
	BCAS – NIA has considered two full body scanners in the cost estimates based on its internal assessment till the BCAS order is awaited. However, BCAS may require significantly higher number of full body scanners which needs to be considered under contingency. BCAS - Aviation Security Training Institute has been mandated vide Airport Security Program issued by BCAS on 28 March 2024. This would require min. two classrooms, one CBT room, etc. to be built at INR 3.5 cr. This is under evaluation by NIA Any other regulatory requirement, may arise during the approval stage by regulatory bodies.	
3	There has been a delay of approx. 6 months in the project due to reasons beyond YIAPL's control. Reasons range from Covid-19 restrictions to the Ukraine crisis and construction-related factors such as soil parameters, water level, changes caused due to water drainage system, delayed inputs and approval from various governing bodies. These events have impacted the work of various contractors and may lead to additional compensation claims at the time of settlement of these contracts. Though it is difficult to ascertain at this stage, we have considered 3% of our hard cost at this stage in contingency.	133.68
<b>Total</b>		<b>367.34</b>
Add: GST @ 15.07%		55.27
<b>Total contingency</b>		<b>422.69</b>

5.3.228 YIAPL also submitted the following breakup for S No. 1 of Table 88 aggregating to Rs. 135.66 crores, as given in the table below:

**Table 89 : Details of contingency utilisation and expected change orders submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Category	Amount (Excl. GST)	Status as last communicated by YIAPL
1	Change Order Issued TPL- BHS control room cover Slab	0.73	Change order issued
2	Change Order Issued TPL- West Façade-GFRC to Solid Aluminum	2.77	Change order issued
3	Change Order Issued TPL- Fiber connectivity from ITF to DC2	1.75	Change order issued
4	Change Order Issued TPL- Change in the foundation of the Localizer as requested by AAI	0.73	Change order issued
5	Change Order Issued TPL- MEP Utilities for concessionaire spaces	7.70	Change order issued
6	Work Order awarded to Utophia- PTC Bus Stop	7.20	Change order issued
7	Work Order - Prime Infra (Signing pending)- HT interface for Concessionaire Plots	1.53	Change order issued
8	Change order issued to Arasu- Airside Bin Centre	0.57	Change order issued
9	Change Order Issued TPL- GMP Items -EPC-1	4.29	Change order issued
10	Change Order Issued TPL- GMP Items-EPC-2	2.15	Change order issued
11	Equipment and others - MLAT & Met farm, Kitchen for Terminal Staff, Kitchen for cooking in OBW, GSE, ATC & Driver's café and cafeteria MEP works in OBW, GSE, ATC & Driver's café	21.33	Under discussion with contractor
12	IT - Cable containment in DC2, Additional digital clocks, Requirement IPDU, rack cable manager & rack accessories in MDC and FACP and GSS System Architecture	1.55	Under discussion with contractor
13	Pavement and others - Adjustment of the Operational Boundary wall & road around the Cargo Plot, changes in Roads, other Paved Areas, and associated infrastructure, pavement value engineering and	15.17	Under discussion with contractor



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Sl. No.	Category	Amount (Excl. GST)	Status as last communicated by YIAPL
	additional geofabric under apron and boundary Wall lvl. Diff. around DVOR & service road		
14	Security related - BOI & Internal Security Changes, Changes in Physical Security System- Crash rated Boom Barrier	9.67	Under discussion with contractor
15	Utility - Utility crossing under runway and taxiway AAI requirement, two rooms for TMRS, cable containment in DC2, additional requirement of 11 kV at MRSS & ESS and EV Charging and Change from manual to automatic Irrigation system	28.89	Under discussion with contractor
16	Others - Link load balancer, change in Fire Pit for Pressure Fed Fuel Fire Training, parking canopy extension, additional Changes in OBW Over and above CN-017 and additional furniture	29.61	Under discussion with contractor
	<b>Total contingency under Sl. No. 1 in Table 88</b>	<b>135.66</b>	

5.3.229 While YIAPL had submitted the detailed costs for Sl. No. 1 of Table 88, no detailed justification or item-wise cost breakup for S No. 2 and S No. 3 of Table 88 has been provided by YIAPL to substantiate these potential costs. Given that the project is in its final stages and nearing COD, the Authority proposed not to accept these contingency amounts without a clear and detailed breakdown of their necessity and utilization.

5.3.230 However, for S No. 1 of Table 88, where change orders have already been issued or are expected to be issued, the Authority noted that these represent actual project requirements arising during the course of construction. The Authority also took note of YIAPL's submission in this regard:

*"...Request you to consider these items, for which change orders have been issued or are currently under discussion, as hard costs instead of contingency. These items are in various stages of development/ planning and should no longer be classified as contingency..."*

5.3.231 Accordingly, these amounts are proposed to be considered based on their direct relevance to project completion. The Authority observed that:

- Of this Rs. 135.66 crores presented in Table 89, it is the understanding of the Authority that serial number 5 and 6 to pertain to non-aero initiatives, and accordingly the aggregate cost of Rs. 14.90 crores is proposed to be excluded.
- The Authority proposed to consider the cost of Rs. 120.75 crores but has classified them into various heads based on functional nature which in turn are reallocated to hard costs as per table below:

**Table 90: Contingency costs reallocated to hard cost as per the Authority at Consultation Stage**

(Rs. in crores)

Asset Category in MYTP	Capex (Excl. GST)
Boundary Wall	15.17
Airside Projects	0.73
Terminal Building (of which 0.73 crores is towards PTB – BHS, ATRS, ABD and 7.06 crores towards Terminal Building)	7.79
Support Facility Buildings	53.66
Utilities	43.40
<b>Total</b>	<b>120.75*</b>

\* Base cost of Rs. 120.75 crores considered as Rs. 138.94 crores including GST



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5.3.232 The Authority had examined the contingency costs based on the submissions made by YIAPL and noted that detailed cost justifications are currently not available in full, since certain contracts are yet to be finalized or awarded. While YIAPL had provided an update on awarded costs vide mail dated 3<sup>rd</sup> February 2026 (as referred to in para 5.2.5), the Authority expected that additional contracts will be finalized and awarded by the time of issuance of the Tariff Order. Accordingly, the Authority proposed to review the actual awarded costs relating to finalized contracts at the Tariff Order stage and consider such costs based on an assessment of their reasonableness and efficiency. Any spillover of contingency expenditure beyond the Control Period is proposed to be examined and considered at the time of true-up as part of tariff determination for the Second Control Period.

The Authority had carefully examined the submissions made by the Airport Operator at various stages of the tariff determination process, including those furnished as part of the MYTP, the financial model, the contracts submitted (including change orders), and the updated submissions made based on the revised COD. The Authority had also duly considered the adjustment on account of reclassifications explained in the preceding paragraphs. In addition, some minor rounding-off corrections have been made based on the actual contract values. After taking into account the foregoing, the revised submission redrawn and considered by the Authority for the purpose of comparison and further analysis is presented below:

**Table 91: Revised CAPEX cost of YIAPL considered by the Authority for analysis at Consultation Stage**  
(Rs. in crores)

Category	Asset	S. No	Submitted by YIAPL in MYTP (A)	Redrawn submission of YIAPL* (B)	Variance	Remarks for major items (other than common cost re-allocation)*
Airside Projects	<b>Airside Projects</b>	<b>A</b>	<b>1,174.49</b>	<b>1,170.67</b>	<b>(3.82)</b>	
	AGL System	A1	215.51	211.44	(4.08)	
	Airside Buildings	A2	90.34	88.63	(1.71)	
	Airside Roadways	A3	53.30	52.30	(1.01)	
	Bomb Cooling Pit	A5	0.32	0.31	(0.01)	
	GSE staging	A6	45.88	42.37	(3.50)	
	NAVAID Support building	A7	97.30	116.49	19.19	Change order issued for additional equipment to AAI Rs. 17.54 crores – (refer Para 5.3.64)
	Runway, Apron and Taxiway	A4	671.83	659.13	(12.70)	
Landside Development Incl. Land Development	<b>Landside Development Incl. Land Development</b>	<b>B</b>	<b>601.98</b>	<b>590.60</b>	<b>(11.38)</b>	
	Land Development	B1	144.52	141.79	(2.73)	
	Access Roadways	B2	34.10	33.45	(0.64)	
	Canopy	B3	68.22	66.93	(1.29)	
	Car Park	B4	355.14	348.43	(6.72)	
Terminal Building	<b>Terminal Building</b>	<b>C</b>	<b>2,300.95</b>	<b>2,266.36</b>	<b>(34.59)</b>	
	IT Terminal Building	C1	93.51	91.71	(1.81)	
	Passenger Boarding Bridge	C2	46.36	45.48	(0.88)	
	PTB – BHS, ATRS, ABD	C3	318.22	313.04	(5.18)	

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Category	Asset	S. No	Submitted by YIAPL in MYTP (A)	Redrawn submission of YIAPL* (B)	Variance	Remarks for major items (other than common cost re-allocation)*
	Terminal Building	C4	1,842.86	1,816.13	(26.72)	Reclassification from Contingency (refer Table 90)
Support Facility Buildings	<b>Support Facility Buildings</b>	<b>D</b>	<b>278.38</b>	<b>334.84</b>	<b>56.45</b>	Reclassification from Contingency (refer Table 90)
Utilities	<b>Utilities</b>	<b>E</b>	<b>539.83</b>	<b>658.01</b>	<b>118.18</b>	
	AGL Substation	E1	30.75	30.16	(0.59)	
	Airside - HVAC Building	E2	119.32	117.07	(2.26)	
	IT	E3	185.17	218.68	33.51	Reclassification from Contingency Rs. 43.40 crores (refer Table 90)
	Other Utilities	E4	204.59	292.10	87.51	Reclassification from Pre-Ops Rs. 27.34 crores (refer Table 86) Reclassification from Common Cost Rs. 40.86 crores (refer Table 74)
Vehicles	<b>Vehicles</b>	<b>F</b>	<b>98.84</b>	<b>96.88</b>	<b>(1.96)</b>	
	Vehicles - Crash Fire Tenders	F1	67.44	66.08	(1.36)	
	Vehicles - Others	F2	31.40	30.81	(0.59)	
Boundary Wall	<b>Boundary Wall</b>	<b>G</b>	<b>56.41</b>	<b>72.48</b>	<b>16.06</b>	Reclassification from Contingency (refer Table 90)
VIP Terminal	<b>VIP Terminal</b>	<b>H</b>	<b>12.73</b>	<b>12.49</b>	<b>(0.24)</b>	
GPU/ PCA	<b>GPU/ PCA</b>	<b>I</b>	<b>31.04</b>	<b>30.45</b>	<b>(0.59)</b>	
Other	<b>Other</b>	<b>J</b>	<b>12.40</b>	<b>12.20</b>	<b>(0.20)</b>	
<b>Total</b>	<b>Total</b>	<b>1 = SUM (A:J)</b>	<b>5,107.06</b>	<b>5,244.98</b>	<b>137.92</b>	
Design and PMC	<b>Design and PMC</b>	<b>K</b>	<b>320.65</b>	<b>345.23</b>	<b>24.58</b>	Reclassification from Common Cost Rs. 16.43 crores (refer Table 74) Reclassification from Pre-op Rs. 5.25 crores (refer Table 84)
Insurance, ORAT and Independent Engineer	<b>Insurance, ORAT and Independent Engineer</b>	<b>L</b>	<b>37.23</b>	<b>40.56</b>	<b>2.73</b>	Refer Para 5.3.198
Pre-Operative Expenses	<b>Pre-Operative Expenses</b>	<b>M</b>	<b>355.57</b>	<b>543.93</b>	<b>188.36</b>	Refer Table 87 for breakup for the revised submission
<b>Sub Total</b>		<b>2 = SUM (K:M)</b>	<b>713.45</b>	<b>929.73</b>	<b>216.28</b>	
Contingencies	<b>Contingencies</b>	<b>N</b>	<b>422.69</b>	<b>283.75</b>	<b>(138.94)</b>	Refer Table 90



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Category	Asset	S. No	Submitted by YIAPL in MYTP (A)	Redrawn submission of YIAPL* (B)	Variance	Remarks for major items (other than common cost re-allocation)*
Financing Allowance (FA)	Financing Allowance (FA)	O	897.50	812.26	(85.24)	Debt servicing fee considered as pre-operative expenses (refer Para 5.3.223)
General and Maintenance CAPEX	General and Maintenance CAPEX	P	69.00	69.00	-	
<b>Total</b>		2 = 1 + SUM (N:P)	7,209.70	7,339.72	130.03	

\*Ignoring minor round-off differences

**O. EXAMINATION OF FINANCING ALLOWANCE (REFER V OF PARA 5.3.13)**

**Financing Allowance (Rs. 897.50 crores)**

5.3.233 YIAPL had submitted financing allowance as part of capital expenditure of the First Control Period as per the formula provided by the AERA Guidelines, 2011. YIAPL had also included the upfront fees / processing fees of Rs. 102.46 crores incurred on debt facilities as part of Financing Allowance. The computation of financing allowance by YIAPL has been presented below:

**Table 92: Financing Allowance as submitted by YIAPL for the First Control Period**

*(Rs. in crores)*

Particulars	Ref	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Rate of Interest	A	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	
Opening CWIP	B	-	115	314	754	2,159	5,775	
Capital Expenditure	C	105	128	393	1,265	3,241	1,099	
Commissioned Assets	D	-	-	-	-	-	7,130	
Closing CWIP before FA	E=B+C-D	105	244	707	2,019	5,400	-256	
Financing Allowance (FA)	F=[B+(C-D)+2]×A	5	17	47	128	348	254	795.04
Debt Processing/ Upfront Fees	G	6	54	0	12	28	2	102.46
Closing CWIP after FA	H=E+F+G	115	314	754	2,159	5,775	-	

**The Authority's examination of FA**

5.3.234 As per AERA Guidelines, 2011 and the Authority's principles followed in the recent tariff orders in case of Greenfield Airports, the Authority proposed to provide for Financing Allowance. The Authority considered the capital projects that are being commissioned within the First Control Period to be initial phase of capital expenditure and accordingly financing allowance will be calculated for the Projects that are capitalized within the First Control Period of the Airport.

5.3.235 The Authority had carried out a detailed review of the Capital Expenditure for both the demonstration of need and the reasonableness of costs incurred.



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5.3.236 The Authority, based on the revised capital expenditure as proposed by it, has arrived at the financing allowance by applying the formula as provided under section 5.2.7 of the AERA Guidelines 2011. The following changes have been made by the Authority in this regard:

- The CWIP has been considered based on the audited financial statements for the respective years. The Authority had considered the latest CWIP numbers as submitted by YIAPL via email dated 31st December 2025 for the period April 2025 – November 2025.
- For the purpose of Cost of Debt, the Authority has adopted the actual applicable rate of interest. The actual rate of interest on debt has been submitted by YIAPL vide email dated 7th October 2025.
- The Financing Allowance had been computed considering all assets would be capitalized on 31<sup>st</sup> March 2026 (except general & maintenance capex) as mentioned in Para 5.3.206.

5.3.237 The Financing allowance as recomputed by the Authority considering the revised COD is Rs. 792.20 crores. The detailed computations are as per the table below:

**Table 93: Financing Allowance calculation proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Rate of Interest	A	9.00%	9.00%	9.00%	9.00%	9.70%	10.40%	
Opening CWIP	B	-	109.90	325.52	783.19	2,568.43	4,801.79	
Capital Expenditure	C	106.52	201.09	410.70	1,652.49	1,924.04	1,770.08	
Commissioned Assets	D	1.35	4.22	0.78	11.57	31.60	6,807.60	
Financing Allowance (FA)	$E=[B+(C-D)\div 2]\times A$	4.73	18.75	47.74	144.33	340.92	235.72	<b>792.20</b>
Closing CWIP after FA	$F= B+C-D+E$	109.90	325.52	783.19	2,568.43	4,801.79	-	

5.3.238 Accordingly, the Authority proposed to consider Rs. 792.20 crores as Financing Allowance for the First Control Period. YIAPL is directed to submit a consolidated, year-wise detailed breakup of CWIP during the Consultation Stage.

5.3.239 The Authority proposed to consider the following soft costs and financing allowance for allocation to various asset categories:

**Table 94: Soft costs and Financing Allowance proposed to be allocated under various asset categories as per the Authority at Consultation Stage**

Particulars	Table	Ref	As per Authority
Design and PMC	Para 5.3.191	A	345.23
Insurance, ORAT and Independent Engineer	Table 79	B	39.96
Pre-Operative Expenses	Table 87	C	477.24
Financing Allowance (FA)	Table 93	D	792.20
<b>Total</b>		<b>E =SUM(A:D)</b>	<b>1,655.23</b>



**P. EXAMINATION OF GENERAL AND MAINTENANCE CAPEX (REFER VI OF PARA 5.3.13)**

**General and Maintenance CAPEX (Rs. 69.00 crores)**

5.3.240 The Authority noted that YIAPL, in its MYTP, has submitted capex of Rs. 69 crores as General and Maintenance Capex to be incurred at Rs. 23 crores each year for the last 3 years of the control period starting from FY 2026-27.

5.3.241 Upon seeking clarification from YIAPL about the nature of General and Maintenance Capex proposed for the First Control Period, YIAPL stated that the General and Maintenance Capex is required for routine maintenance of the airport for various requirements which consists of the recurring expenditures required for a company to continue operating at current state. These requirements may include but are not limited to the following:

- Mandatory Security related expenditure resulting from directions of the regulatory authorities including BCAS and DGCA.
- Re-laying of roads for the airports, especially post the monsoon season
- Unplanned expenditure emerging from the passenger and other requirement
- Replacement requirement due to wear and tear of plant and equipment

5.3.242 Considering the above factors and clarification received from YIAPL, the Authority noted that there was no immediate need for any significant general and maintenance Capex to be incurred by YIAPL since it is a newly constructed airport. However, to account for any security related upgrades or any regulatory requirements, the Authority proposed to consider Rs. 10 crores each year as General and Maintenance Capex for the last 3 years of this control period. Due to the revision in COD as mentioned in Para 5.3.206, the Authority has shifted the expenditure by 1 year, considering it for 3 years in total. These funds may only be utilized by YIAPL in case of specific requirements or regulatory mandates related to safety, security or other regulatory needs.

**Capital Expenditure proposed by the Authority**

5.3.243 Based on the above analysis, the Authority's consideration of Capital Expenditure for the First Control Period is summarized below:

**Table 95: Project-Wise Capital Expenditure Proposed by the Authority after reallocations, GST and allocation of soft costs and financing allowance at Consultation Stage**

(Rs. in crores)

Particulars	Ref	Base Cost (refer respective tables above)	Re-allocations from Contingency (Table 90), Common Cost (Table 74) Pre-operative cost (Table 86)	Base after re-allocation	GST @ 15.07 %	Total	Allocation of soft costs and FA (refer Table 94)	Final Cost
Airside Projects (refer Table 44)	A	1,016.61	0.73	1,017.34	153.34	1,170.68	372.23	1,542.91



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Particulars	Ref	Base Cost (refer respective tables above)	Re-allocations from Contingency (Table 90), Common Cost (Table 74) Pre-operative cost (Table 86)	Base after re-allocation	GST @ 15.07 %	Total	Allocation of soft costs and FA (refer Table 94)	Final Cost
Landside Development incl. Land Development (refer Table 51)	B	504.77	-	504.77	76.08	580.85	184.69	765.54
Terminal Building (refer Table 57)	C	1,946.68	7.79	1,954.46	294.59	2,249.06	715.12	2,964.18
Support Facility Buildings (refer Table 61)	D	237.32	53.66	290.98	43.86	334.84	106.47	441.31
Utilities (refer Table 65)	E	460.22	111.60	571.82	86.19	658.01	209.22	867.23
Vehicles (refer Table 72)	F	84.19	-	84.19	12.69	96.88	30.81	127.69
Boundary Wall (refer Table 72)	G	47.81	15.17	62.99	9.49	72.48	23.05	95.53
VIP Terminal (refer Table 72)	H	10.86	-	10.86	1.64	12.49	3.97	16.46
GPU/ PCA (refer Table 72)	I	26.46	-	26.46	3.99	30.45	9.68	40.13
Other (refer Para 5.3.174)	J	12.20	-	12.20	-	12.20	-	12.20
General and Maintenance CAPEX	K	30.00	-	30.00	-	30.00	-	30.00
<b>Total</b>	<b>L = SUM (A:K)</b>	<b>4,377.11</b>	<b>188.95</b>	<b>4,566.06</b>	<b>681.88</b>	<b>5,247.94</b>	<b>1,655.23</b>	<b>6,903.17</b>



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5.3.244 The summary showing the reconciliation of Project-Wise Capital Expenditure for the First Control Period as submitted by YIAPL as part of MYTP with the Project-Wise Capital Expenditure proposed by the Authority after reclassifications / rationalizations is detailed below:

**Table 96: Comparison of project-wise Capital Expenditure submitted by YIAPL and proposed by the Authority at Consultation Stage**

(Rs. in crores)

Category	Asset	Ref	As per YIAPL (A)	Redrawn submission of YIAPL (B)	As per the Authority (C)	Variance (D=B-C)	Reason for variance (for major items with explanations for change in base cost)
Airside Projects	<b>Airside Projects</b>	<b>A</b>	<b>1,174.49</b>	<b>1,170.68</b>	<b>1,170.68</b>	-	
	<i>AGL System</i>	<i>A1</i>	215.51	211.44	211.44	-	
	<i>Airside Buildings</i>	<i>A2</i>	90.34	88.63	88.63	-	
	<i>Airside Roadways</i>	<i>A3</i>	53.30	52.30	52.30	-	
	<i>Bomb Cooling Pit</i>	<i>A5</i>	0.32	0.31	0.31	-	
	<i>GSE staging</i>	<i>A6</i>	45.88	42.38	42.38	-	
	<i>NAVAID Support building</i>	<i>A7</i>	97.30	116.49	116.49	-	
	<i>Runway, Apron and Taxiway</i>	<i>A4</i>	671.83	659.13	659.13	-	
Landside Development Incl. Land Development	<b>Landside Development incl. Land Development</b>	<b>B</b>	<b>601.98</b>	<b>590.60</b>	<b>580.85</b>	<b>9.75</b>	
	<i>Land Development</i>	<i>B1</i>	144.52	141.79	132.04	9.75	<i>NHAI budgeted cost of Rs. 8.47 crores rationalised</i>
	<i>Access Roadways</i>	<i>B2</i>	34.10	33.45	33.45	-	
	<i>Canopy</i>	<i>B3</i>	68.22	66.93	66.93	-	
	<i>Car Park</i>	<i>B4</i>	355.14	348.43	348.42	-	
Terminal Building	<b>Terminal Building</b>	<b>C</b>	<b>2,300.95</b>	<b>2,266.36</b>	<b>2,249.06</b>	<b>17.30</b>	
	<i>IT Terminal Building</i>	<i>C1</i>	93.51	91.71	91.71	-	
	<i>Passenger Boarding Bridge</i>	<i>C2</i>	46.36	45.48	45.48	-	
	<i>PTB – BHS, ATRS, ABD</i>	<i>C3</i>	318.22	313.04	302.11	10.93	<i>BHS Change Order of Rs. 9.5 crores charged for scope</i>



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Category	Asset	Ref	As per YIAPL (A)	Redrawn submission of YIAPL (B)	As per the Authority (C)	Variance (D=B-C)	Reason for variance (for major items with explanations for change in base cost)
							<i>revision not considered</i>
	<i>Terminal Building</i>	<i>C4</i>	1,842.86	1,816.13	1,809.76	6.37	<i>Body scanner cost rationalised by Rs. 6.8 crores</i>
Support Facility Buildings	<b>Support Facility Buildings</b>	<b>D</b>	<b>278.38</b>	<b>334.84</b>	<b>334.84</b>	-	
Utilities	<b>Utilities</b>	<b>E</b>	<b>539.83</b>	<b>658.01</b>	<b>658.01</b>	-	
	<i>AGL Substation</i>	<i>E1</i>	30.75	30.16	30.16	-	
	<i>Airside - HVAC Building</i>	<i>E2</i>	119.32	117.07	117.06	-	
	<i>IT</i>	<i>E3</i>	185.17	218.68	218.68	-	
	<i>Other Utilities</i>	<i>E4</i>	204.59	292.10	292.10	-	
Vehicles	<b>Vehicles</b>	<b>F</b>	<b>98.84</b>	<b>96.88</b>	<b>96.88</b>	-	
	<i>Vehicles - Crash Fire Tenders</i>	<i>F1</i>	67.44	66.08	66.08	-	
	<i>Vehicles - Others</i>	<i>F2</i>	31.40	30.81	30.81	-	
Boundary Wall	<b>Boundary Wall</b>	<b>G</b>	<b>56.41</b>	<b>72.48</b>	<b>72.48</b>	-	
VIP Terminal	<b>VIP Terminal</b>	<b>H</b>	<b>12.73</b>	<b>12.49</b>	<b>12.49</b>	-	
GPU/ PCA	<b>GPU/ PCA</b>	<b>I</b>	<b>31.04</b>	<b>30.45</b>	<b>30.45</b>	-	
Other	<b>Other</b>	<b>J</b>	<b>12.40</b>	<b>12.20</b>	<b>12.20</b>	-	
<b>Total</b>		<i>I = SUM (A:J)</i>	<b>5,107.06</b>	<b>5,244.98</b>	<b>5,217.94</b>	<b>27.06</b>	
Design and PMC	<b>Design and PMC</b>	<b>K</b>	<b>320.65</b>	<b>345.23</b>	<b>345.23</b>	-	
Insurance, ORAT and Independent Engineer	<b>Insurance, ORAT and Independent Engineer</b>	<b>L</b>	<b>37.23</b>	<b>40.56</b>	<b>40.56</b>	-	
Pre-Operative Expenses	<b>Pre-Operative Expenses</b>	<b>M</b>	<b>355.57</b>	<b>543.93</b>	<b>477.24</b>	<b>66.69</b>	Rationalised based on CWIP / certain items considered non-aero, included debt processing cost.



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Category	Asset	Ref	As per YIAPL (A)	Redrawn submission of YIAPL (B)	As per the Authority (C)	Variance (D=B-C)	Reason for variance (for major items with explanations for change in base cost)
<b>Total</b>		<b>2 = SUM(K:M)</b>	<b>713.45</b>	<b>929.73</b>	<b>863.03</b>	<b>66.69</b>	
Contingencies	Contingencies	N	422.69	283.75	-	283.75	Rationalised adhoc contingencies
Financing Allowance (FA)	Financing Allowance (FA)	O	897.50	812.26	792.20	20.06	FA adjusted based on revised CWIP
General and Maintenance CAPEX	General and Maintenance CAPEX	P	69.00	69.00	30.00	39.00	Rationalized for essential safety / security requirements
<b>Total</b>		<b>3 = 1 + 2 + SUM(N:P)</b>	<b>7,209.70</b>	<b>7,339.73</b>	<b>6,903.17</b>	<b>436.56</b>	

5.3.245 The Authority proposed to reduce (readjust) 1% of the uncapped project cost from the ARR / target revenue as re-adjustment in case any particular capital project is not completed / capitalized as per the approved capitalization schedule. It is further proposed that if the delay in completion of the project is beyond the timeline given in the capitalization schedule, due to any reason beyond the control of YIAPL or its contracting agency and was properly justified, the same would be considered by the Authority while truing up the actual cost at the time of determination of tariff for the next Control Period. The re-adjustment in the ARR is to protect the interest of the stakeholders who are paying for services provided by YIAPL and is also encouragement for YIAPL to commission / capitalize the proposed assets as per the approved CAPEX plan / schedule.

#### 5.4 Asset Allocation of CAPEX for the First Control Period YIAPL's Submission

5.4.1 YIAPL had provided the allocation of assets into different asset categories as follows:

**Table 97: Category wise asset values of total additions as submitted by YIAPL**

(Rs. in crores)

Category	Asset value
Aeronautical Assets	6,867.70
Non-Aeronautical Assets	342.10
<b>Total</b>	<b>7,209.80</b>

5.4.2 YIAPL had submitted that it has adopted the following methodology to allocate the assets between Aeronautical, Non-Aeronautical and Common assets:

- a) Aeronautical assets are assumed to be those assets which are necessary or required for providing the aeronautical services at the airport



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- b) Non-Aeronautical assets are those which are necessary for the performance of the Non-Aeronautical services at the airport.
- c) Common assets are those assets which are not identifiable/categorized into either aeronautical asset or Non-Aeronautical assets.
- d) Passenger Terminal Building has been considered as common asset and the asset related to terminal building are allocated in the ratio of the area of terminal building used for aeronautical and Non-Aeronautical services.

5.4.3 Further, YIAPL has submitted the Terminal Building Ratio of 94.05% (aeronautical portion) considering 7,828 sqm as non-aero area and 6,400 sqm as common area out of total terminal area of 1,37,985 sqm. This is substantiated by a certificate issued by an independent architect appointed by YIAPL.

**Authority's examination on Asset Categorization / Asset Allocation**

5.4.4 The Authority had obtained from YIAPL the Architect's Certificate certifying the Terminal building area ratio and noted that YIAPL had considered 1,23,757 sqm as aeronautical and an area of 6,400 sqm as Non-Aeronautical, resulting in Terminal Building Ratio (TBLR) adopted by YIAPL of 94.05%. The Authority had examined the Terminal Building Ratio submitted by YIAPL and noted that the Non-Aeronautical area allocation considered by YIAPL for computation of Terminal Area Ratio is low when compared to other PPP airports. Further, it was observed that the area allocation towards Non-Aeronautical activities at the other PPP airports such as DIAL, MIAL, BIAL and HIAL is higher than 10%. Even the IMG norms on passenger terminals recommend the Non-Aeronautical area allocation to be between 8-12% for any airport, while for bigger airports, i.e., with passenger traffic exceeding 10 million, commercial area could be up to 20% of the overall area. Considering that NIA is a newly established greenfield airport situated in a business destination, the Authority believed that it would attract substantial amount of traffic. The Authority encouraged YIAPL to allocate a larger portion of the terminal building for Non-Aeronautical activities which include a wide range of amenities and services that cater to the needs and preferences of tourists visiting the region, together with ensuring that all Aeronautical requirements are met. Therefore, the Authority proposed a revised TBLR of 88%:12% for the First Control Period. This will be reviewed in the next Control Period.

5.4.5 Authority further noted that the access roadways, canopy and vehicles are classified as aeronautical instead of common and sought justification from YIAPL. The response of YIAPL is given below:

*"...1. Access roadways - As per the response above, the Access Roads in the EPC contracts relate to the access of the Passenger Terminal Building and support facilities. It is clarified that these access roads are not present in the earmarked area for city side development and parking areas. These are therefore considered as aero. It is further clarified that it has been classified under landside development only on account of its location.*

*2. Canopy (part of landside development including landside development) - This is the canopy over the kerb side which will be used by the passengers during pick-up and drop-off. We clarify that there are no commercial shops under this canopy. Since the usage is aeronautical, it has been considered as aero.*

*3. Vehicles - The proposed vehicles will be used for aeronautical purposes and hence, it has been considered as aero..."*

5.4.6 The Authority, while noting YIAPL's submission, observed the following:



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- The Authority noted that the access road is the only approach road available for all users. Since there is likely usage of this road for Non-Aeronautical purposes also, the Authority proposed to apply the Terminal Building allocation ratio.
- The Authority noted YIAPL's submission that there would be no Non-Aeronautical areas in the Canopy, and this only be used by passengers. However, as the Canopy forms part of the common landside infrastructure and is an extension of the terminal building, the Authority considered it appropriate to apply the terminal building ratio.
- The Authority noted that in YIAPL's submission, vehicles are proposed to be used only for aeronautical purposes, and accordingly, the Authority proposed to consider these as aeronautical assets.

5.4.7 Further, YIAPL allocated various assets on the Terminal Building Ratio of 94.05%. The Authority proposed to revise the ratio based on the Terminal Building Ratio as proposed in Para 5.4.4 above.

5.4.8 Based on the above, the year-wise aeronautical capital additions for the First Control Period is presented below:

**Table 98: Aeronautical Capital Additions proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Total capital additions as proposed by the Authority (A)	Aero % as per YIAPL (B)	Aero % as proposed by the Authority (C)	Aero Cost as proposed by the Authority (D = A×C)	Aero Cost as per YIAPL ^ (E)	Difference (F = D-E)
Airside Projects	1,542.91	100.00%	100.00%	1,542.91	1,643.32	(100.41)
Landside Development incl. Land Development <sup>#</sup>	765.54	85.16%	77.86%	596.04	717.27	(121.23)
Terminal Building	2,964.18	94.99%	88.00%	2,608.48	3,058.27	(449.79)
Support Facility Buildings <sup>**</sup>	441.31	94.05%	88.00%	388.35	366.34	22.01
Utilities <sup>#</sup>	867.23	95.70%	90.69%	786.45	722.88	63.56
Vehicles	127.69	100.00%	100.00%	127.69	138.29	(10.60)
Boundary Wall	95.53	100.00%	100.00%	95.53	78.93	16.59
VIP Terminal	16.46	100.00%	100.00%	16.46	17.81	(1.35)
GPU/ PCA	40.13	100.00%	100.00%	40.13	43.43	(3.29)
Other	12.20	100.00%	100.00%	12.20	12.20	-
General and Maintenance CAPEX	30.00	100.00%	100.00%	30.00	69.00	(39.00)
<b>Total</b>	<b>6,903.17</b>			<b>6,244.24</b>	<b>6,867.75</b>	<b>(623.51)</b>

<sup>\*\*</sup>The Authority notes that the ratio of non-aero space as per Table 60 (planned utilization of certain buildings under Support Facility Building) is in the range similar to that of Terminal Building Ratio of 88% and accordingly the Authority proposed to consider the ratio of 88%.

<sup>^</sup> While the CAPEX prior to aeronautical allocation has been redrawn as per Table 91 (on account of reclassifications, changes arising from the revision in COD etc), the corresponding aeronautical CAPEX has not been computed and submitted by YIAPL. Accordingly, for the purpose of comparison, the Authority has used the aeronautical CAPEX as submitted by YIAPL in the MYTP.



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<sup>#</sup>*Aeronautical Allocation for Landside Development including Land Development*

Asset	Total Cost (A)	Aero % (B)	Aero Cost (C=A×B)
Land Development	459.21	88.00%	404.11
Access Road-Ways	174.02	88.00%	153.14
Canopy	44.08	88.00%	38.79
Car Park	88.22	0.00%	-
<b>Total</b>	<b>765.54</b>		<b>596.04</b>
<b>Weighted Aero %</b>			<b>77.86%</b>

<sup>##</sup>*Aeronautical Allocation for Utilities*

Asset	Total Cost (A)	Aero % (B)	Aero Cost (C=A×B)
AGL Substation	39.76	100.00%	39.76
Airside - HVAC Building	154.29	100.00%	154.29
IT	288.21	88.00%	253.62
Utilities	384.98	88.00%	338.78
<b>Total</b>	<b>867.23</b>		<b>786.45</b>
<b>Weighted Aero %</b>			<b>90.69%</b>

5.4.9 The reasons for difference in the aeronautical additions as submitted by YIAPL and aeronautical additions as proposed by the Authority are mainly on account of the rationalization as proposed by the Authority in Table 96 and differences in allocation ratios as can be seen in Table 98.

5.4.10 Asset category-wise additions for the First Control Period is as presented below:

**Table 99: Project Category Wise Additions proposed by the Authority after reallocations for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Computer - Servers & Networks	Electrical Installation & Equipment	Other Buildings	P&M	Roads / Boundary wall	Runway, Taxiway, Apron	Terminal Building	Vehicles	Grand Total
Airside Projects	-	278.67	270.75	-	124.78	868.71	-	-	1,542.91
Boundary Wall	-	-	-	-	95.53	-	-	-	95.53
Landside Development including Land Development	-	-	404.11	-	153.14	-	38.79	-	596.04
Support Facility Buildings	-	-	388.35	-	-	-	-	-	388.35
Terminal Building	106.36	-	-	403.14	-	-	2,098.98	-	2,608.48
Utilities	253.62	-	194.04	338.78	-	-	-	-	786.45
Vehicles	-	-	-	40.60	-	-	-	87.09	127.69
VIP Terminal	-	-	-	-	-	-	16.46	-	16.46
GPU/ PCA	-	-	-	40.13	-	-	-	-	40.13
Other	-	-	-	12.20	-	-	-	-	12.20
General and Maintenance	-	-	-	30.00	-	-	-	-	30.00



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Particulars	Computer - Servers & Networks	Electrical Installation & Equipment	Other Buildings	P&M	Roads / Boundary wall	Runway, Taxiway, Apron	Terminal Building	Vehicles	Grand Total
CAPEX – First Control Period									
<b>Total</b>	<b>359.99</b>	<b>278.67</b>	<b>1,257.25</b>	<b>864.85</b>	<b>373.45</b>	<b>868.71</b>	<b>2,154.23</b>	<b>87.09</b>	<b>6,244.24</b>

5.4.11 Year-wise aeronautical capital additions for the First Control Period are as presented below:

**Table 100: Year-wise Aeronautical Additions proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	FY 26 <sup>^</sup>	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Terminal Building	2,154.23	-	-	-	-	-	2,154.23
Other Building	1,257.25	-	-	-	-	-	1,257.25
P&M	831.61	-	-	10.00	10.00	10.00	861.61
Runway, Taxiway, Apron	868.71	-	-	-	-	-	868.71
Roads / Boundary wall	373.45	-	-	-	-	-	373.45
Computers - Servers and Networks	359.99	-	-	-	-	-	359.99
Electrical Installation and Equipment	278.67	-	-	-	-	-	278.67
Vehicles	87.09	-	-	-	-	-	87.09
<b>Total<sup>^</sup></b>	<b>6,210.99</b>	<b>-</b>	<b>-</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>6,240.99</b>

*\*YIAPL has submitted that certain assets like computers were procured and put to use by YIAPL prior to COD. It was further submitted that the cost of such assets is Rs. 12.20 crores and the WDV as at 1<sup>st</sup> Feb 2026 is Rs. 8.96 crores. (refer Para 5.3.174). The Authority notes that the capitalization up to FY 2025 is Rs 49.52 crores as per the Audited Financial Statements of FY 2024-25. Since the Fixed Asset Register / detailed schedule of capitalization has not yet been submitted, the Authority has considered the cost of Rs 12.2 crores as submitted by YIAPL in the MYTP as the capitalization prior to COD. The same will be reviewed during the Consultation Stage*

*<sup>^</sup>All assets assumed to be capitalized on 31<sup>st</sup> March 2026*

## 5.5 Depreciation for the First Control Period

### YIAPL submission regarding depreciation for the First Control Period

- 5.5.1 YIAPL in its submission had stated that depreciation has been charged based on Straight Line Method (SLM) over the useful lives of the assets as per the Authority's Order No. 35/2017-18 dated 12th January 2018 and amendment to Order No. 35/2017-18 dated 09th April 2018.
- 5.5.2 YIAPL also submitted that as per the notes in the AERA Order no. 35/ 2017-18, useful life for buildings is considered as ~37 years which is lower of the proposed useful life of 60 years or the remaining concession period of ~37 years.
- 5.5.3 The Aeronautical Depreciation submitted by YIAPL for the First Control Period as per MYTP (FY 2025-26 to FY 2029-30), and the revised Aeronautical Depreciation considered as YIAPL's submission based on the revised COD of 1<sup>st</sup> April 2026 for the revised First Control Period (FY 2026-27 to FY 2030-31 - refer Para 1.2.5) is given below:

**Table 101: Aeronautical Depreciation submitted by YIAPL for the First Control Period as per MYTP**

*(Rs. in crores)*

Particulars	FY26	FY27	FY28	FY29	FY30	Total
Aeronautical Depreciation	331.50	360.10	364.60	367.40	371.60	1,795.20



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5.5.4 The revised submission prepared by the Authority is derived by shifting the depreciation values submitted by YIAPL in its MYTP by one year. While doing so, the depreciation originally considered for FY 2025–26 — which had been pro-rated based on a COD of 30th April 2025 — has been annualized and considered for the full twelve months for FY 2026–27.

**Table 102: Revised Aeronautical Depreciation considered as YIAPL’s resubmission for the First Control Period based on revised COD at Consultation Stage**

Particulars	FY27	FY28	FY29	FY30	FY31	Total
Aeronautical Depreciation	360.10 <sup>^</sup>	360.10	364.60	367.40	371.60	1,823.80

<sup>^</sup>Considered for 12 months assuming COD is 1<sup>st</sup> April 2026

**The Authority’s examination regarding depreciation for the First Control Period**

5.5.5 The Authority reviewed the useful life considered by YIAPL for the First Control Period based on the rates prescribed by AERA vide Order No. 35/2017-18 dated 12th January 2018, in the matter of determination of useful life of Airports Assets.

5.5.6 The Authority sought clarifications on certain asset categorizations considered by YIAPL. Considering the responses received from YIAPL the Authority proposed useful life as per the table below. For assets where useful life proposed by the Authority is different from that submitted by YIAPL, the Authority had included remarks.

**Table 103: Comparison of useful life of assets submitted by YIAPL and proposed by the Authority at Consultation Stage**

Asset Category	Useful Life as per YIAPL	Useful Life proposed by the Authority (considered COD of 1 <sup>st</sup> April 2026)	Remarks
AGL System	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
Airside Buildings	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01 <sup>st</sup> April 2026 by the Authority instead of 30 <sup>th</sup> April 2025 as per YIAPL’s submission.
Airside Roadways	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
Runway, Apron and Taxiway	30.00	30.00	Useful life considered by YIAPL is in line with Order 35
Bomb Cooling Pit	10.00	35.53	Since this is an operational building, the useful life is proposed to be considered in line with other airside buildings, i.e., 36.07 years
GSE staging	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
NAVAID Support building	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01 <sup>st</sup> April 2026 by the Authority instead of 30 <sup>th</sup> April 2025 as per YIAPL’s submission.
Land Development	36.42	35.53	The Authority notes that as per Order No. 35/2017-18 dated 12.01.2018 as amended by amendment dated 09.04.2018 issued by the Authority, where land development is done on leased



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Asset Category	Useful Life as per YIAPL	Useful Life proposed by the Authority (considered COD of 1 <sup>st</sup> April 2026)	Remarks
			land, the cost spent on land development is to be amortized over the lease period. YIAPL has considered the land development as a separate asset item and amortized it over the balance period of the concession agreement. Accordingly, the treatment is consistent with the above Order.
Access Roadways	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
Canopy	10.00	35.53	YIAPL has submitted that Canopy is made with high tenacity polyester over Structural steel frame. Hence, the cannot be considered as a building (civil structure). Accordingly, the useful life is considered as 10 years. The Authority considers that the canopy, being integrated with the terminal structure and forming part of the overall passenger handling infrastructure, should be treated on par with the terminal building for the purpose of useful life determination.
Car Park	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
IT Terminal Building	6.00	6.00	Useful life considered by YIAPL is in line with Order 35
Passenger Boarding Bridge	10.00	15.00	In its subsequent submissions, YIAPL has requested the Authority to consider a useful life of 15 years for the Passenger Boarding Bridge, since they would be classified as Plant and Machinery
PTB – BHS, ATRS, ABD	15.00	15.00	Useful life considered by YIAPL is in line with Order 35
Terminal Building	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01 <sup>st</sup> April 2026 by the Authority instead of 30 <sup>th</sup> April 2025 as per YIAPL's submission.
Support Facility Buildings	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01 <sup>st</sup> April 2026 by the Authority instead of 30 <sup>th</sup> April 2025 as per YIAPL's submission.
AGL Substation	10.00	35.53	Since the primary component is the CCR Building, the useful life is proposed to be considered in line with other airside buildings.
Airside - HVAC Building	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01 <sup>st</sup> April 2026 by the Authority instead of 30 <sup>th</sup> April 2025 as per YIAPL's submission.
IT	6.00	6.00	Useful life considered by YIAPL is in line with Order 35
Utilities	10.00	15.00	In its subsequent submissions, YIAPL has requested the Authority to consider a useful life of 15 years for Utilities, since they would be classified as Plant and Machinery
Vehicles	8.00	8.00	Useful life considered by YIAPL is in line with Order 35



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Asset Category	Useful Life as per YIAPL	Useful Life proposed by the Authority (considered COD of 1 <sup>st</sup> April 2026)	Remarks
Vehicles - Crash Fire Tenders	15.00	15.00	Useful life considered by YIAPL is in line with Order 35
Boundary Wall	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
VIP Terminal	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01 <sup>st</sup> April 2026 by the Authority instead of 30 <sup>th</sup> April 2025 as per YIAPL's submission.
GPU/ PCA	10.00	15.00	Since Preconditioned Air Systems and Ground Power Unit are classified under plant and machinery, the Authority proposed to consider the useful life as 15 years

5.5.7 Considering the revised useful life as per Table 103, changes to the value of Capital Expenditure, allocation ratio and the change in beginning of Control period to 1<sup>st</sup> April 2026 (refer Para 2.3.4), the Authority had recomputed the aeronautical depreciation of assets for the First Control Period. The following table summarizes the revised aeronautical depreciation proposed by the Authority:

**Table 104: Total Aeronautical depreciation proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Terminal Building	60.64	60.64	60.64	60.64	60.64	303.19
Other Building	35.39	35.39	35.39	35.39	35.39	176.95
P&M	58.87	58.10	62.60	62.77	64.45	306.80
Runway, Taxiway, Apron	28.96	28.96	28.96	28.96	28.96	144.79
Roads / Boundary wall	37.34	37.34	37.34	37.34	37.34	186.72
Computers - Servers and Networks	60.00	60.00	60.00	60.00	60.00	299.99
Electrical Installation and Equipment	27.87	27.87	27.87	27.87	27.87	139.33
Vehicles	10.89	10.89	10.89	10.89	10.89	54.43
<b>Total</b>	<b>319.95</b>	<b>319.18</b>	<b>323.68</b>	<b>323.85</b>	<b>325.53</b>	<b>1,612.20</b>

**5.6 Regulatory Asset Base (RAB) for the First Control Period**

**YIAPL's submission regarding RAB for the First Control Period**

5.6.1 As per YIAPL's submission, the RAB for the First Control Period is as detailed below:

**Table 105: RAB submitted by YIAPL for the First Control Period in MYTP**

*(Rs. in crores)*

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Opening RAB	A	6,795.50	6,464.00	6,103.90	5,762.30	5,417.90	
Additions to RAB	B	-	-	23.00	23.00	23.00	<b>69.00</b>
Depreciation	C	331.50	360.10	364.60	367.40	371.60	<b>1,795.20</b>
Deletions on RAB	D	-	-	-	-	-	-
<b>Closing RAB</b>	E=A+B-C-D	6,464.00	6,103.90	5,762.30	5,417.90	5,069.30	
<b>Average RAB</b>	F=(A+E)/2	6,629.80	6,284.00	5,933.10	5,590.10	5,243.60	



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- 5.6.2 For the purpose of re-drawing YIAPL's submission to give effect to the revised COD and the extension of the Control Period by one year, the opening RAB has been shifted forward by one year. Depreciation had been considered in line with YIAPL's submission as per Table 102, and the closing RAB had accordingly been derived based on the adjusted opening RAB and the depreciation so considered.

**Table 106: Revised RAB drawn up by the Authority, as YIAPL Submission, for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Opening RAB	A	6,795.50	6,435.40	6,075.30	5,733.70	5,389.30	
Additions to RAB	B	-	-	23.00	23.00	23.00	<b>69.00</b>
Depreciation	C	360.10	360.10	364.60	367.40	371.60	<b>1,823.80</b>
Deletions on RAB	D	-	-	-	-	-	-
<b>Closing RAB</b>	<b>E=A+B-C-D</b>	<b>6,435.40</b>	<b>6,075.30</b>	<b>5,733.70</b>	<b>5,389.30</b>	<b>5,040.70</b>	
<b>Average RAB</b>	<b>F=(A+E)÷2</b>	<b>6,615.45</b>	<b>6,255.35</b>	<b>5,904.50</b>	<b>5,561.50</b>	<b>5,215.00</b>	

**The Authority's examination regarding RAB for the First Control Period**

- 5.6.3 The Authority had carefully examined the calculation of RAB and YIAPL's submissions in this regard. Based on the year-wise aeronautical capital expenditure and aeronautical depreciation proposed by the Authority as given in Table 100 and Table 104, the RAB proposed to be considered by the Authority for the First Control Period is as given below:

**Table 107: RAB proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY27	FY28	FY29	FY30	FY31	Total
Opening RAB (refer Table 100)	A	6,210.99	6,161.15	5,841.06	5,529.07	5,216.92	
Additions to RAB (refer Table 100)	B	-	-	10.00	10.00	10.00	<b>30.00</b>
Disposal of RAB	C	-	-	-	-	-	-
Depreciation (refer Table 104)	D	319.95	319.18	323.68	323.85	325.53	<b>1,612.20</b>
<b>Closing RAB</b>	<b>E=A+B-C-D</b>	<b>5,891.04</b>	<b>5,571.86</b>	<b>5,258.18</b>	<b>4,944.33</b>	<b>4,628.80</b>	
<b>Average RAB</b>	<b>F=(A+E)÷2</b>	<b>6,051.02</b>	<b>5,731.45</b>	<b>5,415.02</b>	<b>5,101.25</b>	<b>4,786.56</b>	

- 5.6.4 The Authority noted that the aeronautical capital expenditure, aeronautical depreciation and RAB considered are based on estimates and information available at this stage, and on the assumption that all assets (other than general maintenance CAPEX) would be capitalized as on 31<sup>st</sup> March 2026, i.e., prior to the COD of 1<sup>st</sup> April 2026. While the Authority had examined the CAPEX as submitted by YIAPL, including details drawn from contracts, budgeted costs, CWIP statements and other supporting submissions, the same is provisional in nature and subject to revision based on actual capitalization.
- 5.6.5 Accordingly, post capitalization in the books of accounts, the Authority directed YIAPL to submit detailed capitalization schedules, including asset-wise categorization and aeronautical/Non-Aeronautical allocation, based on actual capitalization.
- 5.6.6 It is the sole responsibility of the Airport Operator to maintain proper books of accounts and Fixed Asset Register (FAR) diligently and present accurate information in its submissions. The Authority relies on the information available in the audited financial reports & FAR for its analysis. The Authority expects that the



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Airport Operator would ensure the accuracy of the information captured in its books of accounts and FAR and that there is no duplication of expenses.

**5.7 Stakeholders' comments regarding Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period**

5.7.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26 with respect to Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period. The comments by stakeholders are presented below:

**YIAPL's comments regarding Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period:**

5.7.2 YIAPL's comments regarding capital expenditure on Canopy are as follows:

*"The Authority's Consideration and Proposal put forth in Consultation Paper:*

*Vide para 5.3.83, the Authority notes that the canopy is essential for providing a covered walkway for the passengers between the Terminal Building and the car park area. As the canopy does not operate as a standalone facility and forms an integral part of terminal access infrastructure, the Authority proposes to consider this under the Terminal Building Ratio*

*YIAPL response:*

*The Authority has considered the kerbside canopy as part of the terminal building and has accordingly applied the terminal building ratio for determining the aeronautical allocation. In this regard, it is respectfully submitted that such treatment is ad hoc and not appropriate.*

*The canopy under consideration is located at the kerbside area forming part of the approach road infrastructure and is intended to facilitate passenger pick-up and drop-off operations. It is functionally and physically distinct from the terminal building structure and does not form part of the enclosed terminal space.*

*Further, it is submitted that:*

- The canopy is integral to landside access infrastructure, similar to kerbside roads and approach ramps*
- It will be used by the passengers during pick-up and drop-off*
- There are no commercial or Non-Aeronautical activities being undertaken under the canopy*

*Accordingly, the canopy ought to be classified as forming part of kerbside and approach road infrastructure, rather than as part of the terminal building.*

*It is pertinent to note that the Authority, in its analysis of capital expenditure for Hyderabad airport, has classified "Expansion of Kerb and Approach Ramp", which includes the cost of canopy, as 100% aeronautical in nature, recognizing such assets as part of core aeronautical infrastructure. The relevant extract is reproduced below for ready reference:*



**Table 95: Re-classification of assets under expansion capital expenditure proposed to be considered by the Authority**

Sr. No.	Asset	Classification
1	Expansion of Terminal Building including piers	Common
2	Airport Systems	Aero
3	Expansion of Apron & Taxiways and GSE Tunnel	Aero
4	Expansion of Kerb and Approach Ramp	Aero
5	Road Infrastructure	Aero

Source: Consultation Paper No 11/2021-22 in the matter of determination of Aeronautical Tariff for Rajiv Gandhi International Airport for the Third control period

### 5.2.3. EXPANSION OF THE KERB AND APPROACH RAMP

An amount of Rs. 156.40 Crores is catered in the proposal for expansion of the kerb and approach ramp. This constitutes approx. 2.80 % of the total cost proposal (5596.24Crores). Out of 156.40 Crores, 146.767 Crores is awarded contract value submitted by GHIAL to VNC for Construction of 4 lane approach ramp and 0.98 Crores to Godrej for SITC of UVSS, BOLLARD and barriers. Provisional estimate of 5.5 Crores for Airport name signage and Landscaping around Ramp area is kept on Lump sum basis. Main work (146.767 Cr.) catered for Bridge PCC and RCC (58.963 Cr.),



Reinforced earth wall (4.75 Cr.), Fabric roof canopy (14.284 Cr.), Road work (9.996 Cr.), Barricading, temporary road and Preliminaries (15.452 Cr.), Miscellaneous additional & variation work. (12.978 Cr.)

Source: Pg No. 50, RITES study of Capex for third control period (incl in the consultation paper for Rajiv Gandhi International Airport for the Third Control Period)

In view of the above submissions, the Authority is requested to reclassify the canopy as part of kerb side/approach road infrastructure and allow 100% aeronautical allocation, instead of applying the terminal building ratio..."

5.7.3 YIAPL's comments regarding Capital Expenditure on Access Roads are as follows:

"The Authority's Consideration and Proposal put forth in Consultation Paper:

Vide para 5.4.6, the Authority has classified the access roads as common asset with the view that the access road is the only road available for all the users of NIA.

YIAPL Response

In this regard, it is respectfully submitted that such classification is not appropriate in the present case.



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The access roads under consideration are not located within the earmarked areas for city-side development or for parking/commercial utilization. Instead, these roads form an integral part of the core access and circulation infrastructure enabling passenger movement to and from the terminal building.

Accordingly, the roads are functionally aligned with aeronautical operations, as they are essential for passenger access and do not support any independent Non-Aeronautical activity.

Further, the classification of such access and approach roads as common is inconsistent with the Authority's established approach across other airports, as illustrated below:

- The Authority has considered new T1 access roads at Mumbai airport under kerbside improvements as 100% aeronautical, the relevant extract of which has been reproduced below:

S. No	Project /Item Name	Total Cost	Aero%	Aero Capitalization					
				FY25	FY26	FY27	FY28	FY29	Total
<b>Kerbside Improvements</b>									
C1-1	New T1 Access Road (At-Grade) including demolition of existing pavement	34.81	100.00%	-	-	34.81	-	-	34.81
C1-2	New T1 Access Road (Elevated Departure Driveway for T1)	136.31	100.00%	-	-	-	136.31	-	136.31

Source: Pg No.122, Consultation Paper No 08/2024-25 in the matter of determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport for the Fourth control period

- In the case of Goa Airport (MOPA), the main access road, spine road and associated road infrastructure have been treated as aeronautical in nature. The relevant extract has been reproduced below for ready reference:

**Table 67: Aeronautical Capital Additions proposed by the Authority for the First Control Period**

*(Rs. in crores)*

Asset Classification	Classification	FY 23*	FY24	FY25	FY26	FY27	FY28	Total (FY23 to FY28)	Total (FY24 to FY28)
Apron	Aero	78.79	38.91	-	5.51	-	-	123.21	44.42
Runway	Aero	183.88	83.49	-	9.72	-	-	277.09	93.21
Taxiway	Aero	195.04	96.31	-	13.65	-	-	305.01	109.96
Drainage	Aero	126.27	41.79	-	-	-	-	168.06	41.79
Other Airside Building	Aero	192.11	63.59	-	-	-	-	255.70	63.59
Roads	Aero	172.84	57.21	-	-	-	-	230.05	57.21
P&M	Common	59.50	25.87	-	22.71	-	-	108.09	48.58
PTB	Common	430.89	205.31	-	230.59	-	-	866.78	435.89

Source: Pg No.79, Consultation Paper No 11/2023-24 in the matter of determination of Aeronautical Tariff for MOPA GOA for the First control period



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- In the case of Rajiv Gandhi International Airport, the Authority has classified road infrastructure, including kerb and approach ramp works, as aeronautical. Relevant extract with respect to it has been reproduced below:

**Table 95: Re-classification of assets under expansion capital expenditure proposed to be considered by the Authority**

Sr. No.	Asset	Classification
1	Expansion of Terminal Building including piers	Common
2	Airport Systems	Aero
3	Expansion of Apron & Taxiways and GSE Tunnel	Aero
4	Expansion of Kerb and Approach Ramp	Aero
5	Road Infrastructure	Aero

Source: Pg No.122, Consultation Paper No 11/2021-22 in the matter of determination of Aeronautical Tariff for Rajiv Gandhi International Airport for the Third control period

The above submissions clearly establish that access and approach roads forming part of core passenger access infrastructure have consistently been treated as aeronautical by the Authority.

In light of the above facts and submissions, the classification of the present access roads as common assets represents a departure from established regulatory precedence, and the Authority is requested to reconsider the classification and treat them as 100% aeronautical, in line with the approach adopted in comparable airport determinations as demonstrated above..."

5.7.4 YIAPL's comments regarding Aeronautical Allocation Ratio of Land Development Cost are as follows:

"The Authority's Consideration and Proposal put forth in Consultation Paper:

Vide para 5.4.8, the Authority has applied the terminal building area ratio to the proposed land development cost for the purpose of aeronautical allocation.

YIAPL response:

The Authority has apportioned the land development cost between aeronautical and Non-Aeronautical categories based on the terminal building ratio. In this regard, it is respectfully submitted that YIAPL has, vide email dated 25 January 2025, already provided the Authority with a detailed break-up of the relevant land area for this cost, The Authority was also informed that land development formed part of the scope under EPC-2 (Airsides and other Ancillary Buildings at the Airport) Contract, which does not include any land development activities related to the terminal. Instead, the area on which these work has been executed are primarily pertaining to the airside.

Given that land development costs are more appropriately attributable based on actual land utilization and allocation, it is respectfully requested that the Authority ought to consider the detailed land area break-up as submitted by YIAPL for the purpose of apportioning these costs between aeronautical and Non-Aeronautical categories, rather than applying the terminal building ratio, which in any case, does not accurately reflect the utilization of this cost."

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5.7.5 YIAPL's comments regarding Aeronautical allocation ratio for IT and Utilities cost under Utilities head are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 5.4.8, the Authority has applied the terminal building area ratio to the proposed IT and utilities cost under the head "Utilities" head for the purpose of aeronautical allocation.*

*YIAPL response:*

*The Authority has applied the terminal building ratio for allocation of IT and Other Utilities under the head "Utilities" between aeronautical and Non-Aeronautical categories. In this regard, it is respectfully submitted that such an approach does not appropriately reflect the nature of these assets and the related expenditure.*

*It is submitted that the IT costs specifically relating to the terminal building have already been captured under the head, "Terminal Building cost" which the Authority has itself allocated using the terminal building ratio. The IT costs under the head "Utilities" however, pertain to the EPC-2 Contract and primarily relate to airport-wide fiber optic cabling and security systems.*

*Similarly, the "Other Utilities" under this head also form part of the EPC-2 Contract and relate to assets such as water treatment plants, sewage treatment plants, airside EV charging works and utility provisioning for APHO.*

*The aforesaid assets are neither part of the terminal building nor intended to serve only the terminal building. Rather, they form part of the overall airport infrastructure and support airport wide operations. In such a case, allocation based on the terminal building ratio would not be appropriate.*

*It is therefore respectfully requested that the Authority allocate the IT and Other Utilities under the head "Utilities" between aeronautical and Non-Aeronautical categories based on the gross asset ratio of the overall airport rather than applying the terminal building ratio."*

5.7.6 YIAPL's comments regarding Useful life of canopies are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide Table 101(refer Table 103 of this Tariff Order), the Authority has considered that the canopy, being integrated with the terminal structure and forming part of the overall passenger handling infrastructure, should be treated on par with the terminal building for the purpose of useful life determination.*

*YIAPL response:*

*It is respectfully submitted that the canopy under consideration is located along the approach road / kerbside area leading to the terminal building and is a physically distinct asset. It is not structurally integrated with the terminal building and therefore should not be treated at par with the terminal building for the purpose of determining useful life.*

*YIAPL has also sought the views of its technical team regarding the appropriate useful life of the canopies. Based on their technical assessment, the useful life of the canopy may appropriately be considered as 25 years.*

*Accordingly, it is requested that the useful life of the canopy be assessed independently from that of the terminal building and be considered as 25 years, taking into account its nature, location and technical*



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*characteristics. YIAPL is open to providing the requisite technical certification supporting a useful life of 25 years at the time of asset capitalization.”*

5.7.7 YIAPL’s comments regarding Capital Expenditure for VDGS are as follows:

*“The Authority’s consideration and proposal put forth in Consultation Paper:*

*With reference to para 5.3.132 and para 5.4.8, it is observed that, in the MYTP filing and consequently in the Authority’s comments in the Consultation Paper, VDGS has been categorized under Support Facility Buildings, which have been classified as common assets and allocated on the basis of the terminal building ratio.*

*YIAPL response:*

*In this regard, it is submitted that the classification of Visual Docking Guidance System (VDGS) as a common asset appears to have stemmed from an inadvertent classification in YIAPL’s MYTP submission, which may have subsequently been reflected in the Authority’s comments in the Consultation Paper.*

*VDGS is used to assist pilots in guiding aircraft from the taxiway to the designated stop position t the apron or contact stand. Considering its purpose and operational role, VDGS forms an integral part of the airport’s aeronautical infrastructure and may therefore be appropriately classified as a 100% aeronautical asset. The approach of considering VDGS as aeronautical is also consistent with the treatment adopted at other airports. For reference, a relevant extract from the Consultation Paper of Mopa Airport is enclosed.*

**Table 67: Aeronautical Capital Additions proposed by the Authority for the First Control Period**

*(Rs. in crores)*

Asset Classification	Classification	FY 23*	FY24	FY25	FY26	FY27	FY28	Total (FY23 to FY28)	Total (FY24 to FY28)
Apron	Aero	78.79	38.91	-	5.51	-	-	123.21	44.42
Runway	Aero	183.88	83.49	-	9.72	-	-	277.09	93.21
Taxiway	Aero	195.04	96.31	-	13.65	-	-	305.01	109.96
Drainage	Aero	126.27	41.79	-	-	-	-	168.06	41.79
Other Airside Building	Aero	192.11	63.59	-	-	-	-	255.70	63.59
Roads	Aero	172.84	57.21	-	-	-	-	230.05	57.21
P&M	Common	59.50	25.87	-	22.71	-	-	108.09	48.58
PTB	Common	430.89	205.31	-	230.59	-	-	866.78	435.89
ATC	Aero	82.86	27.43	-	-	-	-	110.29	27.43
HVAC	Common	42.30	20.16	-	22.64	-	-	85.09	42.79
PH&E	Common	104.46	49.77	-	55.90	-	-	210.14	105.67
PBB & VGDS	Aero	13.53	6.45	-	7.24	-	-	27.22	13.69
BHS	Aero	25.35	12.08	-	13.57	-	-	51.00	25.65

*Source: Pg No.79, Consultation Paper No 11/2023-24 in the matter of determination of Aeronautical Tariff for MOPA GOA for the First control period.*



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*In view of the above, it is respectfully requested that the Authority treat VDGS as 100% aeronautical, in line with the approach followed at other airports."*

5.7.8 YIAPL's comments regarding Treatment of CISF Bachelor Accommodation are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*With reference to para 5.3.131 and para 5.4.8, it is observed that, in the MYTP filing and consequently in the Authority's comments in the Consultation Paper, CISF Bachelor accommodation has been categorized under Support Facility Buildings, which have been classified as common assets and allocated on the basis of the terminal building ratio.*

*YIAPL response:*

*As per the regulations laid down by MoCA/BCAS, it is the responsibility of airport operator to provide accommodation for CISF personnel stationed at NIA. Considering the location of the airport, development of accommodation for CISF personnel was necessary to avoid operational and logistical challenges that may otherwise arise and to ensure effective discharge of security functions at the airport.*

*It is submitted that CISF accommodation has been created solely to support CISF personnel in carrying out their security-related responsibilities efficiently. CISF forms part of the reserved services at the airport, and the related accommodation does not contribute to, nor is it intended to support any Non-Aeronautical activity or revenue stream. Further, NIA will have separate private security agencies for landside.*

*It is observed that, in YIAPL's MYTP submission, CISF accommodation was inadvertently classified and included under Support Facility Buildings as a common asset. Consequently, this asset has been treated by the Authority as a common facility and allocated between aeronautical and Non-Aeronautical categories based on the terminal building ratio. In this context, it is respectfully submitted that such treatment may not appropriately reflect the nature and functional use of CISF accommodation.*

*It is pertinent to note that CISF-related assets have been treated as purely aeronautical assets at other airports as well. For instance, in the Consultation Paper issued by the Authority for Bangalore Airport for the Third Control Period, CISF barracks expansion as well as CISF permanent housing have been treated as 100% aeronautical assets.*

Consultation Paper No. 10/2021-22 for the Third Control Period KIA, Bengaluru

S no	Asset additions (INR cr.)	Total addition	Aero Allocation ratio (%)	Aero Additions					Total aero
				2022	2023	2024	2025	2026	
B1 S	Landside Maintenance Building	13.50	86.85%	-	-	-	-	11.72	11.72
B2 O	CISF Permanent housing - Phase I	0.00	100.00%	-	-	-	-	-	-
B	<b>Sub-Total - Projects proposed in TCP</b>	<b>441.20</b>		-	<b>272.41</b>	-	<b>46.96</b>	<b>84.37</b>	<b>403.74</b>
C	Sustaining capex	987.23		169.27	171.49	171.49	171.49	171.49	855.22
	<b>Total</b>	<b>8,826.60</b>		<b>6,437.58</b>	<b>443.90</b>	<b>171.49</b>	<b>218.45</b>	<b>255.86</b>	<b>7,527.27</b>

\* aeronautical asset additions include the design, PMC, contingency and IDC



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Source: Pg No.119, Consultation Paper No 10/2021-22 in the matter of determination of Aeronautical Tariff for Kempegowda International Airport for the Third control period.

In view of the above, it is respectfully requested that the Authority exclude CISF accommodation from the category of Support Facility Buildings and treat the same as a 100% aeronautical asset for the purpose of RAB calculation.”

5.7.9 YIAPL’s comments regarding Cost Reimbursement to NHAI are as follows:

“The Authority’s consideration and proposal put forth in Consultation Paper:

Vide para 5.3.79, the Authority has mentioned that the portion of road to be constructed by NHAI within the airport boundary is already covered as part of the scope of Tata Projects Limited in EPC-2 Contract and if the road were to be constructed by NHAI, the same needs to be recovered from the EPC-2 contractor. The Authority has not included the cost of Rs. 8.47 crores towards construction of this extra piece of land at this stage.

YIAPL response:

YIAPL submits that the works in question were already executed by NHAI, with the associated costs arising from technical requirements necessitating the realignment and extension undertaken by NHAI during the construction of cloverleaf connecting the Yamuna Expressway to the airport. Owing to technical complexities, this involved extension of the road by NHAI up to a point located inside the NIA boundary wall. Further, NHAI subsequently instructed NIA to revise the elevation and coordinates of the internal road connecting to the road constructed by NHAI.

Pursuant to the above, YIAPL issued a change order to EPC Contractor (Change Order No. E2.015, already shared with the Authority) covering the deletion and revision of scope as detailed therein. As a consequence of these revisions, YIAPL will be required to reimburse the corresponding costs to NHAI.

Accordingly, it is respectfully requested that the Authority consider allowing this expenditure to be included as part of the Regulatory Asset Base (RAB).”

5.7.10 YIAPL’s comments regarding Change Order pertaining to MEP Utilities for concessionaire spaces are as follows:

“The Authority’s consideration and proposal put forth in Consultation Paper:

Vide para 5.3.231, the Authority has excluded the change order pertaining to MEP Utilities for concessionaire spaces on the premise that the same pertains to Non-Aeronautical initiatives.

YIAPL response:

In this regard, it is submitted that the understanding drawn by the Authority is not correct.

The said change order pertains to the EPC-2 Contract’s scope of work and covers modifications / additional works relating to the power distribution system, sewage and water treatment plants, fiber optic cabling and certain minor civil and electrical works, required largely in relation to CISF barracks and CISF BDDS. A portion of the cost also relates to modifications in the water and sewage treatment systems for the central kitchen.

It is acknowledged that the description “Utilities for concessionaire spaces” may have created a misleading impression regarding the nature of the works. However, the underlying scope is neither limited to nor



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primarily driven by Non-Aeronautical / concessionaire-related development. Rather, it pertains substantially to common utility and support infrastructure serving airport operations, including reserved service areas. YIAPL has already shared the respective change order with the authority.

Accordingly, the cost may appropriately be treated as a common cost for the purpose of allocation to the aeronautical RAB.”

5.7.11 YIAPL’s comments regarding Terminal Building Ratio are as follows:

“The Authority’s consideration and proposal put forth in Consultation Paper:

The Authority has relied upon the IMG norms for determination of Terminal Building Ratio (TBLR).

YIAPL Response:

The Authority has proposed application of the higher limit of the IMG norms to determine the terminal building (TB) ratio of 88% for aeronautical and Non-Aeronautical allocation. In this regard, it is respectfully submitted that the IMG norms were originally developed as a benchmark for assessing terminal building area vs peak hour passengers (PHP), and not as a prescriptive guideline for determining the aeronautical versus Non-Aeronautical allocation within the terminal building.

The terminal at Noida International Airport has been designed and constructed as part of the first phase, considering the infrastructure requirements required to support aeronautical operations for a capacity of 12 million passengers with an appropriate and balanced bifurcation of aeronautical and Non-Aeronautical areas, thus ensuring that aeronautical operations are adequately supported during the initial ramp-up and stabilization phase while also accommodating essential Non-Aeronautical activities.

Further, once capacity utilization reaches 80%, expansion for subsequent phase will also trigger.

Traffic projections indicate that by the end of third year of operations, passenger volumes are expected to exceed the 12mn designed capacity. However, through optimization strategies, the additional traffic will be effectively managed.

Further, Concession Agreement executed between Noida International Airport Limited (NIAL) & YIAPL (hereafter Master Concession Agreement), mandates a minimum provision of 30 sqm per peak-hour passenger (PHP). The terminal has been designed to meet this requirement through efficient aeronautical operations, including de-peaking strategies, effective lane management and optimized waiting times to consistently maintain SLA compliance.

In the present case, the SLAs required to be maintained by YIAPL under the Master Concession Agreement are among the more demanding ones in the country, necessitating efficient allocation of space towards aeronautical functions.

Considering the above stipulations and requirements, terminal for first phase for NIA has been designed and constructed.

Also, the extent of Non-Aeronautical activities within a terminal building is inherently driven by a combination of demand-side and supply-side factors, including but not limited to:

- Geographic location of the airport
- Total passenger traffic and growth trajectory
- Passenger mix (domestic vs international, business vs leisure, low-income vs high

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income)

- Airlines profile and destinations served
- Space requirements for aeronautical functions
- Service Level Agreements (SLAs) to be maintained
- Design constraints and reserved/mandatory service areas

Accordingly, a uniform application of IMG norms to determine Non-Aeronautical allocation does not appropriately reflect airport-specific realities.

Further, it is pertinent to note that the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) in its order dated 11-09-2025 in the matter of MOPA Goa Airport has recognized that Non-Aeronautical allocation for PPP airports should not be determined based on IMG norms and should instead be assessed based on the actual configuration and operational requirements of the concerned airport.

The Authority has allowed terminal ratio to other greenfield airports as 90 :10 as tabulated below:

Airport	TB Ratio
Jaipur	90:10
Goa Mopa	90:10
Lucknow	90:10

In view of the above submissions, it is respectfully requested that the Authority should not apply the standardized 88% TB ratio to greenfield airports and instead determine the aeronautical and Non-Aeronautical allocation based on the actual terminal building space utilization at NIA.”

5.7.12 YIAPL’s comments regarding Financing Allowance calculation are as follows:

“The Authority’s consideration and proposal put forth in Consultation Paper:

Vide para 5.3.236, the Authority has calculated the Financing Allowance assuming all assets would be capitalized on 31<sup>st</sup> March 2026 (except general & maintenance capex).

YIAPL response:

It is requested that the Authority allow the financing allowance in accordance with the AERA guidelines and formula therein, taking into account the actual date of capitalization of the relevant assets, rather than considering 31<sup>st</sup> March 2026.

Further, YIAPL hereby requests the authority to consider cost of debt as submitted by YIAPL vide para 4.2 of this response (refer para 6.3.3 of this Tariff Order) .”

5.7.13 YIAPL’s comments regarding Personnel Cost in preoperative expenditure in CWIP are as follows:

“The Authority’s consideration and proposal put forth in Consultation Paper:

Vide para 5.3.210, the Authority has excluded the salaries of personnel of non-aero commercial department when calculating the preoperative expenses forming part of the CWIP.

YIAPL response:

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*In this regard, it is respectfully submitted that such exclusion results in a duplication of the nonaeronautical adjustment.*

*This is because, for the purpose of RAB computation, pre-operative expenses are first capitalized and allocated to the relevant fixed assets, following which such assets are segregated into aeronautical and Non-Aeronautical categories based on the applicable asset allocation ratios.*

*Accordingly, the Non-Aeronautical portion of pre-operative expenses already gets reflected through the asset-level allocation methodology.*

*In such a situation, excluding the salaries of personnel belonging to non-aero commercial function at the pre-operative expense stage itself has effectively amounted to double counting the Non-Aeronautical component of pre-operative expenses.*

*It is further submitted that even within the commercial department's costs, only 75% of the personnel cost was capitalized as part of pre-operative expenses. Thus, the amount considered under CWIP was itself limited only to the portion attributable to pre-operative / project-related activities and construction of infrastructure and airport assets.*

*Further, the personnel of the non-aero commercial department play an important role during the infrastructure development and pre-operative phase. Their involvement is necessary to ensure alignment between the infrastructure being created at the airport like Terminal and the requirements of concessionaires and commercial facilities to be housed for common infrastructure. Accordingly, such costs form a legitimate part of the pre-operative expenditure incurred for development of the airport.*

*In view of the above, it is respectfully requested that the Authority revisit its methodology in relation to personnel cost forming part of pre-operative expenses and consider allowing the same in an appropriate manner."*

5.7.14 YIAPL's comments regarding Professional and consultancy fee in preoperative expenditure in CWIP are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 5.3.215, the Authority has excluded the cost of engaging a consultant for assessment of city side land parcel when calculating the professional & consultancy fee as part of the preoperative expenses forming part of the CWIP on the understanding that this expense is nonaeronautical in nature.*

*YIAPL response:*

*In this regard, it is respectfully submitted that, like the treatment of personnel cost as in preceding para, the Authority may kindly revisit its approach, as the same may result in a duplication of the Non-Aeronautical adjustment.*

*It is submitted that such costs, when forming part of the overall expenditure base and subsequently allocated through the applicable aero / non-aero allocation methodology, already reflect the Non-Aeronautical adjustment at the relevant stage. Accordingly, a further exclusion of such expenses at the outset may lead to double counting of the Non-Aeronautical portion.*

*For all the preoperative expense heads, the Authority may kindly refer to the FY 2024-25 audited figures and the updated FY 2025-26 figures, details of which are provided in Annexure A."*

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5.7.15 YIAPL's comments regarding Contingency Costs are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 5.3.229, the Authority has not accepted parts of the submitted contingency citing lack of justification or cost wise breakup.*

*YIAPL response:*

*At the time of the MYTP submission, there was limited visibility of some of the contract/change orders and accordingly certain amounts were included on an estimated / contingency basis. Subsequently, with the project now in its final stages and nearing COD, most of these costs have either already been incurred or have been firmly committed.*

*In view of the above, it is respectfully submitted that the Authority to consider the liquidation of contingency of Rs 293 Crores. The same captures the contingencies identified at the time of the MYTP submission which have since materialised.*

*It is respectfully requested that the Authority consider these costs and allow the final RAB based on the capitalisation certificate issued by the statutory auditor at the time of capitalization."*

5.7.16 YIAPL's comments regarding Capex towards Phase II and Interim expansion are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 5.3.182, the Authority has not considered the capex for expansion and future phases.*

*YIAPL response:*

*As per the provisions of the Master Concession Agreement, the expansion of Phase II for NIA is to be triggered upon achieving 80% capacity utilization of Phase I. Further, until the commissioning of Phase II expansion for NIA, YIAPL proposes to implement interim capacity augmentation measures, including the expansion of the pier and apron, to accommodate the projected passenger traffic of approximately 17-18 million passengers per annum by the end of the First Control Period.*

*These interim expansion works are envisaged to ensure adequate airside and terminal interface capacity and to facilitate seamless airport operations during the FCP, ahead of the commissioning of Phase II. The high-level scope definition and cost estimation has been done, which will be further detailed with engineering design and procurement planning for the proposed pier and apron expansion and the same will be undertaken at an appropriate stage following the commencement of airport operations and once passenger traffic trends stabilize.*

*The tentative capital expenditure for Phase II, inclusive of the interim expansion, is estimated at INR 4,000 crores, with the expansion expected to commence from FY 2027-28. During the First Control Period, YIAPL expects to incur capital expenditure of approximately INR 2,200 crores out of the above.*

*At this stage, based on preliminary assessments and high-level planning assumptions, the indicative capitalization for the proposed interim expansion is estimated at approximately INR 570 crores. YIAPL respectfully requests the Authority to consider the above expenditure as part of the capital expenditure while determining tariffs for the First Control Period.*

*Projected Capital expenditure and Capitalization related to expansion may be referred from Annexure B."*

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5.7.17 YIAPL's comments regarding Claims from EPC Contractor are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 5.3.181, the Authority has proposed to consider the admissible amount towards EPC claim, if any, based on actual settled values at the time of determination of tariff of the Second Control Period.*

*YIAPL response:*

*YIAPL hereby submits that the EPC claim has been settled at INR 424 crores (exclusive of GST).*

*To examine the admissibility and reasonableness of the aforesaid claims, YIAPL had constituted an internal committee to undertake a detailed and comprehensive evaluation of the same. Post the assessment made by the committee, the Board after due consideration has approved the claim. The disbursement of this amount is linked to project-delivery-related milestones extending up to the stage of Final Completion Certificate of the project. This helps to ensure delivery of all project-related milestones. We respectfully request the Authority to consider the said claim basis the capitalization of the same before issuance of final tariff order for First Control Period."*

5.7.18 YIAPL's comments regarding Preoperative expenses in CWIP are as follows:

*"Authority has directed YIAPL to submit the complete details / schedules supporting pre-operative expenditure for FY 2024-25 and FY 2025-26 during the consultation process. Year-wise details of pre-operative expenses capitalized are enclosed as Annexure A to this submission.*

*The figures for FY 2025-26 are based on actuals up to February 2026 (unaudited) and projections for the month of March 2026. Further, the pre-operative expenditure for FY 2025-26 is unaudited and subject to revision during the statutory audit. As several activities and services are expected to ramp up closer to the COD, the actual pre-operative expenses may be higher; the same may be appropriately considered based on capitalization prior to the issuance of the final tariff order."*

5.7.19 YIAPL's comments regarding Contingency cost related to Capex are as follows:

*"For contingency costs accepted by AERA, the Authority has proposed reviewing the actual awarded costs relating to finalized contracts at the Tariff Order stage and consider such costs based on an assessment of their reasonableness and efficiency.*

*YIAPL has incurred several costs which, at the time of the MYTP submission, were only envisaged and had not crystallised with sufficient clarity. Based on these developments, there has been a revision in the project cost.*

*In this regard, YIAPL has furnished the details in para 3.13(refer Para 5.7.15 of this Tariff Order) of this submission. The same captures the contingencies identified at the time of the MYTP submission which have since materialised.*

*It is respectfully requested that the Authority consider these costs and allow the final RAB based on the capitalisation certificate issued by the Auditor at the time of capitalization"*

5.7.20 YIAPL's comments regarding Details on actual cost of ORAT are as follows:

*"The aforesaid details are included in YIAPL submission of preops as covered in para 10.2 (refer Para 5.7.18 of this Tariff Order) of this response. "*

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5.7.21 YIAPL's comments regarding Note on Capitalization are as follows:

*"The Authority is requested to consider the Regulated Asset Base as per the capitalization certificate which YIAPL will provide to the Authority after the capitalization. The certificate will include asset-wise costs, useful life, depreciation, and aeronautical proportion of the assets, for the Authority's consideration.*

*It is further submitted that the EPC contracts initially subsumed costs pertaining to both movable and immovable assets. Thereafter, pursuant to the supplementary agreement executed with the EPC contractor, the assets were segregated between movable and immovable assets along with their respective costs. The capitalisation certificate will take this segregation of assets into account.*

*In view of the above submissions, it is respectfully requested that the Authority give due consideration to the distinct nature of these assets and their respective useful lives, as will be appropriately reflected in the final capitalisation certificate."*

5.7.22 YIAPL's comments regarding BHS change order are as follows:

*"YIAPL hereby request the authority to refer our submission covered in paragraph 3.15. In light of same, the cost towards change order for BHS may be considered to form part of RAB."*

**Other Stakeholders' comments regarding Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period:**

5.7.23 Business Aircrafts Operators Association's (BAOA) comments on Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) are as follows:

1. Business Aircrafts Operators Association's (BAOA) comments on GA/BA Terminal Infrastructure

*"The proposal does not clearly articulate provisions for dedicated GA/BA terminal infrastructure.*

*It is recommended that planning incorporate a dedicated GA/BA terminal or FBO-operated facility with independent landside access, ensuring:*

- *Operational efficiency for corporate and charter aviation*
- *Segregation from commercial passenger flows*
- *Enhanced service quality without burdening core terminal infrastructure*

*Early-stage provisioning would be aligned with global best practices at emerging hub airports."*

2. Business Aircrafts Operators Association's (BAOA) comments on Dedicated Apron and Aircraft Parking

*"The current infrastructure framework appears primarily oriented towards passenger and cargo operations.*

*It is recommended that dedicated apron space and parking stands for business jets and turboprop aircraft be earmarked from the initial phase, to ensure:*

- *Predictability in capacity allocation*
- *Efficient aircraft turnaround*
- *Avoidance of future retrofitting constraints"*

3. Business Aircrafts Operators Association's (BAOA) comments on Optional Service Model for GA/BA Users

*It is suggested that the airport adopt a hybrid user model for GA/BA operations, enabling:*

- *Access to premium FBO-style services for high-end users*
- *Availability of basic terminal handling facilities at reasonable cost for charter and smaller operators.*



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*Such an optional structure would ensure user choice, cost efficiency, and service differentiation, consistent with AERA's principles of transparency and user-pay models.*

4. Business Aircrafts Operators Association's (BAOA) comments on Strategic Opportunity for a Corporate Aviation Hub

*The development of dedicated GA/BA infrastructure presents a strategic opportunity to position Noida International Airport as a corporate aviation hub for Northern India, by:*

- *Complementing existing NCR airport capacity constraints*
- *Attracting high-value business aviation traffic*
- *Supporting regional economic growth and investment mobility*

5.7.24 Mr.Sumedh Bhagwat's Comments regarding application of borrowing costs are as follows:

*"Strict Application of Ind AS 23 on Borrowing Costs*

*In tandem with the treatment of pre-COD losses, the cut-off date for the capitalization of borrowing costs requires intense regulatory scrutiny. Under Ind AS 23, capitalization must cease when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete. Any delays in operationalizing specific terminal modules or non-critical infrastructure post the revised COD of April 1, 2026, should not be used as a loophole to continue capitalizing interest into the RAB. These costs must be expensed in the Statement of Profit and Loss and explicitly excluded from the regulatory asset base."*

5.7.25 IATAs Comments regarding Capex Prudence are as follows:

*"CAPEX Prudence and Construction Risk Management*

*The CP highlights several areas where cost certainty and justification remain incomplete:*

*(a) EPC claims, interim CAPEX and cost-sanity checks: The CP notes that EPC contractors have raised claims exceeding ₹1,100 crore, with a potential settlement range of ₹500–600 crore, subject to assessment. These claims relate to design changes, disruption and prolongation, and are still under review.*

*(b) Similarly, the CP notes an indicative interim expansion CAPEX of ₹500–600 crore for apron and pier works, but confirms that scope definition, design and procurement planning are not yet available, and will be addressed only after operations commence and traffic trends stabilize.*

*In both cases, these items are premature for regulatory recognition. Costs that are not clearly defined, competitively tested, or operationally required should only be admitted into the RAB once they are:*

- *fully substantiated with clear evidence of necessity and efficiency.*
- *evaluated against alternative options.*
- *timed appropriately to actual demand growth; and*
- *transparently reviewed through the AUCC process, which YIAPL should adhere to rigorously to ensure appropriate governance and airline consultation.*

*IATA and the airline community strongly encourage the Authority to maintain a strictly prudent, evidence-based approach when recognizing both capital and operating costs. At a greenfield airport with significant upfront investment, it is critical that:*

- *Only efficient, justified and demand-timed CAPEX is admitted.*
- *Construction-related risk is not transferred prematurely to airlines; and*



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• Users are protected from cost burdens that lack clear operational need or are not reflective of actual service delivery.

Applying these principles will help ensure tariffs remain both affordable and aligned with sustainable traffic development, avoiding unnecessary front-loading of costs onto early operators during DXN's ramp-up phase.

Specifically, in relation to the information provided in the consultation document, the following points should be considered:

Clause 5.1.9

The masterplan drawing here is at variance with what has been provided by the airport for the first phase of operation. The masterplan shows 2 line-up points and 2 RETs, what has been delivered is 3 line-up points and 1 RET. The airport has also built extensive taxiway stubs for 2 more line-up points and 2 more RETs. The airport has also developed a full-length parallel taxiway, but the masterplan shows that this parallel taxiway should not be provided at the apron area. It is recommended that the extra areas of earthworks and pavement that have be provided should not enter the RAB until they are needed by the ATM demand on the airport especially the taxiway stubs. These are considerable areas of extra earthworks and pavement that are not required for the phase 1 operation.

Clause 5.3.80

IATA would support the proposal to not include the Rs. 8.47 crores as currently stated this piece of construction would need to be constructed either way if the EPC-2 contractor delivered it or as what happened NHA1 delivered the project.

Clause 5.3.107

IATA supports the variance proposed by the authority for the BHS system if the delay is caused by the EPC contractor, then they should bear the cost. IATA would ask that all the allowance for the full body scanners should be removed as it appears it will not be deployed at the airport within the control period.

Clause 5.3.112

IATA would ask the authority when considering this extra cost of piling due to poor soil conditions and extra structural steel due to being a seismic zone with the lower cost of construction for an extensive portion of the terminal area, the forecourt area is open with an area of circa 26,000m<sup>2</sup>.

This area should have a lower per square meter construction cost compared to enclosed areas of the terminal building. It should also be noted that these conditions should have been within the original scope for the construction of the terminal as part of site investigations for the project.

These conditions should have been part of the tender information and should have been priced appropriately by the EPC contractor.

Clause 5.3.148

In relation to the sewerage treatment plant and the water treatment plants, what is the sizing of these facilities? Are they currently sized for the Phase 1 horizon or are they currently sized for a horizon beyond this? If they are oversized for the demand of the current control period, then a portion of the CAPEX should not enter the RAB until the demand has been realized.

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Clause 5.3.162

*Does the boundary wall not also enclose Non-Aeronautical areas and will function as protection for these areas too? There should be a portion of the boundary wall proposed to be Non-Aeronautical and not entering the RAB.*

Clause 5.3.167

*IATA does not agree with the proposal to recover either the capital or operating costs of a segregated, stand-alone VVIP terminal from general airport users. Requiring airlines and passengers to fund such costs is fundamentally inconsistent with the established regulatory principles of user-pay and cost-relatedness that underpin the setting of aeronautical charges.*

*The proposed approach would result in commercial airport users subsidizing infrastructure that is neither required for, nor directly related to, the provision of aeronautical services to them. Allowing such cost recovery would set a highly concerning precedent, opening the door for the cross-subsidization of unrelated or discretionary investments through aeronautical charges, contrary to sound economic regulation and ICAO's charges principles, which require that costs included in the airport charging base relate to services provided to airlines and passengers generally. This position is also consistent with AERA's statutory mandate under Section 13 of the AERA Act, which limits recoverable aeronautical costs to those incurred for the provision of aeronautical services to airlines and passengers generally, and seeks to avoid cross-subsidization of exclusive or protocol-driven facilities by the wider user base.*

*A VVIP terminal is a special-purpose, protocol-driven facility serving a limited and exclusive user group. It does not form part of the core aeronautical infrastructure necessary for the provision of standard airport services to airlines and passengers generally. Commercial airline operations derive no operational, service quality, capacity, or efficiency benefit from such a facility.*

*Accordingly, the costs associated with a stand-alone VVIP terminal do not meet the criteria for inclusion within the regulated aeronautical cost base.*

*For these reasons, IATA does not agree with the proposal to include the capital costs of the VVIP terminal in the RAB, nor the recovery of any associated operating costs required to support or enable the VVIP facility through regulated aeronautical charges.*

Clause 5.3.171

*It would be common practice that the Fixed Electrical GPU (i.e. that comes from the power grid and PCA that is provided on aprons through non-movable units connected to the power grid) is provided by the airport and is charged by them either through a general fee for using the stand or specific to these facilities. Movable GPU units and PCA units are usually the property of the ground handler and are charged through their fees for their services.*

Clause 5.3.178

*The 33 kV network will service aeronautical and Non-Aeronautical elements of the project and should be distributed across both asset types.*

Clause 5.3.182

*IATA supports the Authority, stating that these augmentation projects need to follow the consultation process, and we hope that the airport will follow this process to keep stakeholders informed. In relation to the*



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*statement by the airport that they are expecting to expand apron and pier facilities within the period to handle greater than 12mppa, does this mean that the terminal head house and the taxiway and runway infrastructure are oversized for the phase 1 development? Does this mean that a portion of these assets should be retained from entering the RAB until the capacity being provided is being utilized?"*

5.7.26 Lufthansa Group's comments on Terminal Building Ratio are as follows:

*"Terminal Building Level Ratio (TBLR)*

*We support the Authority's proposal in Paragraph 5.7.1 to revise the Terminal Building Level Ratio to 88% Aeronautical and 12% Non-Aeronautical.*

*YIAPL's proposed allocation of 5.95% towards Non-Aeronautical activities is significantly lower than comparable PPP airports such as Delhi, Mumbai, and Bengaluru, where such allocations exceed 10%. As noted in Paragraph 5.4.4, for airports with passenger traffic exceeding 10 million, commercial space allocation can extend up to 20% of the total area.*

*A 12% allocation is therefore reasonable and will ensure the airport optimizes commercial space, driving higher Non-Aeronautical Revenue. Without prejudice to our stand that Single Till should be applied, this will directly increase the cross-subsidy available to lower aeronautical tariffs for airlines, under the Hybrid Till (Clause 32.3.2 of the CA),"*

5.7.27 Lufthansa Group's comments on exclusion of annual premium from pre-operative expenses are as follows:

*Annual Premium Exclusion*

*"The Annual Premium (INR 400.97 per passenger) must be strictly excluded from all aeronautical costs. Article 32.3.4 (refer Annexure 2 of this Tariff Order) of the CA and Clause 3.6.3 of the MoU explicitly state that this premium "shall always be excluded from being considered as a part of the cost for the determination of the Aeronautical Charges" and "no pass-through would be available". We request AERA to audit the ₹355.57 crores in pre-opening costs to ensure that preoperative costs do not indirectly include recovery of this premium."*

5.7.28 IATA's Comments on Aeronautical Allocation Ratios are as follows:

*"The CP applies aeronautical allocation ratios that are, in many cases, between 88% and 100% for major asset categories such as the terminal, support facilities, and utilities. While the predominantly aeronautical nature of Phase I infrastructure is acknowledged, some areas of the terminal and support facilities do provide a mixed use or commercial function and may reasonably support a lower aeronautical allocation than currently assumed.*

*IATA therefore encourages the Authority to further review and rationalize the applied allocation ratios, particularly for terminal, support facility, and utility assets, to ensure that:*

- Common or mixed-use areas are apportioned using transparent, evidence-based allocation keys, reflecting actual usage patterns rather than defaulting to high aeronautical ratios;*
- Common or commercially relevant spaces are appropriately apportioned; and*
- Aeronautical users are not over-burdened during the greenfield ramp-up period.*

*Improving allocation discipline in this way would help moderate early-year aeronautical charges, enhance affordability, and support sustainable traffic development. The airline community also acknowledges that*



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*YIAPL has not adopted mechanisms such as Minimum Service Agreements or other artificial arrangements that could depress NAR. This is the correct approach, otherwise it will artificially reduce the 30% Hybrid till NAR cross-subsidy and unintentionally increase pressure on aeronautical tariffs. Maintaining the integrity of NAR is therefore important for ensuring a balanced and efficient Hybrid Till outcome.*

**5.8 YIAPL's response to Stakeholders' comments on Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) for the First Control Period**

**5.8.1 YIAPL's response to Business Airports Operators Association's comments on Capital Expenditure (CAPEX), Depreciation and Regulatory Asset Base (RAB) is as follows:**

*"At the current stage of development, YIAPL has not proposed dedicated infrastructure for General and Business Aviation (GA/BA). This approach is guided by the principle of cost prudence, wherein any incremental infrastructure development directly contributes to capital expenditure and, consequently, tariff escalation.*

*Given that DXN is in its initial phase of operations with no established demand base, it is considered prudent to avoid upfront investments in specialized GA/BA facilities, the utilization of which remains uncertain. Instead, we propose to leverage existing common-use infrastructure to accommodate GA/BA operations in the interim.*

*This phased approach ensures that:*

- Tariffs remain efficient and competitive during the critical demand development stage, and*
- Capital deployment is aligned with demonstrated traffic requirements, thereby avoiding premature or underutilized investments*

*It is acknowledged that stakeholders have highlighted the potential benefits of dedicated GA/BA infrastructure, including operational efficiency and service differentiation (as outlined in stakeholder submissions, e.g., BAOA recommendations on dedicated terminals and apron allocation in pages 1-2) .*

*However, in line with a demand-led infrastructure strategy, we propose to:*

- Continuously monitor the evolution of GA/BA traffic demand, and*
- Reassess the requirement for dedicated facilities in subsequent control periods, once sufficient scale and commercial viability are established.*

*This ensures a balanced approach between long-term ecosystem development and near-term tariff discipline, consistent with AERA's principles of efficiency, non-discrimination, and user-pay frameworks."*

**5.8.2 YIAPL's response to Mr.Sumedh Bhagwat's comments regarding application of borrowing cost is as follows:**

*"YIAPL submits that AERA determines airport tariffs in accordance with the AERA Tariff Guidelines and the applicable regulatory framework. Accordingly, accounting treatments prescribed under Ind AS are not applied for the purposes of tariff determination. The tariff-setting process is governed by the specific principles and provisions laid down under the AERA Act and the associated guidelines.*

*Further, capitalisation of airport assets takes place upon achievement of the Airport Commercial Operations Date (COD), after the airport has complied with the prescribed regulatory approvals and fulfilled all required operational readiness conditions."*

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5.8.3 YIAPL's response to IATA's comments on capex prudence and construction risk management is as follows:

*"YIAPL has submitted its comments on the EPC claims and on the Interim expansion in Sections 3.15 (refer para 5.7.17 of this Tariff Order) and 3.14 (refer para 5.7.16 of this Tariff Order) of its comments on the Consultation Paper. It is respectfully requested that the Authority take them into consideration.*

*YIAPL has submitted its comments on CNS/ATM in Section 6.7 (refer para 8.3.12 of this Tariff Order) of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration.*

*Furthermore, it is submitted that YIAPL has maintained due transparency and furnished all requisite information during the consultation process, thereby fully supporting the Authority in carrying out the necessary due diligence.*

*On clause 5.1.9:*

*It is clarified that the Phase 1 airside layout has been developed in accordance with the phase 1 development plan for the airport which has been submitted by YIAPL in its MYTP submission. The same was approved by NIAL via Letter No. NIAL/DP/2022/367 dated 18th April 2022 and has been subsequently vetted and approved by the regulatory bodies.*

*On clause 5.3.80:*

*YIAPL has submitted its comments on this issue in Section 3.7 (refer para 5.7.8 of this Tariff Order) of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration and include this cost in the RAB.*

*On clause 5.1.107:*

*YIAPL has submitted its comments on this issue in Section 10.14 (refer para 5.7.22 of this Tariff Order) of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration and include this cost in the RAB.*

*On clause 5.1.112:*

*In the matter of cost of piling and structural steel, YIAPL has shared detailed technical note and supporting justifications with the authority as part of its submissions during the tariff determination process. It is respectfully requested that the Authority refer to the same.*

*On clause 5.1.148:*

*STP and WTP are core utility systems that are required to be available from the date of commencement of operations and meeting the requirements under varying demand conditions, peak usage patterns, safety margins, maintenance cycles, and service level requirements. In this sense, STP and WTP are as foundational to airport operations as the other airport assets. The STP and WTP have been constructed as per the phase 1 master plan and with the requirement for supporting airport operations under Phase 1.*

*On clause 5.1.162:*

*The boundary wall forms part of the airport's essential security infrastructure and is necessary for controlling access, preventing unauthorized entry, and maintaining the integrity of the airport in accordance with operational and security requirements. The wall is not constructed for the benefit or as a requirement of any Non-Aeronautical development and therefore it would not be appropriate to treat it as a common asset. It is*



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also relevant to point to the regulatory precedent in the case of other greenfield airports. In the case of Mopa, the boundary wall was classified as aeronautical under the head of Airside Buildings, Roads and Drainage Systems.

Out of the total boundary wall cost, an amount of Rs. 30.6 crore pertains to airside security fencing, including PIDS, while the balance relates to the construction of the boundary wall along the perimeter of the entire airport.

On clause 5.3.167:

VVIP terminal is planned at NIA, approved as part of the Master Plan by Noida International Airport Limited (NIAL), concessioning the authority. VVIP terminal is to facilitate the arrival and departure of VVIP guests who are entitled under VVIP category (that is, exempted from Pre Embarkation Security Check (PESC) and immigration processes of Govt. of India).

VIP movements are subject to specific protocol, security, and operational requirements. In the absence of a dedicated facility for such movements, the handling of VVIP passengers through the regular terminal would likely result in disruption to normal airport operations, including passenger processing, security arrangements, and circulation within the terminal. The provision of a dedicated VVIP facility therefore supports orderly and efficient airport operations and helps avoid interference with regular passenger services.

Further, exclusion of such costs would ignore the fact that the airport operator is required to incur and maintain this infrastructure as part of its overall airport development and operational responsibilities. To that extent, the costs are legitimate airport costs and merit appropriate recognition in the regulatory framework. In this regard, reference may be drawn to HIAL (Third Control Period), wherein the VIP terminal was considered in the RAB.

On clause 5.3.171:

YAIPL has submitted its comments on the revenue from GPU/PCA in paragraph 10.1 on YAIPL's Comments on CP. Request the authority to refer the same.

On clause 5.3.178:

In paragraph 5.3.178, the Authority has classified the expenditure towards the 33 kV connection as "Other Utilities" under the head of Utilities. The Authority has thereafter, in paragraph 5.4.8, applied the terminal building ratio for allocation of this cost to the RAB. Accordingly, the cost has been apportioned by the Authority between aeronautical and Non-Aeronautical categories.

On clause 5.3.182:

It is clarified that the interim apron and pier expansion referred to by YIAPL is part of the overall Phase 2 development of the airport. The Phase 2 expansion is proposed to be undertaken in a phased manner so as to avoid disruption to regular airport operations while augmenting capacity in line with traffic growth. YIAPL submits that the terminal in the current phase is designed for a capacity of 12 MPPA and by the end of year three and so, when the traffic will reach beyond 12mn, NIA will require interim augmentation measures in an optimal manner through the deployment of appropriate operational strategies, including passenger de-queuing measures, effective lane management, and optimization of waiting times till the expansion of future phase completes."



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5.8.4 YIAPL's response to comments by Lufthansa Group on Terminal Building Level Ratio (TBLR) is as follows:

*"Lufthansa has drawn comparison with Delhi, Mumbai and Bangalore airports. It is submitted that these airports are not comparable. They have undergone multiple phases of expansion and have a well-established catchment.*

*The terminal at Noida International Airport has been designed and constructed as part of the first phase, considering the infrastructure requirements required to support aeronautical operations for a capacity of 12 million passengers with an appropriate and balanced bifurcation of aeronautical and Non-Aeronautical areas, thus ensuring that aeronautical operations are adequately supported during the initial ramp-up and stabilisation phase while also accommodating essential Non-Aeronautical activities.*

*YIAPL had made its submission as per the actual area concessioned out for Non-Aeronautical activities in the terminal which should form the basis for determination of the Terminal Building Ratio.*

*YIAPL has provided detailed comments on the authority's treatment of Terminal in section 3.9 (refer para 5.7.11 of this Tariff Order) of YIAPL's comments on the consultation paper. It is respectfully requested that the Authority take the same into consideration."*

5.8.5 YIAPL's response to Lufthansa Group's comments on Annual Premium Exclusion is as follows:

*"The annual premium becomes payable only from the sixth year after commencement of operations. Accordingly, no such expense has been incurred during the pre-operative period, and therefore there does not arise any question of including the same in pre-operative costs.*

*It is further submitted that YIAPL has been regularly providing the Authority with the break-up of pre-operative expenses, duly reconciled with its audited financial statements."*

5.8.6 YIAPL's response to International Air Transport Association's (IATA) comments on Aeronautical Allocation Ratio is as follows:

*"YIAPL's has done its submission as per the regulatory framework of AERA and precedence of previous tariff orders. During the process of tariff determination, YIAPL has provided all requisite details to AERA with due transparency."*

**5.9 Authority's analysis on Stakeholders' comments regarding Capital Expenditure (CAPEX), Depreciation, and Regulatory Asset Base (RAB) for the First Control Period**

Capital expenditure on Canopy:

5.9.1 The Authority has examined the submissions of YIAPL and notes that the kerbside canopy forms part of the common landside access infrastructure at the airport, used by all categories of users during passenger pick-up and drop-off operations. Accordingly, since the canopy is an extension of shared terminal access infrastructure, the Authority decides to treat it as a common asset and apply the terminal building ratio, in line with the discussions referred to in Para 5.4.6 of the Tariff Order.

Capital Expenditure on Access Roads

5.9.2 The Authority has examined the submissions of YIAPL and reiterates that, in the specific context of Noida International Airport, this access road is the sole road available for all categories of users, including passengers, concessionaires, service providers and other airport stakeholders as already explained in Para 5.4.6 of the Tariff Order. Accordingly, the Authority decides to retain its classification of the access road as



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a common asset, as it is inherently shared infrastructure serving aeronautical as well as non-aeronautical activities at the airport.

The Authority also clarifies that the treatment of similar infrastructure at other airports is dependent on airport-specific layout and functional integration.

Aeronautical Allocation Ratio of Land Development Cost

- 5.9.3 The Authority has examined the submissions of YIAPL regarding the allocation of land development costs. The Authority has also reviewed YIAPL's submission vide email dated 25 January 2025 and the same has been tabulated in Table 47 of the Tariff Order. It was also noted that while YIAPL had given the details of total excavation and backfilling area, the detailed breakup of site area (such as site grading, site levelling) has not been provided by YIAPL during the consultation process.

The Authority notes that, in its MYTP, YIAPL had considered the allocation of land development costs between aeronautical and non-aeronautical services based on the terminal building area ratio, which was accordingly adopted in the Consultation Paper and placed for stakeholder comments. As the alternative allocation methodology now suggested by YIAPL was neither proposed in the MYTP nor placed for stakeholder consultation, the Authority therefore decides not to revise the allocation approach at this stage. However, the same shall be examined at the time of true-up, subject to reasonableness and efficiency of cost, and on submission of detailed breakup by YIAPL.

Aeronautical Allocation Ratio for IT and Utilities cost under Utilities head

- 5.9.4 The Authority has examined the submissions of YIAPL regarding the allocation of IT and utilities costs. The Authority notes that, in its MYTP, YIAPL had considered the allocation of IT and utilities costs between aeronautical and non aeronautical services based on the terminal building area ratio, which was accordingly adopted in the Consultation Paper and placed for stakeholder comments. Since the alternative basis now suggested by YIAPL was not proposed in the MYTP nor subjected to stakeholder consultation, the Authority has decided not to revise the allocation approach at this stage. However, the same shall be examined at the time of true up, based on considerations of reasonableness and efficiency.

Useful life of canopies

- 5.9.5 The Authority has examined the submissions of YIAPL and reiterates its position, as explained in Table 103 of this Tariff Order, that the canopy is functionally and operationally integrated with the terminal building and forms part of the overall passenger handling infrastructure. Accordingly, the Authority decides to consider the canopy on par with the terminal building for the purpose of determination of useful life.

Capital Expenditure for VDGS

- 5.9.6 The Authority has examined the submissions of YIAPL regarding the allocation of capital expenditure for VDGS. The Authority notes that, in its MYTP, YIAPL had considered the allocation between aeronautical and non aeronautical services based on the terminal building area ratio, which was accordingly adopted in the Consultation Paper.

However, during the Consultation Stage, YIAPL has requested that the capital expenditure on VDGS be treated as aeronautical. Considering the functional nature of VDGS at the airport, and also taking note of the treatment of VDGS in other airports, the Authority finds merit in YIAPL's request. Accordingly, the Authority decides to consider the capital expenditure on VDGS as aeronautical.



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Treatment of CISF Bachelor Accommodation

- 5.9.7 The Authority has examined the submissions of YIAPL regarding the allocation of CISF Bachelor Accommodation. The Authority notes that, in its MYTP, YIAPL had considered the allocation between aeronautical and non aeronautical services based on the terminal building area ratio, which was accordingly adopted in the Consultation Paper.

However, during the Consultation Stage, YIAPL has requested that the capital expenditure on CISF Bachelor Accommodation be treated as aeronautical. Considering the treatment of CISF Bachelor Accommodation in other airports, the Authority finds merit in YIAPL's request. Accordingly, the Authority decides to consider the capital expenditure on CISF Bachelor Accommodation as aeronautical.

Cost Reimbursement to NHAI

- 5.9.8 The Authority reviewed the submission of YIAPL relating to the cost Reimbursement to NHAI. As noted in Para 5.3.77 of this Tariff Order, NHAI had initially only planned to construct the road connecting the highway up to the boundary of the airport, but in order to match the road level, NHAI has extended their scope until the roundabout inside the airport boundary. A budgeted cost of Rs. 8.47 crores has been included as cost reimbursement to NHAI for the portion of road planned to be constructed by them within the Airport land.

The Authority notes that no further details / correspondences with NHAI / documentary evidence have been furnished by YIAPL to substantiate this cost. Accordingly, the Authority is not inclined to allow the cost at this stage. The Authority decides to consider this cost during the time of true-up, subject to cost efficiency and reasonableness and subject to submission of complete supporting information.

Change Order pertaining to MEP Utilities for concessionaire spaces

- 5.9.9 The Authority has reviewed the submission of YIAPL relating to the change order pertaining to MEP Utilities for concessionaire spaces) and notes that YIAPL had earlier submitted only a cost breakup with a narration, based on which the item was excluded in the Consultation Paper.

The Authority will undertake a holistic review of this item based on reasonability and efficiency of costs and its relatedness, along with all other contingency costs, upon receipt of detailed breakups, contract copies and auditor's certificate on capitalisation during the true-up at the time of tariff determination of the second control period.

Terminal Building Ratio

- 5.9.10 The Authority has examined the submissions of YIAPL regarding the terminal building ratio and further notes that the comments received from Lufthansa Group and IATA support the approach adopted by the Authority in the Consultation Paper.

The Authority has examined the submissions and reiterates that, at the present stage of operations, as the traffic levels and passenger behaviour have not yet stabilised, adoption of a standardized terminal allocation is appropriate in the absence of the actual terminal usage ratio.

This encourages the airport operator to significantly enhance non-aeronautical revenue generation within the terminal and outperform the projections considered herein, allowing greater cross-subsidisation and reducing the burden on aeronautical users,



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Considering that terminal expansion is being allowed on an incurrence basis linked to actualisation of traffic and capacity utilisation, and given the non-aeronautical potential of the airport, the allocation of 88:12 is considered appropriate.

Financing Allowance calculation

5.9.11 The Authority notes that the airport was inaugurated on 28<sup>th</sup> March 2026 and the airport has already received its aerodrome license from the DGCA. Based on newspaper reports, it appears that substantially all activities necessary to prepare the airport assets for their intended commercial use had been completed by 31<sup>st</sup> March 2026. However, the airport was awaiting a security clearance from BCAS due to an internal operational issue.

In this regard, the Authority is guided by the principles of Para 22 and 23 of Ind AS 23, which require that borrowing costs capitalization cease when substantially all the activities necessary to prepare the asset for its intended use are complete. The relevant extract from the standard is given below:

*“...An entity shall cease capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.*

*An asset is normally ready for its intended use or sale when the physical construction of the asset is complete even though routine administrative work might still continue. If minor modifications, such as the decoration of a property to the purchaser’s or user’s specification, are all that are outstanding, this indicates that substantially all the activities are complete...”*

The Authority has also examined the comments of Mr. Sumedh Bhagwat regarding the application of Ind AS 23 on borrowing costs and the cut off for capitalisation of interest, which support the view of the Authority.

The Authority notes that costs admitted as part of the RAB must represent reasonable and efficient costs. Provision of financing allowance for any period beyond the stage at which the airport assets were ready for use does not satisfy this principle and cannot be regarded as a reasonable cost for tariff determination. Accordingly, the Authority decides that financing allowance will be considered only up to 31<sup>st</sup> March 2026.

Personnel Cost in preoperative expenditure in CWIP

5.9.12 The Authority has examined the submissions of YIAPL in respect of personnel cost in preoperative expenditure in CWIP and notes that a substantial part of the non aeronautical initiatives, such as hotels and other commercial developments, are typically undertaken by third party concessionaires and do not form part of the RAB. Accordingly, even while time may be spent by non aeronautical commercial personnel during the pre operative phase, such costs cannot be directly attributable to capital assets included in the RAB. The Authority notes the comments of Lufthansa Group in support of this view.

The Authority also notes that applying asset-level allocation ratios presupposes that the underlying costs are first eligible for inclusion in the capital base. Costs that are non-attributable to aeronautical asset formation are required to be excluded upfront to preserve the principles of cost-relatedness and to avoid impermissible pass-through to aeronautical users. Accordingly, the Authority decides not to change the stand adopted at the Consultation Paper.

Further, in the matter relating to pre-operative expenses, the Authority has detailed its decision in Para 5.9.17 of this Tariff Order.



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Professional and consultancy fee in preoperative expenditure in CWIP

- 5.9.13 The Authority has examined the submissions of YIAPL and reiterates that city side land and related developments do not form part of the RAB. Accordingly, consultancy costs incurred exclusively for assessment of city side land parcels cannot be considered as aeronautical or allocation as common asset and have therefore been rightly excluded at the Consultation Paper stage.

Further, in the matter relating to pre-operative expenses, the Authority has detailed its decision in Para 5.9.17 of this Tariff Order.

Contingency costs:

- 5.9.14 The Authority has examined the submission of YIAPL with respect to contingency costs and notes YIAPL's submission that Rs 293 crores has materialized subsequent to the submission of MYTP. The Authority undertook a detailed review of contingency costs during the Consultation Stage and the analysis is presented in Table 90.

The Authority notes that YIAPL has now requested the Authority to consider these contingency costs based on the capitalization certificate issued by the statutory auditor at the time of capitalization. In view of the absence of complete supporting documentation at this stage, the Authority decides to consider the utilization of contingency holistically based on capitalization certificate issued by the statutory auditor at the time of capitalization. The same shall be examined at the time during the tariff determination of the second control period, subject to verification of cost efficiency and reasonableness and subject to submission on comprehensive documentation in this regard.

Capex towards Phase II and Interim expansion

- 5.9.15 The Authority has examined the submission of YIAPL and the comments given in IATA in respect to the capex towards Phase II and Interim expansion. The Authority notes that, as per the Master Concession Agreement, expansion of Phase II is to be triggered upon achievement of 80% capacity utilization of Phase I as per Annexure II read with Clause 12.2.1 of the Master Concession Agreement. At the present stage, the airport is yet to commence its commercial operations which is expected by 15<sup>th</sup> June 2026 and the projected traffic build up during the initial years of operation are uncertain, as inferred from the submissions of various stakeholders including YIAPL.

Further, the Authority observes that the proposed interim expansion works are based on preliminary assessments and high level planning assumptions, with detailed engineering design, procurement strategy and firming up of scope yet to be undertaken. Accordingly, the extent, timing and necessity of such interim augmentation, as well as the associated costs and capitalization profile, cannot be ascertained with reasonable certainty at this stage.

Considering the above, the Authority is of the view that inclusion of the indicative capital expenditure and capitalization relating to such expansion for tariff determination at this juncture would be premature. Accordingly, the same shall be examined on incurrence basis, subject to verification, reasonableness and prudence checks. The Authority further reiterates that YIAPL is expected to undertake capacity augmentation and expansion works only after continuously reviewing actual traffic materialisation and capacity utilization. Further, YIAPL should undertake Phase II works only on achievement of traffic triggers stipulated in the Master Concession Agreement.



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Claims from EPC Contractor

- 5.9.16 The Authority has examined the submission of YIAPL, the comments given by IATA with respect to the claims from EPC Contractor, and notes that, while the EPC claim has been settled, the corresponding payments are linked to achievement of specified project milestones and final completion.

Accordingly, the admissibility and quantum of the EPC claim shall be examined on incurrence and capitalization at the time of true up, subject to verification of cost efficiency and reasonableness and on submission of all relevant documentation.

Preoperative expenses in CWIP, details of ORAT

- 5.9.17 The Authority has examined the submissions of YIAPL with regard to pre-operative costs and YIAPL's request to consider the same based on final capitalisation based on auditor certification. Considering that the pre-operative expenditure for FY 2025-26 are unaudited and subject to revision during statutory audit, and considering that the auditor certificates and fixed asset registers are not available at this stage, the Authority decides to review these costs at the time of true up during the tariff determination of the Second Control Period, subject to the test of reasonableness and efficiency.

Consistent with the reasoning set out in Para 5.9.11 relating to financing allowance, the Authority adopts the same principle for the treatment of pre-operative expenses. In this regard, reliance is placed on Para 20 Ind AS 16 which provides that recognition of costs in property, plant and equipment shall cease once the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. The relevant extract from the standard is given below:

*"...Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Therefore, costs incurred in using or redeploying an item are not included in the carrying amount of that item. For example, the following costs are not included in the carrying amount of an item of property, plant and equipment:*

*(a) costs incurred while an item capable of operating in the manner intended by management has yet to be brought into use or is operated at less than full capacity;..."*

Accordingly, the Authority decides that where the airport assets were ready for intended use by 31<sup>st</sup> March 2026, any expenditure incurred thereafter due to delays in operationalisation cannot be capitalised as pre-operative expenditure for tariff determination purposes.

Note on Capitalization

- 5.9.18 The Authority has examined the submissions of YIAPL's request to consider updated values of assets post capitalization and submission of audited certificates. The Authority notes that the final audited capitalisation certificate and FAR, including asset wise costs, useful life, depreciation and aeronautical proportion of assets, is yet to be submitted. Accordingly, the Authority decides to review this at the time of true up during the tariff determination of the second control period, subject to reasonableness and efficiency of costs.

BHS change order

- 5.9.19 The Authority has reviewed the submission of YIAPL regarding the change order for BHS and IATA's comments in this regard. The Authority, vide Para 5.3.107 of this Tariff Order, had proposed to not consider



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the change order cost of Rs 9.5 crores relating to BHS being service cost towards revision since this change order was necessitated due to a delay caused by the EPC contractor, deeming it inefficient.

The Authority notes that YIAPL has now submitted certain claim from the EPC Contractor and has requested the Authority to consider the same. The Authority has accordingly addressed this matter in Para 5.9.16 of this Tariff Order. This will be considered during true-up on the basis of reasonability of rates, cost efficiency and relatedness.

Comments of BAOA on GA/BA Terminal Infrastructure, Dedicated Apron and Aircraft Parking, Optional Service Model for GA/BA Users, Strategic Opportunity for a Corporate Aviation Hub:

- 5.9.20 The Authority has carefully reviewed the comments of BAOA and the counter comments submitted by YIAPL. The Authority observes that the issues raised pertain to operational aspects, which have been duly addressed by YIAPL in its comments.

The Authority notes that Noida International Airport is a greenfield airport and in the initial stages of commercial operations. The Airport Operator has submitted that there is presently no established demand for dedicated GA/BA infrastructure. In this regard, the Authority draws the attention of BAOA to the consultation process mandated under Clause A1.3.1 of the AERA Tariff Guidelines, 2011, which provides that the Airport Operator shall undertake user consultation through the AUCC on major capital projects exceeding the prescribed thresholds. The Authority notes that such matters are required to be raised in the AUCC forum as part of the capital planning and consultation process.

The Authority further notes that the approved Master Plan provides for development of general aviation infrastructure in subsequent development phases of the airport, which may be considered in future control periods by the Airport Operator based on validated demand and after following due stakeholder consultation.

The Authority also notes that any optional or hybrid service model for GA/BA users is a matter of commercial contract between the Airport Operator and the concerned users.

Comments from Mr.Sumedh Bhagwat's regarding application of borrowing costs

- 5.9.21 The Authority notes the comments and has given its response in Para 5.9.11 of this Tariff Order.

Comments from IATA on CAPEX Prudence and Construction Risk Management

- 5.9.22 Point (a) – The Authority has reviewed the comments given by IATA in relation to the claims of EPC contractor, the counter comments given by YIAPL and has given its view under Para 5.9.16 of this Tariff Order.

Point (b) – The Authority has reviewed the comments given in IATA on interim expansion CAPEX, the counter comments given by YIAPL, and has given its view under Para 5.9.15 of this Tariff Order.

Clause 5.1.9 - The Authority has reviewed the comment of IATA and the counter comment of YIAPL with respect to the line-up points and RETs. The Authority, through its independent consultant / aviation expert/ notes that the Portion of PTT parallel to Apron and additional lineup point is considered to facilitate the faster and efficient movement of Aircrafts and enhance operational effectiveness. The stubs for future RETs and additional line up points are considered to minimize the hindrance to operations once the Airport is functional and to avoid time restriction for execution of these works inside active operational area. The Authority also notes that these form part of the Final Development Plan submitted by YIAPL for Phase I and was approved



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by the concessioning authority. Accordingly, the Authority decides that no change is required in the stand taken in the Consultation Paper in this regard.

Clause 5.3.80 – The Authority notes the comments of IATA and the counter comments of YIAPL in the matter relating to the change order for NHAI. The Authority has reviewed the comments and has given its view under Para 5.9.8 of this Tariff Order.

Clause 5.3.107 – The Authority has reviewed the comments of IATA regarding the change order for BHS and has given its view in Para 5.9.19 of this Tariff Order. In the matter relating to body scanners, the Authority notes that deployment of security screening equipment is a security matter governed by directions of the competent authorities. Accordingly, the Authority decides that no change is required in the stand taken in the Consultation Paper in this regard.

Clause 5.3.112 – The Authority reviewed the comment and the counter comments given by YIAPL in respect of the piling and structural steel costs for the terminal building. The Authority, through its independent consultant / aviation expert, notes that these costs are already embedded in the awarded EPC cost and are being separately examined only for the purposes of benchmarking / normative cost assessment. These are not standalone or incremental cost claims. Accordingly, the Authority decides that no change is required in the stand taken in the Consultation Paper in this regard.

Clause 5.3.148 – The Authority has reviewed the comments of IATA and the counter-comments submitted by YIAPL. As noted in paragraph 5.3.147 of this Tariff Order, the Authority has examined the capacity of the STP and WTP and observes that the same forms part of the Phase I development in accordance with the approved Master Plan/Development Plan. The Authority further notes that YIAPL has conducted AUCC meetings wherein the proposed STP and WTP plans were discussed with users. The Authority is of the view that the costs proposed for Phase I development in respect of the STP and WTP are reasonable. Accordingly, the Authority decides that no change is required in the stand taken in the Consultation Paper in this regard.

Clause 5.3.162 – The Authority has reviewed the comment of IATA and the counter comment of YIAPL with respect to the boundary wall. The Authority further notes that one of the requirements under clause 22.7(c) of the Master CA is to comply with all rules, regulations and guidelines prescribed by BCAS in connection with the security of the Airport and provide and maintain perimeter fencing or other appropriate protection around the Airport. The Authority further notes YIAPL's submission that out of Rs 48 crores of base cost, an amount of Rs 30.6 crores pertains to airside security fencing, including PIDS, while the balance relates to the construction of the boundary wall along the perimeter of the entire airport. As mentioned in Para 5.3.163 of this Tariff Order, the Authority finds the cost to be reasonable and comparable with CPWD PAR / Market rates. In line with the treatment adopted in other airports and considering that such infrastructure is mandated for ensuring aviation security, the Authority is of the view that the boundary wall is appropriately classified as an aeronautical asset. Accordingly, the Authority decides that no change is required in the stand taken in the Consultation Paper in this regard.

Clause 5.3.167 – The Authority has reviewed the comment of IATA and the counter comment of YIAPL with respect to the VVIP building. The Authority has examined this matter in detailed in Paras 5.3.167 to 5.3.169 of this Tariff Order.

The Authority notes that the Master Concession Agreement mandates provision of VIP lounges and that the development of a VVIP terminal has been approved as part of the Master Plan / Development Plan. This terminal is intended to cater to specific protocol-driven operational and security requirements applicable to



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VVIP movements and will not be used for General Aviation activity. The provision of a VVIP terminal, therefore, supports orderly airport operations. The Authority also observes that the provision of a separate ceremonial lounge / access is a customary airport practice, aimed at facilitating smooth passenger flow and minimizing disruption to regular operations. Accordingly, the Authority decides that no change is required in the stand taken in the Consultation Paper in this regard.

Facilities created pursuant to security and protocol obligations to ensure safety and security are integral to aeronautical services. The Authority further notes that similar treatment has been accorded to similar infrastructure in other airports. Accordingly, the Authority decides to allow the capital cost of the VVIP terminal amounting to Rs 10.86 crores (base cost) for the purpose of tariff determination. Accordingly, there no change is required to the position taken in the Consultation Paper in this regard.

Clause 5.3.171 - The Authority has reviewed the comment of IATA and the counter comment of YIAPL with regard to GPU / PCA. The Authority notes that, in the present case, the Airport Operator has incurred capital expenditure for fixed electrical GPU and PCA infrastructure as part of aeronautical facilities, and the associated aeronautical revenues have been duly considered in the determination of tariff for the Airport in Para 13.4.1 of this Tariff Order.

Clause 5.3.178 - The Authority has reviewed the comment of IATA and the counter comment of YIAPL in the matter of 33kV electricity connection. Since the asset has already been considered as common in the Consultation Stage in Table 98, no change is required to the position taken in the Consultation Paper by the Authority in this regard.

Para Clause 5.3.182 – The Authority has reviewed the comment of IATA and the counter comment of YIAPL with respect to the sizing of terminal head house and the taxiway and runway infrastructure for Phase 1. The sizing of terminal and airside building developed as part of Phase I has been examined in detail in the Consultation Paper in the relevant sections. The infrastructure being developed in phased manner is in accordance with the approved Master Plan and Development Plan. The Authority also notes that as per Annexure II read with Clause 12.2.1 of the Master Concession Agreement, YIAPL is required to maintain prescribed service levels and that the total area of the Terminal Building shall be minimum 30 square meter per peak hour passenger for the design year. Based on the traffic projections decided by the Authority for the First Control Period, the Phase-I terminal capacity of 12 MPPA is expected to be substantially utilised by FY 2028–29. As per Annexure II read with Clause 12.2.1 of the Master Concession Agreement, the Airport Operator is required to undertake capacity expansion and augmentation for Phase II on achievement of 80% of Phase I capacity.

The Authority also notes that international planning practices, including IATA guidance, require advance capacity planning based on medium-term demand (typically a 7-year horizon).

The Authority also decides that expansion proposals (interim expansion and Phase II) shall be examined on incurrence basis, subject to demand realisation and AUCC consultation. The cost for expansion planned as part of Phase II development has been dealt with by the Authority in Para 5.9.15 of this Tariff Order.

In view of the above, the Authority is of the opinion that the costs considered in the Consultation Paper in respect of the Phase-I terminal and airside infrastructure are reasonable and consistent with the development framework and the requirements of the Master Concession Agreement. Accordingly, there is no change is required to the position taken in the Consultation Paper in this regard.



Lufthansa Group's comments on Terminal Building Ratio

- 5.9.23 The Authority has reviewed the comments of Lufthansa Group regarding terminal building ratio and has given its views under Para 5.9.10 of this Tariff Order.

Lufthansa Group's comments on exclusion of annual premium from pre-operative expenses:

- 5.9.24 The Authority notes the comments of the stakeholders regarding the exclusion of the Annual Premium from aeronautical costs. The Authority reiterates that, in terms of Clause 3.6.3 of the Master Concession Agreement the Annual Premium payable by YIAPL is expressly excluded from being considered as a pass through for the purpose of determination of aeronautical charges.

Further, the Annual Premium, as per the Concession Agreement, becomes payable only from the sixth year of Commercial Operation Date. Therefore, the said premium does not arise during the First Control Period and has no bearing on tariff determination for the present period and future tariff control period. The relevant extracts from the Master Concession Agreement is given below:

*"...31.2.1. Without prejudice to the provisions of Clause 31.1, the Concessionaire agrees to pay to the Authority for each year commencing from the 6th (sixth) year of the occurrence of COD for Phase I, a premium (the "Premium") equal to INR X per pax of traffic handled at the airport (Premium Rate) multiplied by the total traffic handled at the airport during that year, in the form and manner provided herein. For each subsequent year, the Premium Rate for that year shall be determined by increasing the Premium Rate of the preceding year by Price Index (in percentage) of the preceding year..."*

*"...3.6.3. The Annual Premium shall not be considered as a part of the capital outlay for the Airport or the regulatory asset base or operating expense for the purpose of the determination of the Aeronautical Charges, and shall always be excluded from being considered as a part of the cost for the determination of the Aeronautical Charges. The Concessionaire hereby acknowledges and agrees that the Annual Premium payable by the Concessionaire to the Authority shall not be considered for any purposes, for the determination or revision of the Aeronautical Charges, by AERA..."*

The Authority further, through its independent consultant, has undertaken a review of the pre operative expenditure submitted by YIAPL and has ensured that such costs do not include, directly or indirectly, any element relating to recovery of the Annual Premium. Accordingly, the approved pre operative costs are restricted to eligible expenditure incurred for the development of the airport.

IATA's comments on Aeronautical Allocation Ratio

- 5.9.25 The Authority notes the comment of IATA regarding the application of allocation ratio on the costs relating to terminal, support and utility assets, as well as the approach towards non aeronautical revenues. In this regard, the Authority clarifies that the allocation ratios adopted for common or mixed use assets have been arrived at after undertaking due diligence, based on the data made available by the Airport Operator, and have been independently examined by the Authority's tariff consultant. The Authority has carried out an in depth review of the terminal building layout and detailed floor plans, including identification and segregation of aeronautical, non-aeronautical and common areas, to ensure that the allocation of costs reflects the functional use of space and does not unduly burden aeronautical users, particularly during the initial ramp up phase of operations.

With respect to the stakeholders' comments regarding the green field ramp-up period, the Authority notes that the terminal and associated infrastructure have been determined in accordance with the requirements of



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the Concession Agreement, which mandates development of a terminal with a capacity of 12 MPPA at COD. Accordingly, the associated costs form part of the approved capital scope. The Authority reiterates that it remains guided by the objective of balancing the interests of all stakeholders, while ensuring the economic viability of the airport and reasonableness of tariffs, and considers that the adopted allocation methodology is appropriate and consistent with the regulatory framework.

- 5.9.26 Based on the above, the Authority notes that no changes are required to be made to Table 96 of this Tariff Order as decided during the Consultation Stage. Consequent to the changes in aeronautical allocation ratio of VGDS and CISF Bachelor Accommodation as explained in Paras 5.9.6 and 5.9.7 of this Tariff Order, the revised allocation ratio for support facility buildings is given below:

**Table 108: Aeronautical allocation for support facility building decided by the Authority for the First Control Period**

Asset	Sub Asset	Cost decided by Authority	Aero Ratio	Aero Portion
Support Facility Buildings	Airport Maintenance Building, Office Block West etc	228.63	88%	201.20
Support Facility Buildings	Data center-2	8.84	88%	7.78
Support Facility Buildings	ARFF/IT related communication system	4.22	88%	3.71
Support Facility Buildings	Project Office	9.10	88%	8.01
Support Facility Buildings	Airport Maintenance Building, Office Block West etc	3.20	88%	2.81
Support Facility Buildings	NIA Centre	3.79	88%	3.34
Support Facility Buildings	Project office Expansion & training center incl. associated works	13.53	88%	11.91
Support Facility Buildings	CISF / BDDS / Quarter Guard / Dog Squad / Armory facility and utility provisioning	21.85	88%	19.23
Support Facility Buildings	CISF bachelor's accommodation	43.64	100%	43.64
Support Facility Buildings	Bin Centers for OBW and ARFF-ATC	0.24	88%	0.21
Support Facility Buildings	Solid Waste Management	11.24	88%	9.89
Support Facility Buildings	VDGS	11.64	100%	11.64
Support Facility Buildings	Change order issued to Arasu-Airside Bin Centre	0.86	88%	0.76
Support Facility Buildings	Change Order Issued TPL- GMP Items-EPC-2	3.26	88%	2.87



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Asset	Sub Asset	Cost decided by Authority	Aero Ratio	Aero Portion
Support Facility Buildings	MLAT & Met farm, Kitchen for Terminal Staff, Kitchen for cooking in OBW, GSE, ATC & Driver's café and cafeteria MEP works in OBW, GSE, ATC & Driver's café	32.35	88%	28.47
Support Facility Buildings	Link load balancer, change in Fire Pit for Pressure Fed Fuel Fire Training, parking canopy extension, additional Changes in OBW Over and above CN-017 and additional furniture	44.91	88%	39.52
<b>Total</b>		<b>441.31</b>		<b>394.98</b>
<b>Aeronautical Ratio for Support Facility Buildings</b>				<b>90.00%</b>

5.9.27 Based on above, the redrawn tables for Aeronautical Capital Additions, Project Category Wise Additions and Year-wise Aeronautical Additions for the First Control Period as decided by the Authority is given below:

**Table 109: Aeronautical Capital Additions decided by the Authority for the First Control Period**

*(Rs. in crores)*

Particulars	Total capital additions as decided by the Authority (A)	Aero % as per YIAPL (B)	Aero % as decided by the Authority (C)	Aero Cost as decided by the Authority (D = A×C)	Aero Cost as per YIAPL ^ (E)	Difference (F = D-E)
Airside Projects	1,542.91	100.00%	100.00%	1,542.91	1,643.32	-100.41
Landside Development incl. Land Development	765.54	85.16%	77.86%	596.04	717.27	-121.23
Terminal Building	2,964.18	94.99%	88.00%	2,608.48	3,058.27	-449.79
Support Facility Buildings (allocation ratio as per Table 108)	441.31	94.05%	90.00%	397.18	366.34	30.84
Utilities	867.23	95.70%	90.69%	786.45	722.88	63.56
Vehicles	127.69	100.00%	100.00%	127.69	138.29	-10.60
Boundary Wall	95.53	100.00%	100.00%	95.53	78.93	16.59
VIP Terminal	16.46	100.00%	100.00%	16.46	17.81	-1.35
GPU/ PCA	40.13	100.00%	100.00%	40.13	43.43	-3.29
Other	12.20	100.00%	100.00%	12.20	12.20	-
General and Maintenance CAPEX	30.00	100.00%	100.00%	30.00	69.00	-39.00
<b>Total</b>	<b>6,903.17</b>			<b>6,253.06</b>	<b>6,867.75</b>	<b>-614.69</b>



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**Table 110: Project Category Wise Additions decided by the Authority after reallocations for the First Control Period**

(Rs. in crores)

Particulars	Computer - Servers & Networks	Electrical Installation & Equipment	Other Buildings	P&M	Roads / Boundary wall	Runway, Taxiway, Apron	Terminal Building	Vehicles	Grand Total
Airside Projects	-	278.67	270.75	-	124.78	868.71	-	-	1,542.91
Boundary Wall	-	-	-	-	95.53	-	-	-	95.53
Landside Development including Land Development	-	-	404.11	-	153.14	-	38.79	-	596.04
Support Facility Buildings	-	-	397.18	-	-	-	-	-	397.18
Terminal Building	106.36	-	-	403.14	-	-	2,098.98	-	2,608.48
Utilities	253.62	-	194.04	338.78	-	-	-	-	786.45
Vehicles	-	-	-	40.60	-	-	-	87.09	127.69
VIP Terminal	-	-	-	-	-	-	16.46	-	16.46
GPU/ PCA	-	-	-	40.13	-	-	-	-	40.13
Other	-	-	-	12.20	-	-	-	-	12.20
General and Maintenance CAPEX – First Control Period	-	-	-	30.00	-	-	-	-	30.00
<b>Total</b>	<b>359.99</b>	<b>278.67</b>	<b>1,266.07</b>	<b>864.85</b>	<b>373.45</b>	<b>868.71</b>	<b>2,154.23</b>	<b>87.09</b>	<b>6,253.06</b>
<b>Less: Accumulated depreciation on Other Assets costing 12.20 Crores capitalized prior to COD</b>									<b>3.24</b>
<b>Aeronautical Additions to be considered for the First Control Period (post COD)</b>									<b>6,249.82</b>

YIAPL has submitted that certain assets like computers were procured and put to use by YIAPL prior to COD. It was further submitted that the cost of such assets is Rs. 12.20 crores and the WDV as at 1<sup>st</sup> Feb 2026 is Rs. 8.96 crores. (refer Para 5.3.174). The Authority notes that the capitalization up to FY 2025 is Rs 49.52 crores as per the Audited Financial Statements of FY 2024-25. Since the Fixed Asset Register / detailed schedule of capitalization has not yet been submitted, the Authority has considered the cost of Rs 12.2 crores as submitted by YIAPL in the MYTP as the capitalization prior to COD. The same will be reviewed during true-up. The difference is between Table 110 (Rs 6,253.06 crores) and Table 111 (Rs. 6,249.82 crores) of Rs 3.24 crores is on account of accumulated depreciation till COD on assets capitalized prior to COD.

**Table 111: Year-wise Aeronautical Additions decided by the Authority for the First Control Period**

(Rs. in crores)

Particulars	FY 27 <sup>A</sup>	FY 28	FY 29	FY 30	FY 31	Total
Terminal Building	2,154.23	-	-	-	-	2,154.23
Other Building	1,266.07	-	-	-	-	1,266.07
P&M	831.61	-	10.00	10.00	10.00	861.61
Runway, Taxiway, Apron	868.71	-	-	-	-	868.71
Roads / Boundary wall	373.45	-	-	-	-	373.45



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Particulars	FY 27 <sup>^</sup>	FY 28	FY 29	FY 30	FY 31	Total
Computers - Servers and Networks	359.99	-	-	-	-	359.99
Electrical Installation and Equipment	278.67	-	-	-	-	278.67
Vehicles	87.09	-	-	-	-	87.09
<b>Total*</b>	<b>6,219.82</b>	<b>-</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>6,249.82</b>

<sup>^</sup>All assets assumed to be capitalized on 15<sup>th</sup> June 2026

5.9.28 Further, consequent to the change in the COD as mentioned in Para 1.2.6, the Authority notes that the useful life of certain major airport assets (including terminal buildings, airside buildings, support facility buildings), which was earlier aligned with the balance concession term considering COD of 1 April, requires revision. Accordingly, the balance concession term of 35.53 years as shown in Table 103 is revised to 35.32 years considering the COD of 15<sup>th</sup> June 2026. The Authority has also redrawn the Aeronautical Depreciation and RAB based on the COD of 15<sup>th</sup> June 2026 and the revised tables are as below:

**Table 112: Total Aeronautical depreciation decided by the Authority for the First Control Period**

*(Rs. in crores)*

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Terminal Building	48.28	60.99	60.99	60.99	60.99	292.25
Other Building	28.38	35.85	35.85	35.85	35.85	171.76
P&M	47.28	58.10	62.60	62.77	64.45	295.20
Runway, Taxiway, Apron	22.92	28.96	28.96	28.96	28.96	138.75
Roads / Boundary wall	29.56	37.34	37.34	37.34	37.34	178.94
Computers - Servers and Networks	47.50	60.00	60.00	60.00	60.00	287.49
Electrical Installation and Equipment	22.06	27.87	27.87	27.87	27.87	133.53
Vehicles	8.62	10.89	10.89	10.89	10.89	52.16
<b>Total</b>	<b>254.61</b>	<b>319.99</b>	<b>324.49</b>	<b>324.66</b>	<b>326.34</b>	<b>1,550.08</b>

<sup>^</sup>Commencing from 15<sup>th</sup> June 2026

**Table 113: RAB decided by the Authority for the First Control Period**

*(Rs. in crores)*

Particulars	Ref.	FY27	FY28	FY29	FY30	FY31	Total
Opening RAB (refer Table 111)	A	-	5,965.21	5,645.22	5,330.73	5,016.07	
Additions to RAB (refer Table 111)	B	6,219.82	-	10.00	10.00	10.00	6,249.82
Disposal of RAB	C	-	-	-	-	-	
Depreciation (refer Table 112)	D	254.61	319.99	324.49	324.66	326.34	1,550.08
<b>Closing RAB</b>	<b>E=A+B-C-D</b>	<b>5,965.21</b>	<b>5,645.22</b>	<b>5,330.73</b>	<b>5,016.07</b>	<b>4,699.74</b>	
<b>Average RAB</b>	<b>F=(A+E)÷2</b>	<b>6,092.51</b>	<b>5,805.22</b>	<b>5,487.98</b>	<b>5,173.40</b>	<b>4,857.90</b>	

\*For computation of Average RAB, additions to RAB as on 15<sup>th</sup> June 2026 are treated as forming part of the opening RAB.

5.9.29 The Authority notes that the opening RAB decided by the authority (being Rs 6,219.82 Crores as per table above) has increased by Rs 8.83 Crores when compared to the opening RAB during Consultation Stage of Rs 6,210.99 (refer Table 107) on account of the revised aeronautical allocation ratio of VDGS and CISF bachelor accommodation, as explained in Paras 5.9.6 and 5.9.7 of this Tariff Order. Further, the depreciation has



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changed from Rs 1,612.20 during Consultation Stage (as per Table 104) as compared to Rs 1,550.08 Crores as per table above on account of the consequential impact of the revised allocation ratio mentioned above and the reduction in the depreciation period for FY 2027-28 arising from the shift in COD from 1<sup>st</sup> April 2026 to 15<sup>th</sup> June 2026.

**5.10 Authority's decisions regarding Capital Expenditure (CAPEX), Depreciation, and Regulatory Asset Base (RAB) for the First Control Period**

Based on the material before it and its analysis, the Authority decides the following with regard to CAPEX, Depreciation and RAB for the First Control Period.

- 5.10.1 To consider the Terminal Building Ratio (TBLR) of 88:12 (Aeronautical: Non-Aeronautical) as detailed in para 5.4.4 and 5.9.10.
- 5.10.2 To consider financing allowance during the First Control Period as detailed in Table 93 and to restrict the capitalization of financing allowance only up to 31<sup>st</sup> March 2026 as explained in Para 5.9.11.
- 5.10.3 To restrict the capitalization of pre-operative expenditures only up to 31<sup>st</sup> March 2026 as explained in Para 5.9.12.
- 5.10.4 To consider the Capital Expenditure for the First Control Period in accordance with Table 95.
- 5.10.5 To consider the aeronautical additions for the First Control Period in accordance with Table 111.
- 5.10.6 To examine the accounting of input tax credits in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 and make necessary adjustments at the time of determination of tariffs for the next Control Period (as detailed in para 5.3.180).
- 5.10.7 To reduce (adjust) 1% of the uncapitalized project cost from the ARR in case any particular capital project is not completed / capitalized as per the approved capitalization schedule, as detailed in para 5.3.245. The same will be examined at the time of determination of tariff for the next Control Period.
- 5.10.8 To true-up the aeronautical capital expenditure based on actuals, cost efficiency and reasonableness, at the time of determination of tariff for Next Control Period.
- 5.10.9 To adopt Aeronautical Depreciation as per Table 112 for the First Control Period.
- 5.10.10 To true up the Depreciation of the First Control Period based on the actual asset additions and actual date of capitalization at the time of tariff determination of the next Control Period.
- 5.10.11 To consider average RAB for the First Control Period for NIA as per Table 113.
- 5.10.12 To true-up the RAB based on actuals at the time of tariff determination for the next Control Period.



## 6. FAIR RATE OF RETURN FOR THE FIRST CONTROL PERIOD

### 6.1 YIAPL's submission regarding Fair Rate of Return for the First Control Period of Noida International Airport

#### Cost of Debt

- 6.1.1 YIAPL had submitted that it has availed a Term Loan of Rs. 3,725 crores for Phase-I, in which the initial capex was projected to be Rs. 5,730 crores. The initial ratio of Debt: Equity for the funding was considered as 65:35.
- 6.1.2 For the purpose of this term loan, YIAPL had tied up loan with consortium of banks with SBI as the lead bank. The facility has been availed for 20 years, split as 3 years of construction period, 1 year of moratorium and 16 years of repayment. As per the facility agreement, YIAPL shall repay the entire Facility in 64 structured quarterly instalments commencing from quarter ending 31<sup>st</sup> December 2025, with last instalment due on 30<sup>th</sup> September 2041. The rate of interest was the 6-month Marginal Cost of Funds based Lending Rate (MCLR) together with the spread per annum of 155 bps.
- 6.1.3 Considering the anticipated reduction in rates by RBI, YIAPL had submitted cost of debt as 10% for the First Control Period.

#### Cost of Equity

- 6.1.4 YIAPL had engaged the services of Indian Institute of Management – Ahmedabad (IIM-A) to carry out a study on applicable Cost of equity. Based on this study, the Airport Operator has considered the Cost of equity as 19.17% being the mid-point of the range of cost of equity assessed (between 18.79% to 19.54%).
- 6.1.5 The assumptions for estimating the Cost of equity had been submitted by YIAPL as follows:
- The risk-free rate which is the quoted yield for 30-year government bond is 7.33%.
  - Market risk premium is assumed to be 8.50% as follows “*The global risk premium currently is estimated to be around 6.6%, comparing US equity market and treasury bond data between 1928 and 2022. India's global sovereign rating of BBB-/Baa3 allots it a country risk premium of 3.79%. However, given the global view that this risk premium is too conservative, IIMA has considered half of this as the country risk premium.*”
  - The debt/equity ratio is taken to be at 0.92, as per the pre-defined debt-equity makeup of 48:52.
  - Equity beta is taken in the range of 1.28 – 1.31. This is arrived at after taking the average of asset betas of comparable airports and un-levering and re-levering them to arrive at equity beta of Noida International Airport.
  - Additional premium for idiosyncratic risk and illiquidity had been considered to factor the risks associated with Greenfield Airports in the range of 0.5% - 1%.
- 6.1.6 IIM-A in their report has stated the following as the reasoning for adding the additional premium for idiosyncratic risk and illiquidity of Noida International Airport:

*“YIAPL would have a higher degree of idiosyncratic risk than many other airports because of its proximity to IGIA Delhi which increases competition for business with a well-established airport, and also because of the fact that YIAPL does not have its own separate point of call but is shared with DEL. This limits YIAPL's*



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ability to attract direct international traffic as the travel preference of NIA's catchment is on short-haul international sectors to the Middle East and Southeast Asia, where most of the bilaterals are exhausted.

Another factor to consider idiosyncratic risk is the fixed per-passenger concession fee of INR 400.97 as against a typical revenue share model prevalent in most airports. Such a fee model imposes a greater burden on YIAPL compared to other airports where such fee could reduce in case of lower per-passenger revenues being generated.

YIAPL is exposed to significant risk resulting from Forex losses as the Rupee has been depreciating against the Swiss Franc. This further increases the risk associated with investments related to this airport.

The risk perception of YIAPL is considered relatively higher because it is solely funded by a foreign investor. This creates concerns about the absence of critical local expertise and knowledge that a domestic equity partner might bring, potentially increasing the idiosyncratic risks associated with the project

This airport is a greenfield project, which inherently makes the investment riskier compared to a similar investment in an existing airport with ongoing operations. Therefore, a higher risk premium is typically recommended for such projects.

In addition, even if we approach the analysis from the perspective of illiquidity, it is standard practice in finance to apply an illiquidity premium ranging from 2.5% to 4.0% when valuing closely held, unlisted companies. This premium reflects the higher risk and potential difficulty in selling the asset due to the lack of a liquid market, which typically lowers the asset's valuation compared to more liquid counterparts."

- 6.1.7 Based on the above, the Cost of Equity computed by IIM-A originated on behalf of YIAPL is as detailed below:

**Table 114: Cost of equity as per YIAPL's submission**

Parameter	Ref.	Percentage
Risk-Free Rate	A	7.33%
Risk Premium	B	8.50%
Debt-Equity ratio	C	0.92
Equity Beta	D	1.28 – 1.31
Initial Cost of Equity (before premium for idiosyncratic risk and illiquidity)	$E=A+(B \times D)$	18.25% - 18.53%
Additional Premium Idiosyncratic risk and Illiquidity	F	0.5% -1%
Modified Cost of Equity (after premium for idiosyncratic risk and illiquidity)	$G=E+F$	18.75% - 19.53%
Cost of Equity (Median)	Average G	19.17%

**Fair Rate of Return as submitted by YIAPL**

- 6.1.8 Based on the above Cost of Debt, Cost of Equity and normative gearing ratio of 48:52, the Fair Rate of Return (FRoR) has been computed by YIAPL as below:

**Table 115: Fair Rate of Return (FRoR) submitted by YIAPL for the First Control Period**

Particulars	Ref.	Percentage
Cost of Equity	A	19.17%
Cost of Debt	B	10.00%
Weighted Average Gearing of Equity	C	52.00%
Weighted Average Gearing of Debt	D	48.00%
Weighted Average Cost of Capital	$E=(A \times C)+(B \times D)$	14.77%

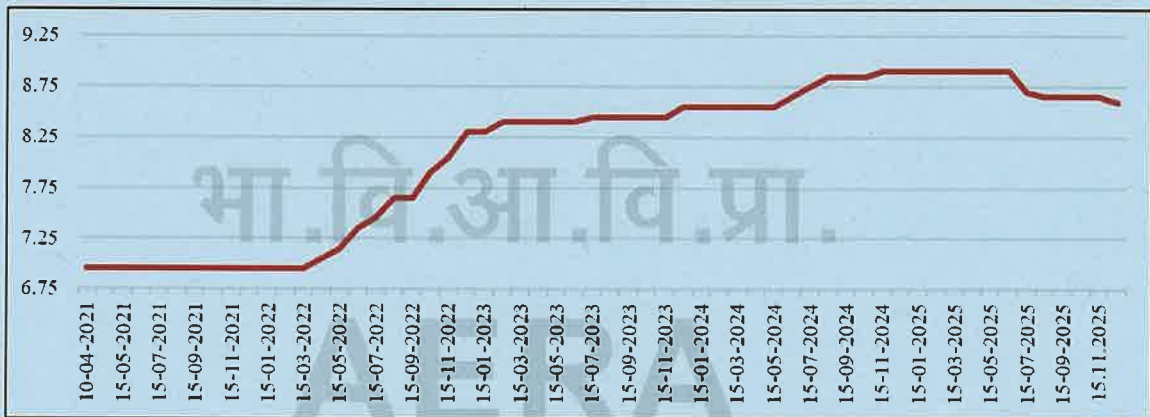


**6.2 Authority’s examination regarding Fair Rate of Return for the First Control Period at Consultation Stage**

**Cost of Debt**

- 6.2.1 The Authority, through its Independent Consultant, had verified the Facility Agreement executed with the consortium of banks led by SBI (Term Loan 1). As per the agreement, given the current credit rating of YIAPL as “A”, the applicable interest rate post-COD shall be the 6-month MCLR plus spread of 155 basis points (bps).
- 6.2.2 It was noted from the revised MYTP submitted by YIAPL that there is a cost overrun in the overall project cost. On enquiry, the Authority was informed that the cost over-run is to be funded through a mix of debt and equity in the ratio of 50:50. The Authority had reviewed the arrangements for this additional funding with SBI, EXIM India Bank, IIFCL and notes that the applicable interest rates for the additional debt is 6-month MCLR plus 150 bps.
- 6.2.3 The Authority was in the process of benchmarking the cost of debt for all major airports based on the External Credit Rating of the Airport which shall suggest a suitable spread over a reliable benchmark at the beginning of the Control Period.
- 6.2.4 The Authority noted that while the original term loan carries an interest rate of 6-month MCLR plus 155 bps, and the additional funding is contracted at 6-month MCLR plus 150 bps, the Authority considers SBI 6-month MCLR plus 150 bps to be a reasonable benchmark for NIA.
- 6.2.5 The Authority also reviewed the SBI 6-month MCLR during period from FY 2021-22 to FY 2025-26 (till December 2025) and notes that the rates have gone down in the last two months as can be seen in the graph below.

**Figure 2: Change in SBI 6-month MCLR during the period from FY 2021-22 to FY 2025-26 (till Dec’25)**



- 6.2.6 Based on the 6-month MCLR of 8.60% as on 15<sup>th</sup> December 2025, the effective interest rate works out to 10.15%. Considering this effective interest rate and the trend of MCLR as per figure above, YIAPL’s submission of 10% is within a reasonable range.
- 6.2.7 Hence the Authority proposed to consider cost of debt to be 10% as submitted by YIAPL for the purpose of computation of FRoR for the First Control Period for Noida International Airport. The Cost of Debt shall be



trued up based on actual (or) SBI 6-month MCLR plus 150 bps (whichever is lower), at the time of determination of tariff for the Second Control Period.

### Cost of Equity

- 6.2.8 YIAPL engaged the services of IIM-A to conduct a study on the applicable Cost of Equity for Noida International Airport. Based on the findings of this study, the Airport Operator has considered Cost of Equity in the range between 18.75% and 19.53%. For the purpose of FRoR computation, YIAPL has adopted the midpoint of this range, i.e., 19.17%, in its MYTP submission. The range of Cost of Equity has been derived by holding the base Cost of Equity (prior to adjustments for idiosyncratic risk and illiquidity) constant across scenarios. The only variation arises from the application of an additional risk premium—0.5% in one scenario and 1.0% in the alternate scenario—resulting in two Cost of Equity outcomes of 18.75% and 19.53%, respectively.
- 6.2.9 It was noted that the Authority had in the past undertaken a study through the Indian Institute of Management – Bangalore (IIM-B) for determining the cost of equity of 5 airports, namely - BIAL, DIAL, GHIAL, CIAL and MIAL. The Authority, through its Independent Consultant, had made a comparison between the asset beta as per the study report of IIM-A for Noida International Airport with the independent study (for 5 airports) referred to above. The list of airports taken for computation of asset beta in both study reports are enumerated in table below:

**Table 116: Comparison of airports taken into consideration for study on Cost of Equity**

Operator	Country	AERA STUDY – 5 AIRPORTS – IIM-B*	NIA STUDY-IIM-A*
Auckland International Airport Limited	New Zealand	Y	Y
Airport Of Thailand Public Limited Company	Thailand	Y	Y
Flughafen Zurich AG	Switzerland	N	Y
Sydney Airport Holdings Private Limited	Australia	Y	N
Malaysia Airport Holdings Berhad	Malaysia	Y	N
Gatwick Airport	United Kingdom	Y	N
Dublin Airport	Ireland	Y	N
GMR Airports Infrastructure Ltd	India	N	Y
Flughafen Wien AG	Austria	N	Y
Xiamen International Airport Co Ltd	China	N	Y
Shenzhen Airport Co Ltd	China	N	Y

\*N = Not considered in the study; Y = considered in the study

- 6.2.10 The Authority further noted the following:

- In the study done by IIM-B for 5 airports, Chinese airports were excluded from the comparison noting that data pertaining to Chinese Airports was unreliable, however, in IIM-A report for Noida International Airport, Chinese airports were considered in the peer group.
- One of the comparative peer airports taken by IIM-A for Noida International Airports was GMR Airports Infrastructure Limited. This entity is the dedicated entity responsible for the development, management, and operation of airports within the GMR Group. It includes airports like Indira Gandhi International Airport (Delhi), Rajiv Gandhi International Airport (Hyderabad), and other airport projects both within India and abroad. GMR Airports Infrastructure Limited is a holding company having many subsidiary



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and associate companies. Among the associate companies are non-airport companies in the group which are consolidated into GMR Airports Infrastructure Limited.

- Further, although, the study report of IIM-A specifically excludes airports whose “passenger capacity is more than 50 million”, DIAL which is being managed by GMR Airports Infrastructure Limited has passenger capacity far exceeding 50 million. Hence considering the company in the peer group as comparable, as per the methodology set by IIM-A itself, is not appropriate.

6.2.11 The Authority had also examined the rationale submitted by IIM-A for adding the premium for idiosyncratic risk and illiquidity. IIM-A’s comments, together with the Authority’s analysis, are as follows:

**Table 117: Rationale submitted by IIM-A for inclusion of premium for idiosyncratic risk and illiquidity and the Authority’s analysis of the same.**

Sl. No.	Excerpts from NIA COE Report (IIM-A)	The Authority’s Analysis
1	The average R-squared of the CAPM regressions for the peer group of companies is around 0.33. This implies that of the total risk of airport assets, systematic risk accounts for only 33%, whereas the idiosyncratic risk accounts for the remaining 67%. In other words, the idiosyncratic risk is $67\% / 33\% = 203\%$ of the systematic risk. Since the risk premium for the systematic risk of YIAPL is about 10%, providing for a risk premium for just 50% of the idiosyncratic risk, the unlisted risk premium would be around 5%.	Analysis on various factors of idiosyncratic risk are detailed in Sl. No. 2-7 of this table.
2	YIAPL would have a higher degree of idiosyncratic risk than many other airports because of its proximity to IGIA Delhi which increases competition for business with a well-established airport, and also because of the fact that YIAPL does not have its own separate point of call but is shared with DEL. This limits YIAPL’s ability to attract direct international traffic as the travel preference of NIA’s catchment is on short-haul international sectors to the Middle East and Southeast Asia, where most of the bilateral are exhausted.	While it is acknowledged that, in absolute terms, international traffic at NIA may initially be limited, there is a commitment from multiple airlines toward developing international connectivity, as noted by the fact that MOUs have been signed with various carriers indicating future international operations. Furthermore, in the domestic segment, NIA is expected to witness a robust growth trajectory, with a high CAGR anticipated. Importantly, as noted by the Authority in its latest order for IGIA, the Delhi airport is projected to reach saturation toward the end of Noida International Airport’s First Control Period. Consequently, the spillover of traffic from IGIA will need to be accommodated by NIA, thereby establishing a strong and assured demand base for the airport. Hence, the demand fundamentals for NIA remain strong and unquestionable
3	Another factor to consider idiosyncratic risk is the fixed per-passenger concession fee of INR 400.97 as against a typical revenue share model prevalent in most airports. Such a fee model imposes a greater burden on YIAPL compared to other airports where such fee	The fixed per-passenger concession fee of INR 400.97 is a result of a commercial agreement between the airport operator (YIAPL) and the concession granting the authority, finalized during the competitive bidding process. It was a key determinant in awarding the contract to YIAPL, reflecting the operator’s confidence in its business model.



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Sl. No.	Excerpts from NIA COE Report (IIM-A)	The Authority's Analysis
	could reduce in case of lower per-passenger revenues being generated.	<p>Additionally, this fee is payable only from the 6<sup>th</sup> year of operations, ensuring that it does not impact the airport's financials during the current Control Period. This structure was designed to align with the long-term viability of the airport and hence, this factor does not justify a higher cost of equity (COE).</p> <p>Also, a fixed per-pax fee provides cost certainty and predictability instead of other models which may be volatile. Even though the fee is fixed per pax, it still linked to passenger traffic. In case of a downturn, total outflows reduce proportionately (unlike a fixed annual minimum guarantee). Therefore, some downside protection is inherently built in compared to a fixed lump sum or guaranteed revenue share model</p>
4	<p>YIAPL is exposed to significant risk resulting from Forex losses as the Rupee has been depreciating against the Swiss Franc. This further increases the risk associated with investments related to this airport.</p>	<p>While fluctuations in the INR-CHF exchange rate pose some exposure to foreign exchange (Forex) risk, this cannot be considered as a significant factor for the following reasons:</p> <p><b>Financial Hedging Strategies:</b> YIAPL has the option to mitigate Forex risk through well-established financial instruments like forward contracts, swaps, or natural hedging mechanisms.</p> <p><b>Long-Term Investment View:</b> Currency fluctuations are typically cyclical. The financial impact can be spread over the long-term operational horizon of the airport, diluting immediate concerns.</p> <p><b>Contractual Decisions:</b> The decision to source financing in foreign currency was a strategic choice by YIAPL to leverage favorable rates. It is part of their commercial agreement and does not warrant changes in regulatory considerations like the cost of equity (COE).</p> <p>Also, choice of funding is a promoter level business risk and should not be part of cost that can be passed on to the passenger. At the end of the day, the Airport Operator is an Indian Company and cannot be treated differently as compared to any other operator because of having a 100% foreign shareholding. Regulatory framework is ownership agnostic.</p> <p>In conclusion, Forex risks, while present, are manageable through proper financial planning and do not justify adjustments to the COE.</p>
5	<p>The risk perception of YIAPL is considered relatively higher because it is solely funded by a foreign investor. This creates concerns about the absence of critical local expertise and knowledge that a domestic equity partner</p>	<p>The concern regarding YIAPL's risk perception due to the absence of a domestic partner is without merit, given Zurich Airport's proven track record in managing global airport operations. Flughafen Zürich AG currently operates and manages airports worldwide, including in Brazil, Chile, Curaçao, and Colombia, demonstrating expertise in</p>



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Sl. No.	Excerpts from NIA COE Report (IIM-A)	The Authority's Analysis
	<p>might bring, potentially increasing the idiosyncratic risks associated with the project</p>	<p>diverse international environments. Notably, Zurich Airport was a key partner in the development and successful operation of Bangalore International Airport (BIAL) in India.</p> <p>Furthermore, the grant of the concession agreement for Noida International Airport amidst intense competition reaffirms Zurich Airport's qualifications and capabilities to manage world-class airports independently.</p> <p>As indicated earlier, investor profile constitutes an investment risk and should not be factored into costs recoverable from passengers. Ultimately, the Airport Operator is an Indian company and must be treated at par with any other operator, irrespective of its foreign shareholding. The regulatory framework remains ownership-agnostic.</p> <p>Hence, profile of the investor, does not justify adjustments to the COE.</p>
6	<p>This airport is a greenfield project, which inherently makes the investment riskier compared to a similar investment in an existing airport with ongoing operations. Therefore, a higher risk premium is typically recommended for such projects.</p>	<p>The Authority notes that the report submitted by IIM A for NIA highlights that Greenfield airports are a riskier investment. Greenfield airports, though often viewed as riskier investments, face similar risks to other large-scale infrastructure projects. Risks such as construction delays, traffic uncertainties, and regulatory changes are inherent in many infrastructure projects, not just greenfield airports. These risks are mitigated through extensive feasibility studies, government support, and financing mechanisms like work-in-progress funding. The long-term investment horizon typical of such projects, coupled with strong demand growth in the aviation sector, makes greenfield airports as viable and stable an investment as other infrastructure developments.</p> <p>Further, to mitigate the risk of funds being locked up, the Authority provides for a Financing Allowance on work-in-progress assets for Greenfield airport projects like NIA, addressing potential liquidity concerns.</p> <p>The Authority also provides for regulated and steady revenues for cost recovery in both greenfield and brownfield airports alike. Accordingly, the emphasis placed on the greenfield nature of the project, as a basis for seeking a higher risk premium, is not justified.</p>
7	<p>In addition, even if we approach the analysis from the perspective of illiquidity, it is standard practice in finance to apply an illiquidity premium ranging from 2.5% to 4.0% when valuing closely held, unlisted companies. This premium reflects the higher risk and potential difficulty in selling the</p>	<p>In the context of Noida International Airport, applying a standard illiquidity premium may not be entirely applicable due to the unique characteristics of the project. The airport's development is backed by a strong government partnership, with Zurich Airport, which brings substantial expertise in airport operations. This, combined with India's growing aviation sector, enhances the long-term</p>



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Sl. No.	Excerpts from NIA COE Report (IIM-A)	The Authority's Analysis
	asset due to the lack of a liquid market, which typically lowers the asset's valuation compared to more liquid counterparts.	investment potential and attractiveness of NIA, which could reduce the perceived illiquidity premium. The high demand for air travel in the region, along with the strategic location of NIA in the Delhi NCR region, suggests that the airport's long-term value is likely to increase, further diminishing the need for a significant illiquidity discount. Therefore, illiquidity may not be a prominent factor in the risk assessment of NIA.

6.2.12 The Authority observed that, in the Indian context, several PPP airports which are unlisted like YIAPL have undergone ownership transfers. These airports continue to attract substantial investor interest and operate under similar regulatory frameworks. Therefore, the Authority found no basis for applying an additional risk premium on account of illiquidity or idiosyncratic risks, as such risks are neither unique to YIAPL nor materially different from those faced by other PPP airports in India.

6.2.13 The Authority further noted that the Cost of Equity for determining the Fair Rate of Return must remain broadly consistent across PPP airports in India. This is because the parameters underpinning the CAPM framework—such as the Risk-Free Rate and Market Risk Premium—are determined in the Indian macroeconomic context and do not vary significantly among airports operating under similar policy, regulatory, and market conditions. Moreover, the process of benchmarking and averaging across multiple airports ensures that individual variations in risk perception are normalized, resulting in a fair and comparable estimate of the Cost of Equity.

6.2.14 In light of the above and considering that the IIM-A study relies on certain assumptions and peer selections that are not fully aligned as discussed in the above paragraphs, the Authority did not find it appropriate to adopt the Cost of Equity proposed therein. Instead, for ensuring consistency and comparability across regulated airports, the Authority proposed to consider a Cost of Equity of 15.18%, representing the average Cost of Equity for BIAL, DIAL, GHIAL, MIAL, and CIAL as determined under the independent study undertaken by IIM-B. This approach maintains methodological continuity, reflects sectoral realities, and ensures equitable treatment of all PPP airports during the First Control Period.

**Fair Rate of Return (FRoR)**

6.2.15 Based on the cost of equity of 15.18%, the Authority proposed to consider FRoR for Noida International Airport as per table given below:

**Table 118: Fair Rate of Return proposed by the Authority for the First Control Period at Consultation Stage**

Particulars	Ref.	Percentage
Cost of Debt	A	10%
Cost of Equity	B	15.18%
Weights for Debt	C	48%
Weights for Equity	D	52%
FRoR	$E=(A \times C)+(B \times D)$	12.69%

**6.3 Stakeholders' comments regarding Fair Rate of Return (FRoR) for the First Control Period**

6.3.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26



with respect to Fair Rate of Return (FRoR) for the First Control Period. The comments by stakeholders are presented below:

**YIAPL's comments regarding Fair Rate of Return (FRoR) for the First Control Period:**

6.3.2 YIAPL's comments on the appropriateness of benchmarking used by the Authority for Cost of Equity are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*The Authority has proposed the cost of equity of 15.18%, based on the benchmarking drawn by IIM-B study covering BIAL, DIAL, GHIAL, MIAL and CIAL and not proposing premium towards the higher idiosyncratic risks for YIAPL.*

*YIAPL response:*

*YIAPL hereby requests attention of the Authority to the "Appropriateness of Benchmarking" considered by the authority as per IIM B study for ascertaining cost of equity for YIAPL. In this regard, it is respectfully submitted that the reliance on this peer set does not appropriately reflect the risk profile of YIAPL. All airports considered in the IIM-B study are well-established brownfield airports, with mature operations and significant passenger throughput (generally exceeding 30 million passengers per annum). These airports benefit from:*

- *Established catchment areas*
- *Proven traffic demand*
- *Stable operating history*

*In contrast, YIAPL is a greenfield airport, which is yet to establish its catchment and traffic base.*

*Accordingly, the business and demand risks faced by YIAPL are materially higher and cannot be equated with those of established airports for the purpose of estimating cost of equity.*

*Idiosyncratic Risk Considerations YIAPL is exposed to significantly higher idiosyncratic risks compared to other airports, inter alia, due to:*

*Proximity to Indira Gandhi International Airport (Delhi), leading to direct competition with a well-established hub*

*Absence of an independent and differentiated point of call, with overlapping catchment dynamics with Delhi*

*Limited ability to attract long-haul international traffic, given existing traffic patterns and bilateral constraints*

*These factors materially constrain YIAPL's ability to independently build traffic and revenues, thereby elevating project-specific risk.*

*The Authority, in its paper, while acknowledging the proximity of YIAPL to Indira Gandhi International Airport (Delhi), has indicated that this risk is mitigated by factors such as expected traffic spillover from Delhi, airline MoUs and projected growth in both domestic and international traffic.*

*In this regard, it is respectfully submitted that the above considerations do not adequately mitigate the underlying competitive and demand risks for the following reasons:*



*The anticipated spillover of traffic from Delhi is contingent upon capacity constraints and airline network decisions, both of which are inherently uncertain and outside the control of YIAPL. Such spillover, therefore, cannot be treated as assured demand.*

*Further, Delhi airport itself has planned capacity expansion initiatives, which are expected to augment its ability to accommodate future traffic growth. This would reduce the likelihood and quantum of traffic spillover to YIAPL, thereby weakening the basis for assuming assured demand from such spillover. The MoUs entered with airlines are nonbinding in nature and reflect intent rather than firm commitments. As such, they do not provide visibility or certainty on actual traffic realization in the First Control Period for DXN. While the Authority has highlighted strong projected growth in traffic, it is submitted that projections, by their very nature, are subject to significant uncertainty, particularly for a greenfield airport competing with a well-established airport.*

*Importantly, the proximity to Delhi airport introduces structural competitive constraints, including airline preference for established hubs, passenger inertia, and network concentration effects, which limit YIAPL's ability to independently capture and sustain traffic. Accordingly, while the factors cited by the Authority may support a positive long-term outlook, they do not eliminate the near- to medium-term idiosyncratic risks associated with competitive positioning. In view of the above, it is submitted that the proximity to Delhi airport continues to represent a material idiosyncratic risk, which warrants appropriate recognition in the determination of cost of equity.*

*In view of above, we request the authority to consider the study conducted by IIM Ahmedabad specifically for YIAPL when determining the cost of equity, taking into account the unique context of a greenfield airport with 100% FDI operating within a dual-airport framework."*

6.3.3 YIAPL's comments on the appropriateness of benchmarking on Cost of Debt are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 6.2.4, the Authority has mentioned that while the original term loan carries an interest rate of 6-month MCLR plus 155 bps, and the additional funding is contracted at 6-month MCLR plus 150 bps, SBI 6-month MCLR plus 150 bps is a reasonable benchmark for NIA.*

*The Authority has proposed considering cost of debt to be 10% as submitted by YIAPL for the purpose of computation of FRoR for the First Control Period for Noida International Airport. The Cost of Debt shall be true up based on actual (or) SBI 6-month MCLR plus 150 bps (whichever is lower), at the time of determination of tariff for the Second Control Period.*

*YIAPL response:*

*With reference to Para 6.2.4, YIAPL hereby submits that applicable interest rate for additional debt is 6-month MCLR plus 155 bps which post COD will be 6-month MCLR plus 150 bps, considering rating of "A". Considering the 6-month MCLR on 15th December 2025 i.e 8.60, the cost of debt is to be considered as 10.10%. We request the authority to kindly consider the cost of debt as 10.10%*

*Regarding the proposal of the authority w.r.t true up of cost of debt, YIAPL draws attention of the Authority to its financial agreement in terms whereof, cost of debt is 6-month MCLR plus 150 bps considering rating of "A" which will improve by 50 bps with every increase in rating to "AA" and "AAA" respectively. However, considering the uncertainty due to geo-political issues and the resultant macro-economic and monetary factors, there is a possibility wherein the rating of the company may get down by some notch. This will cause*



*YIAPL's cost of debt to increase, which will be assessed by YIAPL's lenders upon happening of such an event (as per financing documents).*

*YIAPL requests the Authority to consider the true up of Cost of Debt for the above reasons, being outside the control of YIAPL."*

**Other Stakeholder's comments regarding Fair Rate of Return (FRoR) for the First Control Period:**

6.3.4 Mr.Sumedh Bhagwat's comments on rationalization of Cost of Equity are as follows:

*"While the Authority rightly rejected the inclusion of idiosyncratic risk and illiquidity premiums, the proposed Fair Rate of Return (FRoR) of 12.69%, driven by a 15.18% Cost of Equity, remains overly generous for an infrastructure asset operating in a high-demand, capacity-constrained catchment area like the NCR. Standard CAPM benchmarking should more heavily weight the quasi-monopolistic nature of this asset. A downward revision of the CoE closer to 13.5%–14% would significantly compress the ARR while still providing a risk-adjusted equity IRR that satisfies project financiers.*

6.3.5 Indigo's comments on FRoR are as follows:

*"a. We note that the fair rate of return (FRoR) has been proposed by AERA as 12.69%. As a Greenfield airport that needs to attract existing traffic flow travelling over DEL and to stimulate air travel from its catchment, the First Control Period needs to be based on cost that allows the above to be undertaken. We therefore recommend that the FRoR be reduced further to around 10% to enable the same, especially in view of the current highly volatile environment where airlines are staring at heavy losses. As the size and scale of DXN is oriented towards serving a large proportion of Delhi NCR, it is important that airlines be able to support this vision through large scale of operation. It is therefore critical that the airlines' risk be defrayed to the best extent possible under the applicable frameworks, at least during the initial phase of operations at DXN."*

**6.4 YIAPL's response to Stakeholders' comments regarding Fair Rate of Return (FRoR) for the First Control Period**

6.4.1 YIAPL's response to Mr. Sumedh Bhagwat's comments on rationalization of cost of equity (CoE) is as follows:

*"YIAPL submits that it is a greenfield airport and is exposed to substantially higher business, demand, and traffic risks, which are inherently different from and not comparable with the risk profile of established and mature airports for the purpose of determination of the cost of equity. In recognition of these heightened and transitional risks, YIAPL, as part of its MYTP, has placed on record an independent expert study conducted by IIM Ahmedabad, which evaluates the appropriate risk premium required to be considered while estimating the cost of equity for a greenfield airport. The said study adequately captures the unique operational and financial risk characteristics associated with greenfield airport development and ramp-up phases. In this context, YIAPL requests the Authority to take due note of and consider the detailed submissions set out in paragraph 4.1 of YIAPL's comments on the Consultation Paper while undertaking its assessment and determination."*

6.4.2 YIAPL has not submitted any response to Indigo's comments on FRoR.



## 6.5 Authority's analysis on Stakeholders' comments regarding Fair Rate of Return (FRoR) for the First Control Period

### Cost of Equity

- 6.5.1 The Authority notes the submissions made by YIAPL regarding the request to adopt the IIM-Ahmedabad study (conducted by YIAPL) for determination of cost of equity.

With respect to benchmarking to IIM-B study, the Authority is of the view that adopting a uniform and comparable methodology across PPP airports is essential to maintain regulatory consistency, and the IIM-B benchmark, based on a broader and standardized peer framework, remains the more appropriate basis for determining cost of equity.

The Authority has already examined the specific idiosyncratic risks cited by YIAPL, including proximity to IGI Airport, uncertainty of spillover traffic, non-binding airline MoUs and competitive constraints, and has addressed these in detail in the Consultation Paper, concluding that these factors do not justify a separate premium over and above the sectoral benchmark. Accordingly, the Authority does not find sufficient justification to depart from its proposed cost of equity of 15.18%.

### Cost of Debt

- 6.5.2 The Authority has carefully reviewed the comments of YIAPL with regard to cost of debt. Based on the current monetary outlook, benchmark lending rates are expected to remain stable or soften over the medium term rather than increase materially. In this regard, the cost of debt for tariff determination cannot be assessed based on a single point-in-time eg: MCLR observation as on 15 December 2025, but must be viewed over the entirety of the First Control Period. Accordingly, the Authority is of the view that YIAPL's request for upward revision of cost of debt based on a point-in-time increase in MCLR is not justified.

With respect to YIAPL's submission regarding possible increase in spread on account of rating downgrade, the Authority notes that, for the purpose of tariff determination for the First Control Period, only the applicable post-COD borrowing spread is relevant. As submitted by YIAPL itself, the spread post COD is expected to reduce to SBI 6-month MCLR plus 150 bps upon achievement of an "A" rating. Further, credit spread over benchmark rates is primarily a function of the borrower's own credit profile, financial strength and project performance, rather than macroeconomic factors alone. Therefore, any increase in spread arising from deterioration in YIAPL's rating would be entity-specific in nature and cannot be treated as an uncontrollable pass-through cost.

The Authority further notes that, in infrastructure projects, post-COD operational stabilization and commencement of revenue generation generally improve cash flow visibility and strengthen debt servicing capacity, which ordinarily support improvement in credit profile rather than deterioration. As per YIAPL's financing terms, every improvement in rating beyond "A" results in a reduction in spread by 50 basis points. In view of the above, the Authority considers it prudent to retain the true-up framework proposed in the Consultation Paper, namely actual cost of debt subject to the ceiling of SBI 6-month MCLR plus 150 bps, whichever is lower.

- 6.5.3 The Authority has carefully examined the comments of Mr Sumedh Bhagwat's and Indigo's suggestion to reduce the Cost of Equity (CoE) for the First Control Period and YIAPL's counter comments in this matter. While the Authority notes the stakeholder's submission seeking a downward revision of the Cost of Equity (CoE), it reiterates that the CoE for the First Control Period has been determined using the Capital Asset



Pricing Model (CAPM), as recommended by the Indian Institute of Management, Bangalore (IIM B). The IIM B study benchmarked the CoE as an average across five PPP airport. The Authority further notes that CAPM, by design, captures systematic market risk and does not factor in locational advantages or perceived quasi monopolistic characteristics. Such factors do not increase the risk faced by equity investors at the time the return is determined; rather, they influence operational performance after commencement of services. Any locational advantage is expected to be reflected through faster traffic ramp up, higher passenger volumes, improved recovery of aeronautical revenues, and stronger non aeronautical income as commercial activities mature. These benefits accrue through actual operating outcomes and realised cash flows and therefore do not warrant an upward adjustment to equity returns upfront. Accordingly, the Authority is of the view that the CAPM based CoE, benchmarked as an average across multiple airports, provides a balanced and regulatorily sound basis for determining the Fair Rate of Return.

- 6.5.4 The Authority notes Indigo's suggestion to reduce the Fair Rate of Return (FRoR) for the First Control Period. In this regard, the Authority clarifies that the determination of FRoR is undertaken strictly in accordance with the methodology prescribed under the AERA Act and the applicable Tariff Guidelines, which require FRoR to be reflective of the risk profile of the airport, the cost of capital, and the debt equity structure envisaged for the project. FRoR is intended to compensate the Airport Operator for the risks undertaken in developing and operating the airport and is therefore intrinsically linked to both the cost of debt and the cost of equity, rather than external market conditions faced by users.

For the purpose of computing FRoR, the Authority has adopted the cost of equity derived from a detailed study undertaken across five PPP airports, which provides a robust and reliable benchmark. The cost of debt has been assessed with reference to prevailing market conditions and actual sanction letters, ensuring that the borrowing assumptions reflect realistic financing costs. Further, the normative weights applied to the cost of equity and cost of debt in the computation of FRoR are applied uniformly across other airports and are consistent with the methodology followed by the Authority.

In the absence of concessional or significantly lower cost funding, it would therefore be inconsistent with regulatory principles to adopt a lower FRoR for a greenfield airport. The Authority reiterates that recognition of risks through an appropriate FRoR is essential to ensure economic viability of the airport, while balancing the interests of all stakeholders over the long term.

## 6.6 Authority's decisions relating to Fair Rate of Return for Noida International Airport for the First Control Period

Based on the materials before it and its analysis, the Authority decides the following with respect to FRoR for the First Control Period

- 6.6.1 To consider Cost of Debt as 10% as per YIAPL's submission as per para 6.2.7.
- 6.6.2 To true up the Cost of Debt for the First Control Period based on actual (or) SBI average 6-month MCLR plus 150 bps (whichever is lower) at the time of tariff determination for the Second Control Period.
- 6.6.3 To consider Cost of Equity at 15.18%.
- 6.6.4 To consider FRoR of 12.69% for Noida International Airport for the First Control Period as per Table 118.



## 7. INFLATION FOR THE FIRST CONTROL PERIOD

### 7.1 YIAPL's submission regarding Inflation for the First Control Period of Noida International Airport

7.1.1 YIAPL had considered inflation as per RBI's "Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 82<sup>nd</sup> Round" released on 8<sup>th</sup> June 2023 for the First Control Period as summarized in the table below:

**Table 119: Inflation rates submitted by YIAPL for the First Control Period**

Particulars	FY26	FY27	FY28	FY29	FY30
WPI Inflation	4.00%	4.00%	4.00%	4.00%	4.00%
CPI Inflation	4.90%	4.90%	4.90%	4.90%	4.90%

### 7.2 Authority's examination regarding Inflation for the First Control Period at Consultation Stage

7.2.1 The Authority had examined the submission made by YIAPL on inflation to be considered during the First Control Period and noted that YIAPL has considered WPI and CPI from the RBI's 82<sup>nd</sup> round of survey. However, the Authority proposed to consider the recent "Survey of Professional Forecasters on Macroeconomic Indicators - Results of the 98<sup>th</sup> Round" released on 6<sup>th</sup> February 2026 published by the Reserve Bank of India (RBI).

7.2.2 The Authority also noted that YIAPL has computed inflation by considering a weight of 70% and 30% respectively for WPI and CPI, thereby arriving at an inflation rate of 4.27%. The Authority, however, proposed to consider only the WPI inflation as has been followed by the Authority in other similar airports.

7.2.3 Accordingly, the Authority proposed to consider the mean WPI (All commodities) inflation forecast for FY 2026-27 as given in the 98<sup>th</sup> Round of Professional Forecasters on Macroeconomic Indicators.

7.2.4 Further, the Authority assumes that the inflation rate would be stable and remain constant from FY 2026-27 till FY 2030-31. Accordingly, the following table shows the inflation rates as proposed by the Authority for the First Control Period.

**Table 120: Inflation rates proposed by the Authority for the First Control Period at Consultation Stage**

Particulars	FY27	FY28	FY29	FY30	FY31
WPI Inflation	3.00%	3.00%	3.00%	3.00%	3.00%

### 7.3 Stakeholders' comments regarding Inflation for the First Control Period

7.3.1 During the stakeholders' consultation process, the Authority has received comments/views from various stakeholders in response to the proposals of the Authority in Consultation Paper No. 07/2025-26 with respect to Inflation for the First Control Period. The comments by the stakeholders are presented below:

#### YIAPL's comments on Inflation for the First Control Period

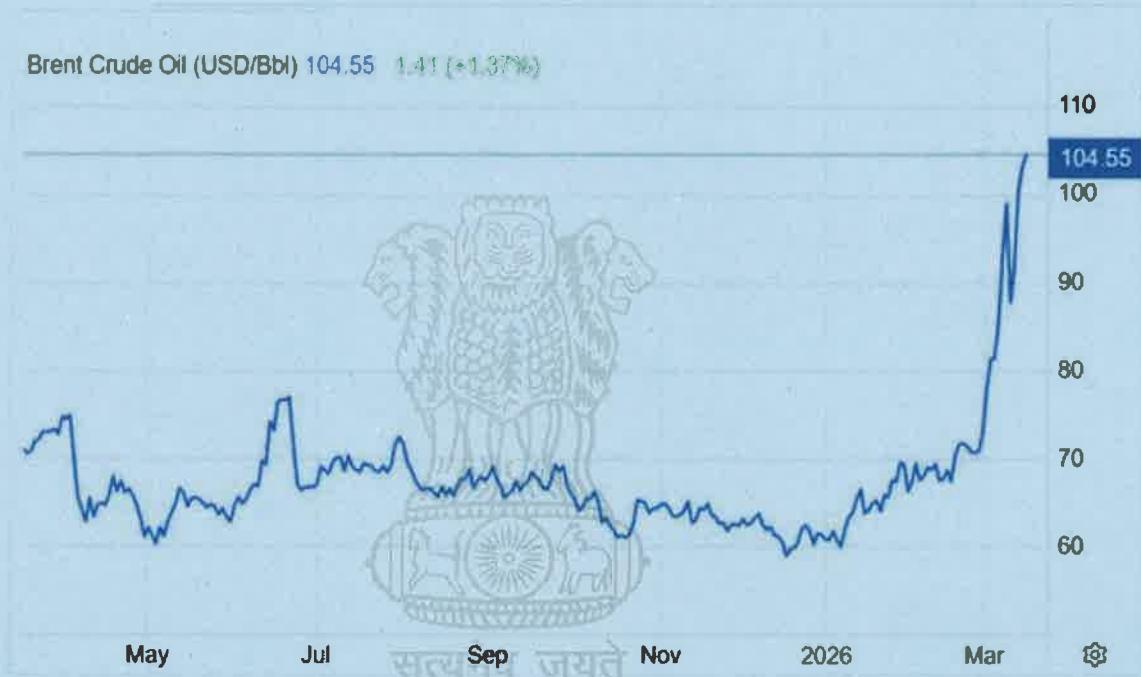
7.3.2 YIAPL's comments regarding Rate of Inflation is as follows:

"The Authority has proposed the inflation based on the assumptions drawn on the projections from the 98<sup>th</sup> round of the Reserve Bank of India Survey of Professional Forecasters (SPF) conducted in January 2026.



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However, the SPF projections reflect baseline macroeconomic expectations prevailing at the time of the survey and do not consider the recent escalation of conflict in middle east that has significantly altered global commodity markets, particularly crude oil prices and shipping costs.



Source: <https://tradingeconomics.com/commodity/brent-crude-oil>

While the Fuel & Power component has ~13% weight in WPI, oil price increases also feed into manufacturing WPI, which has the largest weight in the index. These cost pressures propagate through supply chains and raise wholesale prices of manufactured goods, creating broader inflationary effects beyond the fuel component.

As per a more recent report published by ICRA in March 2026, it estimates that for every 10% increase in crude oil prices, the WPI inflation rises by 80-100 bps and that an alarming increase in crude oil prices could pose a significant risk to WPI inflation projections.

In the face of constantly evolving and unprecedented geopolitical developments, reliance solely on projections from 98th round of Reserve Bank of India Survey of Professional Forecasters, may not be adequately reflect the latest macroeconomic realities. Given that the inflation rate determined by the authority is for a forward looking 5-year term, it would be appropriate to re assess the inflation assumptions in light of the most recent market information. YIAPL humbly submits that inflation has a material bearing on the operating cost structure of airport operations and a significant portion of airport operating expenditure is directly or indirectly linked to movement in general price levels. Costs relating to materials, supplies and equipment, utility expenses, general and administrative expenses, and repairs and maintenance exhibit strong linkages with inflation. These cost heads are sensitive to changes in wholesale prices of energy, construction materials, industrial inputs and services and the Authority has also recognized inflation as a



material input while projecting these costs. Consequently, any upward revision in the realized wholesale inflation would materially affect the operations & maintenance cost and efficiency for a greenfield airport.

In view of above, YIAPL requests the Authority to duly consider the prevailing market conditions and consider an upward revision in the projected inflation based on the above factors before issuance of final tariff order for FCP.”

#### 7.4 Authority’s analysis on Stakeholders’ comments regarding Inflation for the First Control Period

7.4.1 The Authority has examined the submission of YIAPL regarding upward revision of inflation assumptions. The Authority notes that the inflation projections adopted in the Consultation Paper are based on Reserve Bank of India Survey of Professional Forecasters (SPF), which is a credible and consistently applied benchmark used uniformly across airports for regulatory purposes. While YIAPL has referred to recent geopolitical developments and crude oil price volatility, such factors remain inherently uncertain and their long-term impact over the entire five-year control period cannot be reliably quantified at this stage.

The Authority is of the view that inflation assumptions for tariff determination should be based on objective, transparent and institutionally robust macroeconomic forecasts rather than short-term market movements. In this regard, the Authority notes that the subsequent 99<sup>th</sup> round of the RBI Survey of Professional Forecasters, published in April 2026, incorporates the updated macroeconomic outlook, including the evolving global geopolitical situation and its implications for inflation expectations. Accordingly, the Authority decides to use the 99<sup>th</sup> round of the RBI Survey of Professional Forecasters for final determination, as this represents an updated and appropriate forward-looking benchmark. This approach has been adopted by the Authority across all Airports.

In view of the above, the Authority retains the methodology for determination of inflation as considered in the Consultation Paper and has now adopted the latest available Survey of Professional Forecasters projections.

**Table 121: Inflation rates as decided by the Authority for the First Control Period**

Particulars	FY27	FY28	FY29	FY30	FY31
WPI Inflation	4.70%	3.60%	3.60%	3.60%	3.60%

#### 7.5 Authority’s decision regarding Inflation for the First Control Period

Based on the materials before it and its analysis, the Authority decided the following for the First Control Period:

7.5.1 To consider Inflation for the First Control Period for Noida International Airport as per Table 121.

**8. OPERATION AND MAINTENANCE EXPENSES FOR THE FIRST CONTROL PERIOD****8.1 YIAPL's submission regarding Operation and Maintenance (O&M) Expenses for the First Control Period of Noida International Airport**

8.1.1 YIAPL had submitted the forecast for Operation and Maintenance (O&M) expenses, including personnel cost, utility cost, general administration cost, CNS/ATM expenditure and repairs & maintenance costs, in line with its obligations under Article 17 of the Concession Agreement, which sets out the Operation and Maintenance requirements for the airport.

8.1.2 YIAPL had considered the following drivers as a basis to arrive at the forecasted O&M expenses for the First Control Period:

- **Inflation** – YIAPL had considered an inflation of 4.27%, calculated using a 70:30 weightage between WPI Inflation (4.00%) and CPI Inflation (4.90%) as per the RBI's Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 82<sup>nd</sup> Round dated 8<sup>th</sup> June 2023, towards all relevant expenses. Additionally, YIAPL had applied WPI inflation on "Materials, Equipment and Supplies Cost" and CPI inflation on "CNS/ATM Expenditure".
- **Real Increase** – YIAPL had considered a year-on-year increase of 10% towards Personnel Cost, 5% towards General Administration Cost and Advertisement Cost, and 3% towards Utility Cost and Airport Operator Support Fee.
- YIAPL had further submitted that most of the airport's operating costs are fixed, as the infrastructure is required regardless of the volume of passenger traffic. Therefore, considering that Noida International Airport is a greenfield airport, YIAPL had informed that traffic would increase gradually, while some fixed operating costs will be incurred from Airport COD onwards due to their inelasticity to passenger traffic.

8.1.3 Further, YIAPL had also submitted a report on "*Independent Study on Operation and Maintenance (O&M) Expenses*" (herein referred to as "O&M Study Report") conducted by R. Subramanian and Company LLP dated October 2023. The objectives of this report, as indicated therein are:

- Understanding the existing process followed at NIA for operation and maintenance activities, including key systems, procedures, and cost elements.
- Understanding the infrastructure/operations/facilities proposed to be implemented at NIA
- Deriving O&M expenses (component-wise) for the First Control Period, which is proposed to be submitted as part of MYTP to the Regulator, AERA.

The report also aims to benchmark O&M expenses against similar airports (based on data availability) and establishes principles for classifying and segregating expenses based on appropriate drivers.

8.1.4 The summary of Total O&M expenses, before allocation into aeronautical and non-aeronautical expenses, as submitted by YIAPL for the First Control Period, has been presented in the table below:

**Table 122: Total Operation and Maintenance (O&M) expenses submitted by YIAPL**

(Rs. in crores)

Sl. No.	Particulars	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
A	Personnel Cost	104.80	127.60	142.10	160.80	185.00	720.30

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Sl. No.	Particulars	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
B	Contracted Services (Manpower outsourcing cost)	46.40	54.90	59.40	64.10	69.20	294.00
C	Materials, equipment and supplies cost	18.50	19.20	20.00	20.80	21.60	100.10
D	Utility cost	63.50	76.60	87.00	90.30	98.30	415.70
E	General administration cost	7.00	12.80	13.50	14.10	14.90	62.30
F	R&M cost	149.70	157.00	168.40	169.50	179.20	823.80
G	Advertisement cost	3.50	3.70	3.90	4.10	4.30	19.50
H	Insurance cost	2.80	3.70	3.90	4.10	4.20	18.70
I	Airport operator support fee	-	-	-	-	-	-
J	Corporate Environment Responsibility (CER)	4.50	4.60	4.70	4.90	5.00	23.70
K	Collection charges	11.00	11.00	11.00	11.00	11.00	55.00
L	Other cost	11.70	14.20	15.50	16.50	18.00	75.90
M	CNS/ATM expenditure	89.57	85.60	82.30	80.20	76.70	414.37
N	CSR expense	0.56	-	-	-	1.10	1.66
O	Interest on working capital	-	0.50	1.50	2.80	4.30	9.10
P	Concession Fee**	-	-	-	-	245.90	245.90
	<b>Total#</b>	<b>539.24</b>	<b>574.40</b>	<b>617.00</b>	<b>647.90</b>	<b>698.40</b>	<b>3,076.94</b>

\*Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30<sup>th</sup> April 2025.

\*\*Although concession fee has been included in the Total O&M expenses, the same is not considered as part of aeronautical O&M expenses submission of YIAPL in line with the Clause 32.3.4 of the Concession Agreement.

#Although the total of the Total O&M expenses as reflected in the MYTP is Rs. 3,076.94 crores, the computed total amounts to Rs. 3,280.03 crores.

8.1.5 YIAPL had considered the following basis to estimate the O&M expenses for the First Control Period:

**A. Personnel Cost**

8.1.6 Personnel Cost includes employee salary, employee transportation, staff welfare expenses and recruitment charges. The basis for estimation used by YIAPL is as detailed below:

- **Employee Salary** – Estimated based on the department-wise employee headcount and the average cost per employee. The average cost per employee had been estimated at Rs. 0.25 crores for FY 2025-26 and thereafter it has been escalated y-o-y at 10% as detailed in para 8.1.2. YIAPL has also stated that it had offered competitive market compensation structure to attract skilled employees.
- **Employee Transportation** – The transportation cost per employee per annum had been estimated as Rs. 65,233 in FY 2025-26 and thereafter escalated y-o-y at the inflation rate of 4.27% as detailed in para 8.1.2.
- **Staff Welfare Expenses** – Staff welfare expenses relate to cost of staff training amongst other expenses. YIAPL had estimated this expense at 3% of the average cost per employee for the respective year.
- **Recruitment Charges** – YIAPL had estimated recruitment charges at 7% of the average cost per employee for the respective years. This estimate accounts for the expenses associated with new hires with an assumed annual attrition rate of 5%.

8.1.7 YIAPL had allocated the Personnel Cost to Aeronautical and Non-Aeronautical expense based on the Employee Head Count Ratio (EHCR).

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**B. Contracted Services (Manpower Outsourcing Cost)**

- 8.1.8 YIAPL anticipates that it would require outsourced manpower primarily for landside security, housekeeping, horticulture, trolley management, hospitality, managed IT delivery, wildlife management, medical facilities, etc.
- 8.1.9 YIAPL had estimated the Manpower Outsourcing Cost based on the outsourced manpower requirement and average salaries under each segment of outsourced manpower. It had also submitted that the outsourced manpower requirement had been estimated based on a detailed exercise across the different outsourcing segments.
- 8.1.10 The cost of Contracted Services (Manpower Outsourcing Cost) had been allocated between Aeronautical and Non-Aeronautical expense based on the Employee Head Count Ratio (EHCR).

**C. Materials, Equipment and Supplies Cost**

- 8.1.11 Material, Equipment and Supplies Cost relate to the cost of consumables, stores and spares, mainly for airport infrastructure.
- 8.1.12 YIAPL had estimated this cost as a percentage of the gross block, i.e. 0.28% and has segregated the expense into Aeronautical and Non-Aeronautical using the Gross Block Ratio (GBR).

**D. Utility Cost**

- 8.1.13 Utility Cost comprises of power and water cost which were estimated by YIAPL after netting off recoveries from the concessionaires.
- 8.1.14 YIAPL had considered Utility Cost net of recoveries as 100% Aeronautical.
- 8.1.15 The detailed assumptions used for power and water costs are explained in the following paragraphs:

**E. Power Cost**

- 8.1.16 YIAPL has segregated Power Cost into electricity cost and DG power cost.
- 8.1.17 For electricity cost, YIAPL had projected consumption to be 101.93 million units in FY 2025-26 and 129.60 million units in FY 2026-27, based on its assessment of the power requirement at the airport. The consumption for the remaining tariff years of the First Control Period had been estimated considering an annual increase of 8%. YIAPL had submitted that the unit rate of electricity ranges from Rs. 7.66 per kWh in FY 2025-26 to Rs. 8.11 per kWh in FY 2029-30.
- 8.1.18 The DG power cost had been projected at Rs. 5.15 crores for FY 2025-26 and thereafter with an annual escalation of 10%.
- 8.1.19 The Power Costs had been adjusted for recovery from concessionaires, ranging from 30% to 40% during the Control Period.

**F. Water Cost**

- 8.1.20 YIAPL had categorized water costs into potable and non-potable segments. The expenses for each category have been calculated based on the projected consumption per passenger and the unit cost of water, which is increased in accordance with inflation.
- 8.1.21 YIAPL had projected recovery from the concessionaire to range between 30% and 40% for potable water, and to be 10% for non-potable water during the Control Period.



**G. General Administration Cost**

8.1.22 General Administration Cost submitted by YIAPL encompasses professional and consultancy fees, travel and conveyance expenses and office costs. The details regarding the same are as given below:

**Table 123: Breakup of General Administration Cost along with the basis of estimation as submitted by YIAPL**

Particulars	Details including basis of estimation
Professional and Consultancy Fees	Include legal advisory, accounts advisory, finance consultancy, HR consultancy, and commercial consultancy. Estimated considering per pax cost of Rs. 6.67 during the first tariff year and escalation of 5%
Travel and Conveyance Expenses	Estimated considering per pax cost of Rs. 4.90 during the first tariff year and escalation of 5%
Office Costs	Estimated considering per pax cost of Rs. 2 during the first tariff year and CPI inflation of 4.9%

8.1.23 YIAPL had further indicated that during the initial years of operation, the General Administration Cost is expected to be higher due to the need to establish processes and workflows to manage the anticipated high growth in traffic, as projected by the study on traffic conducted by L&B for NIA.

8.1.24 General Administration Cost had been allocated between Aeronautical and Non-Aeronautical expense based on the Terminal Building Ratio (TBLR).

**H. Repairs and Maintenance (R&M) Cost**

8.1.25 YIAPL had proposed to incur R&M costs related to airport infrastructure which includes the runways, apron, taxiways, terminal building, plant and machinery (BHS, HVAC, PTB, etc.), lighting systems, IT assets, etc.

8.1.26 As per YIAPL submission, the R&M Cost has been segregated into three sub-categories – R&M for infrastructure, R&M for IT assets and R&M covered under Annual Maintenance Contracts.

8.1.27 YIAPL has allocated the R&M Cost between Aeronautical and Non-Aeronautical expenses in the Terminal Building Ratio (TBLR).

**I. Advertisement Cost**

8.1.28 YIAPL had submitted that since NIA is a greenfield airport operating in a competitive market, it will need to employ an aggressive marketing strategy with high advertising costs to attract traffic in the initial years which will in turn help in achieving the forecasted traffic growth.

8.1.29 The Advertisement Cost had been estimated as Rs. 3.50 crores for FY 2025-26 and has been forecasted to increase by 5% annually thereon. This expense has been allocated between Aeronautical and Non-Aeronautical expense in the Terminal Building Ratio (TBLR).

**J. Insurance Cost**

8.1.30 YIAPL had considered insurance for every aspect of infrastructure and operation that is essential to ensure proper functioning of the airport.

8.1.31 The Insurance Cost for FY 2025-26 was estimated at 0.05% of the gross block of assets and thereafter escalated in line with inflation as given in para 8.1.2. Insurance Cost has been allocated between Aeronautical and Non-Aeronautical expense based on the Gross Block Ratio (GBR).



**K. Airport Operator Support Fee (allocation of corporate costs)**

- 8.1.32 Airport Operator Support Fee relates to the allocation of corporate costs to NIA for the services rendered by the parent company, Zurich Airport International AG (ZAIA). The corporate cost allocation has been divided into two parts – Intercompany Operational Expenses (expenses during the construction period) and Airport Operator Support Fee (manpower related expenses during the operation period).
- 8.1.33 YIAPL had submitted that the Airport Operator Support Fee is chargeable on man-day basis and is allocated into Aeronautical and Non-Aeronautical expenses based on the Employee Head Count Ratio (EHCR).

**L. Corporate Environment Responsibility (CER) Expenditure**

- 8.1.34 In accordance with the conditions outlined in the Environment Clearance (EC) Letter issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC), YIAPL is required to allocate expenses towards Corporate Environment Responsibility (CER). Consequently, YIAPL had projected an annual expenditure of approximately Rs. 11 crores for each tariff year of the First Control Period for CER. As this is a statutory obligation, YIAPL had classified the CER expenses as entirely aeronautical.

**M. Collection Charges**

- 8.1.35 YIAPL had projected the collection charges for UDF to be Rs. 5 per passenger throughout the First Control Period. Given that these charges are payable only if airlines remit the UDF payment within 15 days, YIAPL had assumed that collection charges will be applicable only for 70% of eligible passengers. Further, YIAPL had considered that Collection Charges would be 100% Aeronautical.

**N. Other Costs**

- 8.1.36 “Other Costs” include all other expenses incurred in carrying out the airport's day-to-day activities and normal business operations including costs incurred towards Airport Service Quality (ASQ) survey program, International Standards Organization (ISO) Certification, Environmental and Health & Safety (EH&S) Certifications, cost for communications, waste removal charges, etc.
- 8.1.37 YIAPL had estimated “Other Costs” to be 3% of the total operating costs excluding concession fees, CNS/ATM expenses and CSR expenses. This expense had been allocated between Aeronautical and Non-Aeronautical expenses based on the Terminal Building Ratio (TBLR).

**O. CNS/ATM Expenditure**

- 8.1.38 Clause 22.1.1 of the Concession Agreement mandates the Airport Operator to appoint Designated GOI Agencies for the Reserved Services which includes CNS/ATM services.
- 8.1.39 As per Clause 22.2 of the Concession Agreement read with Clause 7.4 of the agreement between YIAPL and AAI for the provision of CNS/ATM Services at NIA, YIAPL had to make the following payments to AAI:
- Annual operational expenditure for providing CNS/ATM services at NIA net of Terminal Navigation Landing Charges (TNLC) revenue earned by AAI at NIA in the previous year.
  - Capital expenditure of Rs. 129.30 crores for the development of CNS/ATM facilities required for Phase I of the project payable in equated annual instalments of Rs. 22.90 crores over a duration of 10 years starting from COD at an annual percentage rate (APR) of 12%.
- 8.1.40 Considering that the expenditure pertains to reserved services, this expense had been allocated as 100% Aeronautical.

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**P. CSR Expense**

8.1.41 YIAPL had considered this expense as 2% of its trailing 3-year average profit, in line with the provisions of Companies Act, 2013. The Aeronautical Profit was used as the base for computing the Aeronautical CSR expenses.

**Q. Interest on Working Capital**

8.1.42 YIAPL had projected interest on working capital at the rate of 10% based on the assumption that working capital loan will be availed and utilized for the mismatch in cashflows related to receivables and payables. This expense was allocated to Aeronautical and Non-Aeronautical expenses on the basis of the Gross Block Ratio (GBR).

**R. Concession Fee**

8.1.43 Although the Concession Fee was not included in the Aeronautical O&M expenses, it has been included in the Total O&M expenses table in the MYTP for FY 2029-30. However, as per the Concession Agreement, the Concession Fee is payable only from the 6<sup>th</sup> year of the occurrence of Airport COD, i.e. FY 2030-31.

8.1.44 Summary of the expense classification, allocation basis and percentages used to allocate expenses between Aeronautical and Non-Aeronautical is given in the table below:

**Table 124: Classification and Allocation of O&M expenses submitted by YIAPL for the First Control Period**

Sl. No.	Particulars	Expense Classification	Allocation Basis	Allocation %				
				FY 26	FY 27	FY 28	FY 29	FY 30
A	Personnel Cost	Common	EHCR	86.61%	86.96%	87.18%	87.50%	87.90%
B	Contracted Services (Manpower Outsourcing Cost)	Common	EHCR	86.61%	86.96%	87.18%	87.50%	87.90%
C	Materials, Equipment and Supplies Cost	Common	GBR	95.21%	95.21%	95.23%	95.25%	95.27%
D	Utility Cost	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
E	General Administration Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
F	R&M Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
G	Advertisement Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
H	Insurance Cost	Common	GBR	95.21%	95.21%	95.23%	95.25%	95.27%
I	Airport Operator Support Fee	Common	EHCR	86.61%	86.96%	87.18%	87.50%	87.90%
J	Corporate Environment Responsibility (CER)	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
K	Collection Charges	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
L	Other Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
M	CNS/ATM Expenditure	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
N	CSR Expense			<i>refer para 8.1.41</i>				



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Sl. No.	Particulars	Expense Classification	Allocation Basis	Allocation %				
				FY 26	FY 27	FY 28	FY 29	FY 30
O	Interest on Working Capital	Common	GBR	95.21%	95.21%	95.23%	95.25%	95.27%

8.1.45 Based on the above assumptions, YIAPL had submitted the following Aeronautical Operation and Maintenance (O&M) Expenses for the First Control Period.

**Table 125: Aeronautical Operation and Maintenance (O&M) expenses submitted by YIAPL**

*(Rs. in crores)*

Sl. No.	Particulars	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
A	Personnel Cost	90.78	111.00	123.90	140.70	162.70	629.08
B	Contracted Services (Manpower outsourcing cost)	40.21	47.70	51.80	56.10	60.80	256.61
C	Materials, equipment and supplies cost	17.60	18.30	19.00	19.80	20.60	95.30
D	Utility cost	63.44	76.60	87.00	90.30	98.30	415.64
E	General administration cost	6.56	12.10	12.70	13.30	14.00	58.66
F	R&M cost	140.79	147.70	158.40	159.40	168.50	774.79
G	Advertisement cost	3.29	3.50	3.60	3.80	4.00	18.19
H	Insurance cost	2.65	3.60	3.70	3.90	4.00	17.85
I	Airport operator support fee	3.88	4.00	4.10	4.30	4.40	20.68
J	Corporate Environment Responsibility (CER)	10.96	11.00	11.00	11.00	11.00	54.96
K	Collection charges	1.91	2.90	3.80	4.80	5.80	19.21
L	Other cost	11.00	13.40	14.60	15.50	16.90	71.40
M	CNS/ATM expenditure	89.57	85.60	82.30	80.20	76.70	414.37
N	CSR expense	-	-	-	-	-	-
O	Interest on working capital	-	0.50	1.50	2.80	4.30	9.10
P	Concession Fee	-	-	-	-	-	-
	<b>Total#</b>	<b>482.60</b>	<b>537.70</b>	<b>577.40</b>	<b>605.80</b>	<b>651.90</b>	<b>2,855.40</b>

\* Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30<sup>th</sup> April 2025.

#Although the total of the aeronautical O&M expenses as reflected in the MYTP is Rs. 2,855.40 crores, the computed total amounts to Rs. 2,855.84 crores.

## 8.2 Authority's examination regarding Operation and Maintenance (O&M) Expenses for the First Control Period at Consultation Stage

8.2.1 The Authority had examined the basis and estimation of O&M expenses submitted by YIAPL for the First Control Period. The Authority noted that YIAPL has analyzed O&M expenses considering infrastructure requirements, personnel cost, equipment maintenance requirements, utility cost, security measures and other factors.

8.2.2 The Authority observed that the Aeronautical O&M expenses shown in Table 125 does not align with the figures derived by applying the allocation ratios as per Table 124 to the Total O&M expenses as per Table 122 for certain specific heads namely 'Airport Operator Support Fee,' 'Corporate Environment Responsibility' and 'Collection Charges'. However, the computation appears consistent for the other expense heads. The Authority noted that this was on account of linking errors in Table 122. For instance, while the caption reads "Corporate Environment Responsibility" the amount against this head actually pertains to "Airport Operator Support Fee" and the amounts shown against "Collection Charges" actually relate to "Corporate



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*Environment Responsibility*". Consequently, the amounts pertaining to "Collection Charges" have not been captured in Table 122.

- 8.2.3 The Authority further noted that the total Aeronautical O&M expenses as per MYTP submission is Rs. 2,855.40 crores (refer Table 125), which does not match the total Aeronautical O&M expenses of Rs. 2,846.36 crores as per the Financial Model submitted along with the MYTP by YIAPL. The difference was due to various reasons including linking errors, round off, etc. Considering the various differences and errors, the Authority proposed to consider the O&M expenses as given in the Financial Model as the basis for its analysis.
- 8.2.4 Further, YIAPL vide email dated 28<sup>th</sup> November 2024, has informed that the General Administration Cost was inadvertently not updated in the revised MYTP submission and has requested to consider the revised figures as detailed in table below.

**Table 126: Revised Total General Administration Cost submitted by YIAPL for the First Control Period**

(Rs. in crores)

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30	Total
<b>As per MYTP Submission</b>							
General Administration Cost	A	7.00	12.80	13.50	14.10	14.90	<b>62.30</b>
<b>As per response dated 28<sup>th</sup> November 2024</b>							
Consultancy, legal and professional fees	B	8.32	9.53	10.01	10.51	11.03	<b>49.40</b>
Traveling and conveyance	C	5.12	5.86	6.15	6.46	6.79	<b>30.38</b>
Office costs and others	D	1.72	1.97	2.07	2.18	2.28	<b>10.23</b>
<b>General Administration Cost</b>	<b>E=B+C+D</b>	<b>15.16</b>	<b>17.37</b>	<b>18.24</b>	<b>19.15</b>	<b>20.10</b>	<b>90.01</b>
<b>Difference</b>	<b>F=E-A</b>	<b>8.16</b>	<b>4.57</b>	<b>4.74</b>	<b>5.05</b>	<b>5.20</b>	<b>27.71</b>

- 8.2.5 Additionally, in the same email, YIAPL had requested the Authority to include the launch expenses of Rs. 12 crores for FY 2025-26 and Rs. 10 crores for FY 2026-27 along with the Advertisement Cost submitted in the MYTP.
- 8.2.6 YIAPL, vide its mail dated 23<sup>rd</sup> July 2025, submitted a revised breakup of R&M expenses. As stated by YIAPL, this revision was necessitated since, at the time of the MYTP submission, the R&M contracts had not been fully awarded, and majority of the cost projections were therefore based on estimates. The revised breakup submitted by YIAPL for R&M Expenses amounts to Rs. 156.78 crores for 12 months in FY 2025-26 –which works out to Rs. 143.72 crores for 11 months of operation, of which 75% pertains to awarded contracts, while the balance was in the process of being awarded.
- 8.2.7 While YIAPL had submitted revised R&M cost only for FY 2025-26, the cost for the remaining tariff years of the First Control Period has been estimated by the Independent Consultant to the Authority at Rs. 827.67 as follows:
- Awarded Contracts – Escalated as per the rates specified in the respective contracts.
  - Contracts yet to be awarded – Escalated at an inflationary rate of 5% year-on-year.
- 8.2.8 Along with the aforesaid mail, YIAPL also furnished a revised breakup for Contracted Services (Manpower Outsourcing Cost) amounting Rs. 64.29 for 12 months in FY 2025-26 - which works out to Rs. 58.94 crores for 11 months of operation of which 45% pertains to awarded contracts, while the balance relates to contracts



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in the process of being awarded. For the remaining tariff years of the First Control Period, the estimate has been projected at Rs. 341.07 by the Independent Consultant to the Authority as under:

- Awarded Contracts – Escalated as per the rates specified in the respective contracts.
- Contracts yet to be awarded – Escalated at an inflationary rate of 5% year-on-year.

- 8.2.9 It was also noted that “Other Costs” for the FY 2025-26 was “Nil” in the model. Upon enquiry, a formula error was identified and YIAPL had subsequently requested the Authority for inclusion of Rs. 11.70 crores under “Other Costs” for FY 2025-26. However, since the control period commences from 1<sup>st</sup> April 2026, the Authority had proposed not to consider any impact from FY 2026-27 onwards.
- 8.2.10 Vide mail dated 3<sup>rd</sup> February 2026, YIAPL informed the Authority that the Airport COD was expected in Q4 of FY 2025-26. Accordingly, the Authority proposed to consider the First Control Period as commencing from 1<sup>st</sup> April 2026 and extending till 31<sup>st</sup> March 2031 (refer para 1.2.5).
- 8.2.11 To aid in meaningful comparison, the Authority proposed to re-draw the O&M expenses for the revised First Control Period based expenses as reflected in the Financial Model submitted by YIAPL along with the MYTP Submission. Further to the above, the Authority proposed to include the revised Total General Administration Cost as per Table 126, R&M expenses as given in para 8.2.7, Contracted services expenses as given in para 8.2.8 extrapolated for FY 2030-31 and launch expenses.

**Table 127: Revised Total Operation and Maintenance (O&M) expenses drawn up by the Authority, as YIAPL Submission, for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	127.64	142.09	160.84	185.04	204.10	<b>819.71</b>
B	Contracted Services (Manpower outsourcing cost)	66.68	69.18	71.78	74.50	77.33	<b>359.47</b>
C	Materials, equipment and supplies cost	19.22	19.99	20.79	21.62	22.49	<b>104.12</b>
D	Utility cost	76.59	87.00	90.28	98.27	100.55	<b>452.70</b>
E	General administration cost	17.37	18.24	19.15	20.10	21.11	<b>95.96</b>
F	R&M cost	162.36	167.92	173.74	179.94	169.38	<b>853.33</b>
G	Advertisement cost	13.68	3.86	4.05	4.25	4.47	<b>30.31</b>
H	Insurance cost	3.74	3.89	4.06	4.23	4.41	<b>20.34</b>
I	Airport operator support fee	4.61	4.74	4.87	5.01	5.14	<b>24.38</b>
J	Corporate Environment Responsibility (CER)	10.96	10.96	10.96	10.96	7.20	<b>51.03</b>
K	Collection charges	2.85	3.75	4.78	5.75	6.74	<b>23.88</b>
L	Other cost	14.22	15.53	16.45	17.95	18.95	<b>83.10</b>
M	CNS/ATM expenditure	85.64	81.96	80.17	76.71	74.17	<b>398.65</b>
N	CSR expense	-	-	-	1.09	9.73	<b>10.81</b>
O	Interest on working capital	0.48	1.60	2.94	4.48	6.42	<b>15.92</b>
P	Concession Fee	-	-	-	-	-	-
	<b>Total</b>	<b>606.04</b>	<b>630.71</b>	<b>664.87</b>	<b>709.92</b>	<b>732.19</b>	<b>3,343.73</b>

- 8.2.12 Applying the allocations and classifications as per Table 124, the revised Aeronautical Operation and Maintenance (O&M) Expenses for the First Control Period as drawn up by the Authority (considered as YIAPL’s submission) is presented in the table below:



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**Table 128: Revised Aeronautical Operation and Maintenance (O&M) expenses drawn up by the Authority, as YIAPL Submission, for the First Control Period at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	110.99	123.87	140.74	162.66	179.71	717.97
B	Contracted Services (Manpower outsourcing cost)	57.98	60.31	62.81	65.49	68.09	314.67
C	Materials, equipment and supplies cost	18.30	19.04	19.81	20.60	21.43	99.18
D	Utility cost	76.59	87.00	90.28	98.27	100.55	452.70
E	General administration cost	16.33	17.15	18.01	18.91	19.85	90.25
F	R&M cost	152.70	157.93	163.41	169.23	159.30	802.57
G	Advertisement cost	12.86	3.63	3.81	4.00	4.20	28.50
H	Insurance cost	3.56	3.71	3.87	4.03	4.21	19.37
I	Airport operator support fee	4.01	4.14	4.26	4.40	4.53	21.34
J	Corporate Environment Responsibility (CER)	10.96	10.96	10.96	10.96	7.20	51.03
K	Collection charges	2.85	3.75	4.78	5.75	6.74	23.88
L	Other cost	13.38	14.60	15.47	16.88	17.82	78.16
M	CNS/ATM expenditure	85.64	81.96	80.17	76.71	74.17	398.65
N	CSR expense	-	-	-	-	2.61	2.61
O	Interest on working capital	0.46	1.52	2.80	4.27	6.11	15.17
P	Concession Fee	-	-	-	-	-	-
	<b>Total</b>	<b>566.62</b>	<b>589.57</b>	<b>621.17</b>	<b>662.17</b>	<b>676.52</b>	<b>3,116.05</b>

8.2.13 The Authority proposed to consider Table 127 and Table 128 as the basis for its analysis of O&M expenses of YIAPL for the First Control Period.

8.2.14 For the purposes of this consultation paper, the Authority, through the Independent Consultant, has conducted a detailed analysis of O&M expenses in the following order:

- a) Allocation Ratios
- b) Assessment, Rationalization & Reallocation of O&M expenses

**a) Allocation Ratios**

8.2.15 The Authority had analyzed and recomputed the following Allocation Ratios to ensure the proper segregation of common expenses between Aeronautical and Non-Aeronautical for the First Control Period

**Terminal Building Ratio (TBLR)**

8.2.16 The Authority observed that YIAPL had considered the Terminal Building Ratio of 94.05:5.95 based on the allocation of space for aeronautical and non-aeronautical activities in the terminal building, substantiated by a certificate issued by an independent architect appointed by YIAPL.

8.2.17 The Authority had examined in detail the Terminal Building Ratio submitted by YIAPL in Chapter 5 and proposed to consider Terminal Building Ratio of 88:12 (aeronautical: Non-Aeronautical) for the First Control Period (refer para no. 5.4.4 for detailed explanation).

**Gross Block Ratio (GBR)**

8.2.18 The Authority noted that YIAPL has calculated Gross Block Ratio based on the classification of the Gross Block of Assets capitalized for Phase I.



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8.2.19 The Authority, based on the capital expenditure as proposed in Chapter 5, proposed to consider the Gross Block Ratio for the First Control Period as presented in the table below.

**Table 129: Gross Block Ratio (GBR) proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>Aeronautical Gross Block</b>						
Opening Gross Block (A)	6,210.99	6,210.99	6,210.99	6,220.99	6,230.99	
Addition (B) (refer Table 100)	-	-	10.00	10.00	10.00	<b>30.00</b>
Sales/Transfers/Disposals (C)	-	-	-	-	-	-
<b>Closing of Aeronautical Gross Block (D=A+B-C)</b>	<b>6,210.99</b>	<b>6,210.99</b>	<b>6,220.99</b>	<b>6,230.99</b>	<b>6,240.99</b>	
<b>Total Gross Block</b>						
Opening Gross Block (E)	6,873.17	6,873.17	6,873.17	6,883.17	6,893.17	
Addition (F) (refer Table 95)	-	-	10.00	10.00	10.00	<b>30.00</b>
Sales/Transfers/Disposals (G)	-	-	-	-	-	-
<b>Closing of Total Gross Block (H=E+F-G)</b>	<b>6,873.17</b>	<b>6,873.17</b>	<b>6,883.17</b>	<b>6,893.17</b>	<b>6,903.17</b>	
<b>Gross Block Ratio (I=D ÷ H)</b>	<b>90.37%</b>	<b>90.37%</b>	<b>90.38%</b>	<b>90.39%</b>	<b>90.41%</b>	

**Employee Head Count Ratio (EHCR)**

8.2.20 The Authority had reviewed YIAPL's submission and notes that YIAPL has submitted EHCR ranging from 86.61% in FY 2025-26 to 87.90% in FY 2029-30. This was based on the projected number of employees and the nature of services provided by each department, categorized as Aeronautical, Non-Aeronautical or Common. The Authority had reviewed the computation of EHCR first on the basis of requirement of manpower (headcount) compared to other airports and then on the classification of departments into aeronautical, non-aeronautical and common.

8.2.21 On review of the projected number of employees, the Authority noted that the passenger per employee count in NIA was in line with other airports whose passenger profile was similar to NIA. Therefore, the Authority proposed to consider the employee head count as submitted by YIAPL as appropriate for the First Control Period.

8.2.22 Upon examining the functions of each department, the Authority had noted that the responsibilities of employees of certain departments listed below extend beyond aeronautical activities and encompass the overall operations of the airport. Consequently, the Authority had proposed reclassification of employees belonging to these departments from Aeronautical, as originally submitted by YIAPL, to Common:

- Environment & Sustainability
- ORAT & Program Management
- COO Office
- Security
- Security – Passes

8.2.23 Based on the above reclassification and considering the revised Control Period as discussed in para 8.2.10, the Authority had considered the year-wise values as submitted in the financial model furnished by YIAPL along with the MYTP. The values for each year of the Control Period have been retained as submitted by YIAPL:



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**Table 130: Employee Head Count Ratio (EHCR) proposed by the Authority for the First Control Period at Consultation Stage**

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Classification
1	Commercial Non-Aero	27	27	27	27	27	Non-Aeronautical
2	CDO Office	2	2	2	2	2	Common
3	Engineering & Maintenance	55	57	59	59	59	Common
4	Environment & Sustainability	3	3	3	3	3	Common
5	ORAT & Program Management	4	4	4	4	4	Common
6	Procurement	5	5	5	5	5	Common
7	Project Delivery	15	15	20	33	33	Common
8	Real Estate	3	3	3	3	3	Non-Aeronautical
9	CEO Office	6	6	6	6	6	Common
10	HR & Admin	6	6	6	6	6	Common
11	Information Technology	15	15	15	15	15	Common
12	Finance & Accounts	13	13	13	13	13	Common
13	Legal	5	5	5	5	5	Common
14	AOCC	17	18	20	25	25	Aeronautical
15	ARFF	84	84	84	84	84	Aeronautical
16	Airline marketing	2	2	4	4	7	Aeronautical
17	COO Office	3	3	3	3	3	Common
18	Airside operations	23	24	24	25	25	Aeronautical
19	Quality	-	-	-	-	-	Aeronautical
20	Safety	3	3	3	3	3	Aeronautical
21	Security	10	11	11	12	12	Common
22	Security - Passes	11	12	12	12	12	Common
23	Security - Screening	40	40	42	43	43	Aeronautical
24	Terminal Operations	86	86	86	86	86	Common
	<b>Total Employee Head Count</b>	<b>438</b>	<b>444</b>	<b>457</b>	<b>478</b>	<b>481</b>	
	<b>Allocation</b>						
	Aeronautical	169	171	177	184	187	
	Non-Aeronautical	30	30	30	30	30	
	Common	239	243	250	264	264	
	<b>Total</b>	<b>438</b>	<b>444</b>	<b>457</b>	<b>478</b>	<b>481</b>	
	<b>Allocation of Common Expense</b>						
	Aeronautical	203	207	214	227	228	
	Non-Aeronautical	36	36	36	37	36	
	<b>Total</b>	<b>239</b>	<b>243</b>	<b>250</b>	<b>264</b>	<b>264</b>	
	<b>Total Employee Head Count</b>						
	Aeronautical	372	378	391	411	415	
	Non-Aeronautical	66	66	66	67	66	
	<b>Total</b>	<b>438</b>	<b>444</b>	<b>457</b>	<b>478</b>	<b>481</b>	
	<b>Employee Head Count Ratio</b>	<b>84.93%</b>	<b>85.14%</b>	<b>85.56%</b>	<b>85.98%</b>	<b>86.28%</b>	



**Summary of Allocation Ratios proposed by the Authority for the First Control Period**

8.2.24 The Allocation Ratios proposed by the Authority for Noida International Airport for the First Control Period are as follows:

**Table 131: Allocation Ratios proposed by the Authority for the First Control Period at Consultation Stage**

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
TBLR (refer para 8.2.17)	88.00%	88.00%	88.00%	88.00%	88.00%
GBR (refer Table 129)	90.41%	90.43%	90.44%	90.45%	90.47%
EHCR (refer Table 130)	84.93%	85.14%	85.56%	85.98%	86.28%

**b) Assessment, Rationalization & Reallocation of O&M expenses**

8.2.25 The Authority had carefully examined YIAPL's submission regarding various O&M expenses of Noida International Airport for the First Control Period. In the subsequent paragraphs, the Authority has provided its detailed analysis of each expense category and the respective allocations.

**A. Personnel Cost**

8.2.26 The Authority noted that the Personnel Cost submitted by YIAPL encompasses employee salaries, employee transportation, staff welfare expenses, and recruitment charges. A detailed analysis of each of these components is provided below:

**Employee Salaries**

8.2.27 The Authority observed that YIAPL has considered an average cost per employee of Rs. 0.25 crores for FY 2025-26. For the remaining tariff years of the Control Period, YIAPL had projected a year-on-year increase of 10% on the average cost per employee.

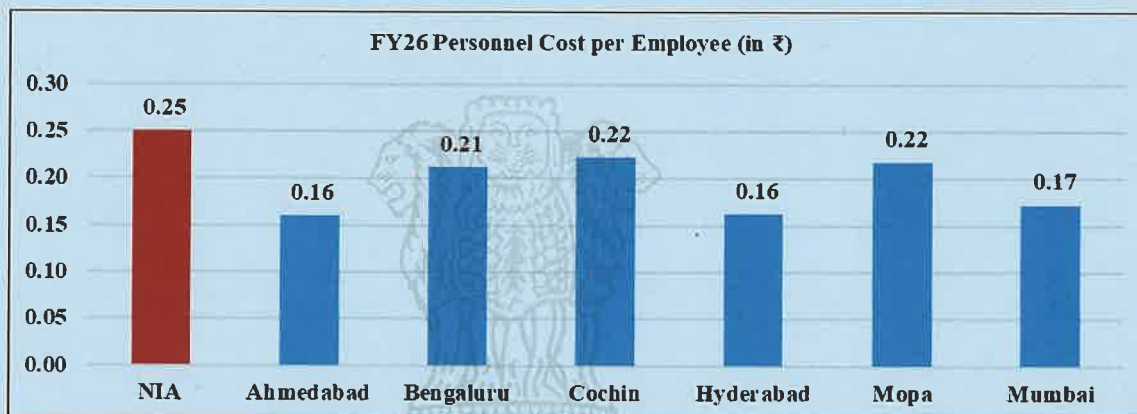
8.2.28 YIAPL, in response to a query regarding the basis for the average cost per employee, had informed that the average cost per employee has been computed based on the weighted average salary of various departments. Furthermore, YIAPL, via email dated 23<sup>rd</sup> December 2024, shared the projected headcount and the average salary for each department used to estimate the average cost per employee in FY 2024-25 which formed the basis of projection of cost for FY 2025-26. However, the Authority observed that no basis was provided for the average salary considered for each department and notes that the average salary appeared to be very high for some of the departments.

8.2.29 The Authority had reviewed the report of the O&M Study conducted by YIAPL (detailed in para 8.1.3), regarding personnel cost, and observed that no detailed computation was provided for arriving at the average cost per employee of Rs. 0.25 crores in FY 2025-26.

8.2.30 The Authority further noted that the O&M Study report conducted by YIAPL has compared the cost for NIA with employee cost for CIAL, BIAL (inflation adjusted) and Mopa (Goa) on per Pax, per ATM and per sqm basis, and concluded that the cost for NIA is similar to that for CIAL on a per Pax and per ATM basis. The Authority also noted that while the Study report considers the cost from the First Control Period Order for BIAL and Mopa (Goa), the cost for CIAL was considered from the Third Control Period Order. The reason for taking different Control Periods as basis for different comparable airports was not explained in the study report. Further the reason for considering only CIAL, BIAL and Mopa (Goa) airports for comparison was not clearly explained in the Study report.

8.2.31 Noting the absence of justification for the consideration of different Control Periods for benchmarking, in the O&M Study, the Authority has independently compared the cost per employee in NIA with those approved by the Authority in the latest order of other airports, namely Ahmedabad, Bengaluru, Cochin, Hyderabad, Mopa (Goa) and Mumbai, and notes that the average cost is the highest for NIA, as illustrated in the figure below.

**Figure 3: Comparison of NIA cost per employee with that approved for other airports in latest orders**



8.2.32 Based on the above analysis, the Authority proposed to consider the cost per employee at Rs. 0.21 crores for FY 2025–26. Since the Control Period is proposed to commence from 1<sup>st</sup> April 2026, FY 2025–26 has been taken as the base year. Accordingly, the cost per employee for FY 2026–27 was computed by applying an escalation of 6%, and the same growth rate of 6% year-on-year was proposed to be applied for the subsequent years of the Control Period, in line with the uniform approach adopted for Personnel Cost in recent tariff orders by the Authority. The escalated per-employee cost for each year of the control period was then multiplied by the employee headcount for that respective years as submitted by YIAPL in Table 130 to derive the total Salary Cost.

#### Employee Transportation Cost

- 8.2.33 The Authority had observed that YIAPL has estimated the per employee transportation cost at Rs. 65,233 for FY 2025-26, with a year-on-year escalation of 4.27% attributed to inflation.
- 8.2.34 The Authority noted, from YIAPL's explanation, that the airport is located approximately 65 km from Noida city, requiring organized transportation facilities for employees. Considering the significant distance and the absence of adequate public transport connectivity, the Authority finds the provision of such transportation arrangements both essential and reasonable. Accordingly, the Authority proposed to allow this expense for the First Control Period.
- 8.2.35 The Authority had also reviewed an actual invoice for employee transportation for October 2024 and noted that the per-employee cost is broadly consistent with YIAPL's submission. Accordingly, the Authority proposed to consider a per-employee transportation cost of Rs. 65,233 for FY 2025–26 as submitted by YIAPL. Since the Control Period was proposed to commence from 1<sup>st</sup> April 2026, FY 2025–26 was taken as the base year, and the per-employee transportation cost for FY 2026–27 was computed by applying escalation based on the inflation rate provided in Table 120, with similar year-on-year escalation applied for the subsequent years of the Control Period. The escalated per-employee transportation cost was then multiplied

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by the employee headcount for the respective years as submitted by YIAPL in Table 130 to derive the total employee transportation cost.

**Staff Welfare Expenses & Recruitment Charges**

8.2.36 YIAPL had considered the Staff Welfare Expenses at 3% of average cost per employee and the Recruitment Charges at 7% of average cost per employee. The Authority observed that YIAPL had considered an annual attrition rate of 5% for the computation of recruitment charges. The Authority noted the assumptions used for estimating these expenses to be reasonable based on comparison with peer airports and therefore proposed to consider the same for the determination of Personnel Cost for the First Control Period.

8.2.37 Considering the above factors, the Authority proposed the following Total Personnel Cost for the First Control Period:

**Table 132: Total Personnel Cost proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores except where mentioned otherwise)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total Employee Head Count (Table 130)	A	438	444	457	478	481	
<b>Employee Salary</b>							
Average Salary (Para 8.2.32)	B	0.22	0.24	0.25	0.27	0.28	
Growth %	C		6.00%	6.00%	6.00%	6.00%	
Employee Salary Cost	D=B×A	97.50	104.76	114.30	126.73	135.17	578.47
<b>Employee Transportation</b>							
Cost per Employee in Rs.	E	67,190	69,206	71,282	73,421	75,623	
Inflation %	F		3.00%	3.00%	3.00%	3.00%	
Employee Transportation Cost	G=E×A	2.94	3.07	3.26	3.51	3.64	16.42
<b>Staff Welfare Expense</b>							
% of Average Salary	H	3.00%	3.00%	3.00%	3.00%	3.00%	
Staff Welfare Expense	I=H×B×A	2.92	3.14	3.43	3.80	4.06	17.35
<b>Recruitment Charges</b>							
% of Average Salary	J	7.00%	7.00%	7.00%	7.00%	7.00%	
Attrition rate (%)	K	5.00%	5.00%	5.00%	5.00%	5.00%	
Recruitment Charges	L=J×B×[(A - Prev. year A)+A×K]	0.48	0.47	0.63	0.83	0.53	2.94
<b>Total Personnel Cost</b>	<b>M=D+G+I+L</b>	<b>103.85</b>	<b>111.45</b>	<b>121.62</b>	<b>134.87</b>	<b>143.40</b>	<b>615.18</b>

**Allocation of Personnel Cost**

8.2.38 The Authority noted that YIAPL had allocated Personnel Cost based on Employee Head Count Ratio (EHCR). The Authority deemed this allocation basis to be reasonable and, therefore, proposed to adopt the same allocation basis, taking into consideration the revised ratios detailed in Table 131. The Aeronautical



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Personnel Cost for the First Control Period of Noida International Airport after considering the revised ratios are as follows:

**Table 133: Aeronautical Personnel Cost proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Personnel Cost	88.20	94.88	104.05	115.97	123.72	526.82

**B. Contracted Services (Manpower Outsourcing Cost)**

8.2.39 Contracted Services (Manpower Outsourcing) cost comprises of the following activities which are proposed to be outsourced by NIA:

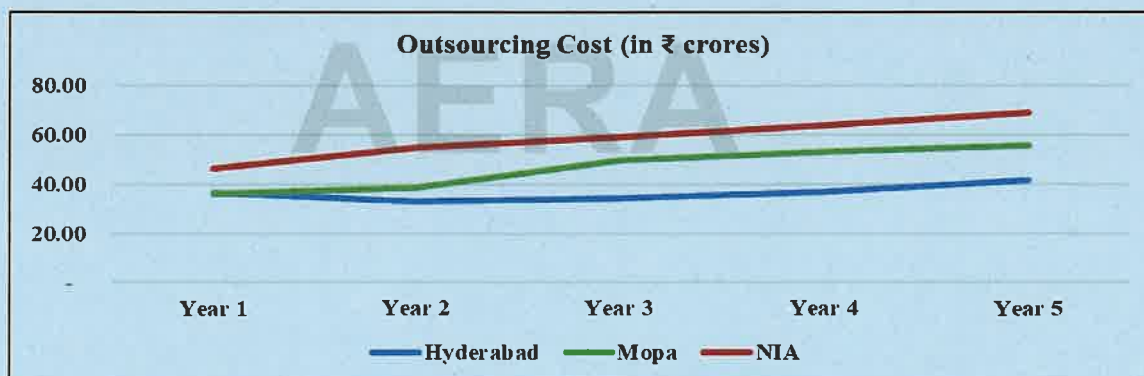
- Trolley Management
- Landside Security
- Guest Relation Executives
- Wildlife Management
- Obstacle Management
- IT Services
- Terminal Operations Executive
- Medical Facilities
- Civil Infrastructure
- Housekeeping & Facility Management
- Horticulture
- Integrated Residential Property Service Contract

8.2.40 The Authority had reviewed the Manpower Outsourcing Cost details provided in the O&M Study report (conducted by YIAPL) and observed that the Study report lacks detailed calculations for cost estimation. In particular, while manpower headcount had been specified for a few of the stated categories, the costs attributable to each category had not been disclosed.

8.2.41 The Authority noted the submission of YIAPL in July 2025 of Manpower Outsourcing Cost for Rs. 64.29 crores (FY 2025-26) – of which only 45% of the contracts are awarded. These included awarded contracts for Obstacle Management, Housekeeping & facility Management, Trolley Management, Horticulture, etc. For the remaining services, contracts were yet to be issued.

8.2.42 Since cost pertaining to 55% of contract was only determined by YIAPL on best estimate, the Authority, through its Independent Consultant, had compared the Manpower Outsourcing Cost at NIA with the inflation-adjusted costs approved for the First Control Period at other airports, specifically Hyderabad and Mopa (Goa), as shown in the figure below.

**Figure 4: Comparison of Outsourcing Cost at NIA with that approved for other airports for the First Control Period**



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- 8.2.43 The Authority observed that the outsourcing cost is the highest for NIA as compared to other airports in figure 4 above. Therefore, the Authority proposed to consider the average of the inflation adjusted first tariff year's cost for Hyderabad and Mopa (Goa), i.e. Rs. 36.33 crores, as the base cost for NIA in FY 2025-26.
- 8.2.44 The Authority, through its Independent Consultant, had sought detailed headcount information from YIAPL in order to assess the percentage increase in outsourced manpower during the First Control Period. However, headcount details were made available only in respect of those services where contracts had already been awarded or RFPs had been issued up to FY 2029-30. For the remaining services, the Authority, through its Independent Consultant, had estimated the expected headcount on a service-wise basis using a combination of sources, including issued RFPs, awarded contracts, and the O&M Study report. For FY 2030-31, the headcount has generally been retained at the same level as projected for FY 2029-30, except in the case of the "Guest Relation Executive" category, where the FY 2030-31 headcount has been considered based on YIAPL's email dated 23rd December 2024. Based on the year-wise headcount so derived, the year-on-year increase has been computed and is observed to be in the range of 0.33% to 0.87% over the First Control Period ending FY 2030-31. The Authority proposed to factor this increase in projecting outsourced manpower costs for the First Control Period.
- 8.2.45 In summary, for projecting the outsourced manpower cost for the First Control Period ending FY 2030-31, the Authority proposed to adopt the following approach:
- Escalation of the base per-employee cost at 6% year-on-year, as discussed in para 8.2.43, to derive the personnel cost for each year of the Control Period; and
  - Additional adjustment to account for the incremental increase in outsourced manpower headcount, as discussed para 8.2.44.
- 8.2.46 Further, the Authority directed YIAPL to submit the contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process.

**CAM Charges (Recovery)**

- 8.2.47 The Authority noted that certain Common Area Maintenance (CAM) charges are recoverable from Concessionaires/Licensees in accordance with the respective License/Concession agreements. As these CAM charges are reimbursements for services predominantly provided through outsourced manpower, the Authority considered it appropriate to set off such recoveries against the corresponding expenditure. This approach ensures a more accurate representation of the net cost incurred by the operator. Accordingly, the Authority proposed to deduct CAM recoveries from outsourced manpower costs to determine the net manpower expenses.
- 8.2.48 The details of agreements where CAM charges as applicable are provided in the table below.

**Table 134: Common Area Maintenance Charges as per the Agreements for Aeronautical and Non-Aeronautical Services**

Service	Service	Area in sqm	Monthly Rate in sq. ft. (Rs.)	Escalation %
Duty Free	Non-Aeronautical	1,205	48	7.00%
Food & Beverage	Non-Aeronautical	3,253	48	7.00%
Lounge	Non-Aeronautical	1,230	48	7.00%
Service - Fuel Station	Non-Aeronautical	1,590	4	7.00%
Cargo Fuel Station	Non-Aeronautical	26,910	4	7.00%



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8.2.49 Further, in response to the Authority's query regarding the Common Area Maintenance (CAM) Charges applicable to the spaces leased to various concessionaires in the Passenger Terminal Building (PTB), Office Block West (OBW), and the GSE-AMB building, YIAPL had submitted a concessionaire-wise breakdown of the area along with the corresponding CAM Charges. Subsequently, YIAPL submitted a revised statement indicating updated area details for each concessionaire via submission dated 25<sup>th</sup> March 2025. The Authority had considered these revised figures for the purpose of computation of CAM Charges which is presented in the table below:

**Table 135: Computation of CAM Charges pertaining to Space Rental as submitted by YIAPL for FY 2025-26**

Particulars	Ref	PTB	OBW	GSE-AMB	Total
<b>Area allocated in sqm to</b>					
Concessionaires	A	1,052	437	-	1,489
Airlines (Rooms /Back of House/Storage/Office)	B	1,895	-	500	2,395
Ground Handling	C	-	-	2,032	2,032
<b>Total Area</b>	<b>D=A+B+C</b>	<b>2,947</b>	<b>437</b>	<b>2,532</b>	<b>5,916</b>
<b>CAM Charges in Rs.</b>					
Per month per sq. ft.	E	48	24	24	
Per Annum per sq. ft.	F=E×12	576	288	288	
<b>Per Annum per sqm</b>	<b>G=F×10.76</b>	<b>6,200</b>	<b>3,100</b>	<b>3,100</b>	
<b>CAM Charges in Rs. crores</b>					
Concessionaires	H=A×G	0.65	0.14	-	0.79
Airlines (Rooms /Back of House/Storage/Office)	I=B×G	0.59*	-	0.16	0.74
Ground Handling	J=C×G	-	-	0.63	0.63
<b>Total CAM Charges (full year)</b>	<b>K=H+I+J</b>	<b>1.24</b>	<b>0.14</b>	<b>0.78</b>	<b>2.16</b>

\*Annual CAM charges for Airlines renting space in PTB as per YIAPL submission is Rs. 3,100 per sqm

8.2.50 Considering the phase-wise occupation of the buildings by the concessionaires and airlines as indicated in Table 193, and the basis for monthly rates and area utilization for FY 2030-31 as set out in para 9.2.63, the Authority proposed to compute the CAM charges based on the rate, area and escalation percentages specified in Table 134 and Table 135. The detailed computation is presented in the table below.

**Table 136: Break-up of CAM Charges concession-wise for the First Control Period**

(Rs.) in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Duty Free	A	0.75	0.80	0.86	0.92	0.98	4.30
Food & Beverages	B	2.02	2.16	2.31	2.47	2.64	11.60
Lounge Revenue	C	0.76	0.82	0.87	0.93	1.00	4.39
Space rentals - allocated to other concessionaires	D	0.58	0.68	0.77	0.96	1.03	4.02
Space rentals - allocated to Airlines (Rooms / Back of House / Storage / Office)	E	0.55	0.65	0.74	0.90	0.97	3.80
Service Revenue	F	0.08	0.09	0.09	0.10	0.11	0.47
Cargo Fuel Station	G	-	-	0.15	0.16	0.17	0.48
Ground Handling	H	0.67	0.72	0.77	0.83	0.88	3.88
<b>Total</b>	<b>SUM(A:H)</b>	<b>5.41</b>	<b>5.91</b>	<b>6.56</b>	<b>7.27</b>	<b>7.78</b>	<b>32.93</b>



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8.2.51 The Total Manpower Outsourcing Cost proposed by the Authority for the First Control Period after adjustment of CAM Charges as proposed in para 8.2.47 is as follows:

**Table 137: Total Manpower Outsourcing Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Manpower Outsourcing Cost	A=Prev. A×(1+B)	38.64	41.25	43.87	46.69	49.90	<b>220.35</b>
% increase	B		6.78%	6.33%	6.44%	6.87%	
CAM Charges (Recovery) (Table 136)	C	5.41	5.91	6.56	7.27	7.78	<b>32.93</b>
<b>Net Manpower Outsourcing Cost</b>	<b>D=A-C</b>	<b>33.22</b>	<b>35.35</b>	<b>37.31</b>	<b>39.42</b>	<b>42.12</b>	<b>187.42</b>

**Allocation of Manpower Outsourcing Cost**

8.2.52 The Authority noted that YIAPL has allocated Manpower Outsourcing Cost based on Employee Head Count Ratio (EHCR). The Authority deemed this allocation basis to be reasonable and, therefore, proposed to adopt the same allocation basis, taking into consideration the revised ratios detailed in Table 131.

8.2.53 In accordance with the aforementioned proposal, the Aeronautical Manpower Outsourcing Cost proposed by the Authority for the First Control Period is as follows:

**Table 138: Aeronautical Manpower Outsourcing Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

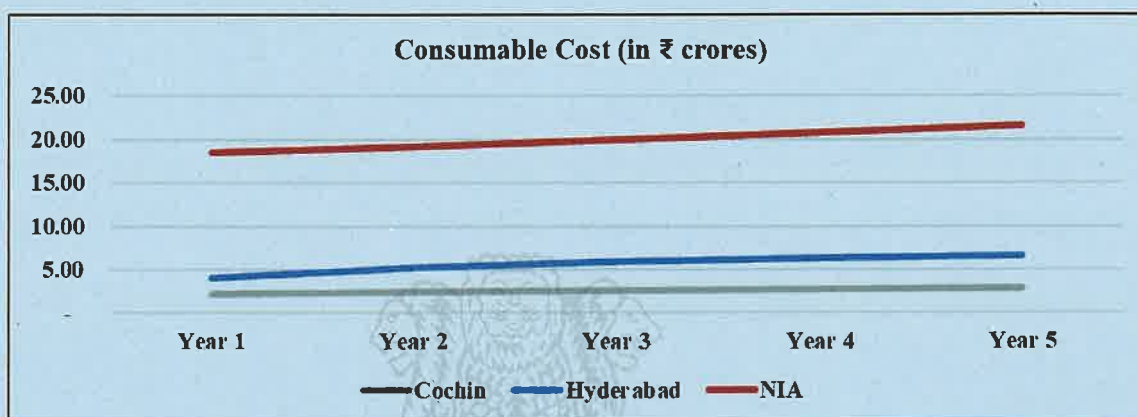
Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Manpower Outsourcing Cost	28.22	30.09	31.92	33.89	36.34	<b>160.46</b>

**C. Materials, Equipment and Supplies Cost**

8.2.54 The Authority noted that YIAPL has estimated the Materials, Equipment and Supplies Cost as higher of 0.28% of the closing gross block of assets or previous year's cost increased by an inflation of 4.00%. Furthermore, the Authority noted that in response dated 13<sup>th</sup> December 2024, YIAPL has informed that this expense was estimated at 0.28% of gross block based on industry practice. However, YIAPL had not provided any documentation supporting this claim nor does the O&M Study report explain the rationale behind choosing 0.28% as the benchmark.

8.2.55 Hence, the Authority had compared the Materials, Equipment and Supplies Cost at NIA with the costs approved in the latest tariff orders for other airports, specifically Cochin and Hyderabad, as shown in the figure below.



**Figure 5: Comparison of Consumable Cost at NIA with that approved of other airports in the latest tariff orders at Consultation Stage**

8.2.56 The Authority observed that this expense is high in NIA as compared to Cochin and Hyderabad Airports. Therefore, the Authority proposed to consider the Materials, Equipment and Supplies cost for NIA for FY 2025-26 as the average consumables cost for Cochin Airport and Hyderabad Airport for FY 2025-26, i.e. Rs. 4.78 crores. Since the Control Period is proposed to commence from 1<sup>st</sup> April 2026, FY 2025-26 has been taken as the base year. For the First Control Period commencing from FY 2026-27, the Authority proposed to escalate this cost, year-on-year, based on the inflation rate provided in Table 120.

8.2.57 Considering the above analysis, the Authority proposed the following Total Materials, Equipment and Supplies Cost for the First Control Period.

**Table 139: Total Materials, Equipment and Supplies Cost proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Materials, Equipment and Supplies Cost	A=Prev.A × (1+B)	4.92	5.07	5.22	5.38	5.54	26.15
% increase	B		3.00%	3.00%	3.00%	3.00%	

**Allocation of Materials, Equipment and Supplies Cost**

8.2.58 The Authority noted that YIAPL has allocated Materials, Equipment and Supplies Cost based on Gross Block Ratio (GBR). The Authority considers this allocation basis to be reasonable and, therefore, proposed adopting the same allocation basis, taking into consideration the revised ratios detailed in Table 131.

8.2.59 Accordingly, the Aeronautical Materials, Equipment and Supplies Cost proposed by the Authority for the First Control Period is as follows:

**Table 140: Aeronautical Materials, Equipment and Supplies Cost as proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Materials, Equipment and Supplies Cost	4.45	4.58	4.72	4.86	5.01	23.63



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**D. Utility Cost**

8.2.60 The Authority noted that YIAPL has estimated Utility Cost of Rs. 415.58 crores for the First Control Period comprising Power and Water Cost. The detailed computation is as given below:

**Table 141: Total Utility Cost and Aeronautical Utility Cost submitted by YIAPL for the First Control Period**

(Rs. in crores)

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30	Total
<b>Power</b>							
Power unit consumption in Mn. kWh	A	101.93*	129.60	139.97	151.17	163.26	
Power unit cost in Rs.	B=Prev. B×(1+C)	7.66	7.74	7.96	8.04	8.11	
% increase	C	-	1.04%	2.81%	0.97%	0.97%	
<b>Grid power cost</b>	<b>D=A×B</b>	<b>78.09</b>	<b>100.33</b>	<b>111.40</b>	<b>121.48</b>	<b>132.46</b>	<b>543.77</b>
<b>DG power cost</b>	<b>E</b>	<b>5.15*</b>	<b>5.66</b>	<b>6.23</b>	<b>6.85</b>	<b>7.53</b>	<b>31.42</b>
% increase	F	-	10.00%	10.00%	10.00%	10.00%	
<b>Total power cost</b>	<b>G=D+E</b>	<b>83.24</b>	<b>105.99</b>	<b>117.63</b>	<b>128.33</b>	<b>140.00</b>	<b>575.19</b>
Recovery %	H	30.00%	35.00%	35.00%	40.00%	40.00%	
<b>Total power cost chargeable to airport</b>	<b>I=G×(1-H)</b>	<b>58.27</b>	<b>68.89</b>	<b>76.46</b>	<b>77.00</b>	<b>84.00</b>	<b>364.62</b>
<b>Potable water</b>							
Cost of potable water in Rs. per KL	J	116.85	120.37	123.95	127.61	131.34	
Potable water consumption in KL	K	4,04,929	6,13,949	8,16,237	10,50,003	11,77,200	
<b>Cost of potable water</b>	<b>L=J×K</b>	<b>4.73</b>	<b>7.39</b>	<b>10.12</b>	<b>13.40</b>	<b>15.46</b>	<b>51.10</b>
Recovery %	M	30.00%	35.00%	35.00%	40.00%	40.00%	
<b>Balance chargeable to airport</b>	<b>N=L×(1-M)</b>	<b>3.31</b>	<b>4.80</b>	<b>6.58</b>	<b>8.04</b>	<b>9.28</b>	<b>32.01</b>
<b>Non-potable water</b>							
Cost of potable water in Rs. per KL	O	31.64	32.59	33.57	34.56	35.57	
Non-potable water consumption in KL	P	6,50,778	9,86,705	13,11,810	16,87,505	15,61,356	
<b>Cost of non-potable water</b>	<b>Q=O×P</b>	<b>2.06</b>	<b>3.22</b>	<b>4.40</b>	<b>5.83</b>	<b>5.55</b>	<b>21.06</b>
Recovery %	R	10.00%	10.00%	10.00%	10.00%	10.00%	
<b>Balance chargeable to airport</b>	<b>S=Q×(1-R)</b>	<b>1.85</b>	<b>2.89</b>	<b>3.96</b>	<b>5.25</b>	<b>5.00</b>	<b>18.96</b>
<b>Total Utility Cost</b>	<b>T=I+N+S</b>	<b>63.43</b>	<b>76.59</b>	<b>87.00</b>	<b>90.28</b>	<b>98.27</b>	<b>415.58</b>

\* Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30<sup>th</sup> April 2025

8.2.61 For re-drawing YIAPL's submission for proposed control period, the Authority has shifted the utility cost by one year. Hence the revised utility cost is as follows:



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**Table 142: Revised Total Utility Cost and Aeronautical Utility Cost drawn up by the Authority, as YIAPL Submission, for the First Control Period at Consultation Stage**

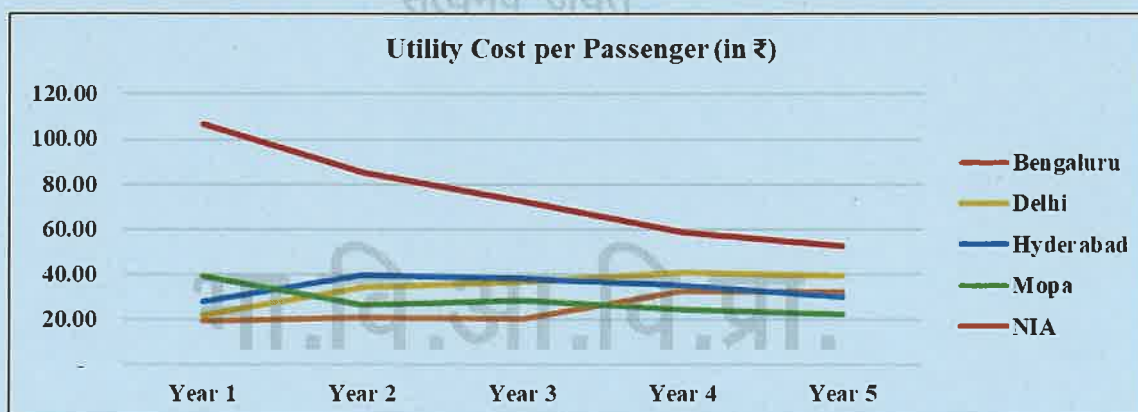
(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Grid power cost	A	65.21	72.41	72.89	79.48	79.44	369.44
DG power cost	B	3.68	4.05	4.11	4.52	4.56	20.91
<b>Total power cost</b>	<b>C=A+B</b>	<b>68.89</b>	<b>76.46</b>	<b>77.00</b>	<b>84.00</b>	<b>84.00</b>	<b>390.35</b>
Cost of potable water	D	4.80	6.58	8.04	9.28	10.42	39.12
Cost of non- potable water	E	2.89	3.96	5.25	5.00	6.13	23.23
<b>Total water cost</b>	<b>F=D+E</b>	<b>7.70</b>	<b>10.54</b>	<b>13.29</b>	<b>14.27</b>	<b>16.55</b>	<b>62.35</b>
<b>Total Utility Cost</b>	<b>G=C+F</b>	<b>76.59</b>	<b>87.00</b>	<b>90.28</b>	<b>98.27</b>	<b>100.55</b>	<b>452.70</b>

8.2.62 The Authority had also reviewed the discussion in the O&M Study report submitted by YIAPL regarding Utility Cost and notes that the Study does not provide any workings for the estimation of the cost submitted by YIAPL in their MYTP.

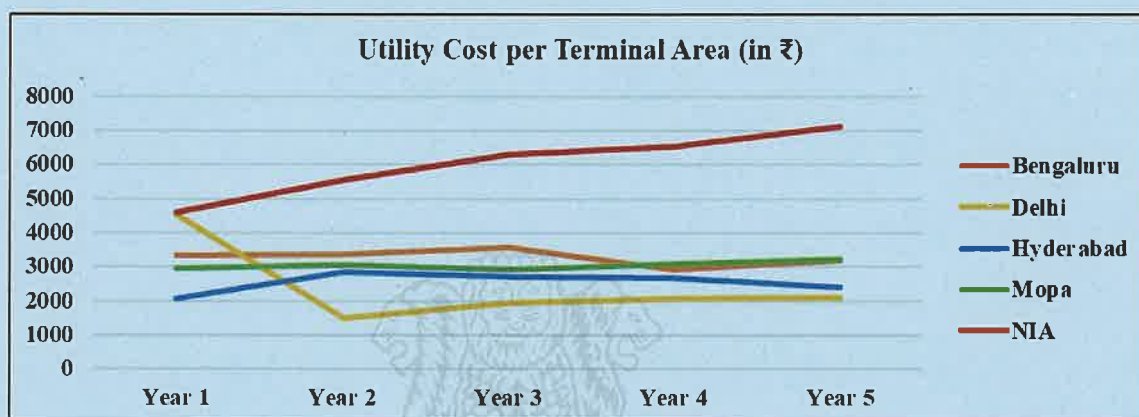
8.2.63 Therefore, the Authority had benchmarked the utility cost per passenger at NIA with the inflation adjusted cost per passenger approved by the Authority for the First Control Period of other airports, specifically Bengaluru, Delhi, Hyderabad and Mopa (Goa) as given below:

**Figure 6: Comparison of Utility Cost per passenger at NIA with that approved for other airports for the First Control Period**



8.2.64 The Authority had also benchmarked the utility cost per terminal area at NIA with the inflation adjusted cost per terminal area approved by the Authority for the First Control Period of other airports, specifically Bengaluru, Delhi, Hyderabad and Mopa (Goa) as given below:

**Figure 7: Comparison of Utility Cost per terminal area at NIA with that approved for other airports for the First Control Period at Consultation Stage**



8.2.65 Based on the above analysis, the Authority noted that both the utility cost per passenger and the utility cost per terminal area are the highest in NIA as compared to peer airports. Therefore, the Authority had undertaken a detailed examination of the Utility Cost which is presented below:

**Power Cost**

8.2.66 The Authority noted that as per YIAPL’s submission, Power Cost includes Electricity and DG power cost. With regard to electricity cost, the Authority noted that YIAPL has projected annual power consumption and per unit cost as given in para 8.1.17 based on its expectation of operating at 33 KV power distribution and transmission in the initial years and thereafter moving to 220 KV connectivity considering the load requirements.

8.2.67 The Authority had analyzed the power consumption projected by YIAPL and noted that it is high when compared to other airports. In their reply to the Independent Consultants’ query regarding the basis for estimation of power costs, YIAPL, via email dated 12<sup>th</sup> December 2024 and 23<sup>rd</sup> December 2024, had submitted that the consumption was assessed for Noida International Airport based on the following:

**Response dated 12<sup>th</sup> December 2024**

*“The Power Consumption has been assessed for Noida International Airport for the First Control Period, based on the following factors:*

*The energy sourcing planned at NIA comprises of mix of renewable energy in addition to grid connection. The cost of substation is included as part of R&M expenses under section 4.5.5.*

*Airside infrastructure planned for the Airport is Code F category. The Power Consumption will also vary with the climatic conditions.*

*Charging Stations for Electric Vehicles (EV) have been planned, which is unique for this airport and may lead to higher consumption of electricity.*

*NIA is working towards achieving its goal of sustainability, and EV charging will support it.*

*Hotel and other real estate construction which is proposed to be constructed inside the Airport will also need more consumption of energy.*



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*Noida International Airport is mandated to have an MRO facility as part of the Concession Agreement, which may result in higher consumption of power.*

*Based on the above factors, the Power Consumption for Noida International Airport has been assessed as 120 Million units for FY 26 (being the 1<sup>st</sup> full year of operations of the Airport). Also, based on the traffic forecasts, the Power Consumption has been increased by 8% Y-o-Y for the remaining tariff years in the First Control Period."*

**Response dated 23<sup>rd</sup> December 2024**

*"NIA, being a greenfield airport, does not have historical data on electricity consumption to forecast future consumption. This lack of historical trends presents a challenge in making precise predictions.*

*Additionally, the complexity of the airport infrastructure, which is still under development and not yet operational, further complicates the ability to accurately quantify electricity consumption on a detailed level. NIA has undertaken the estimation of the power unit consumption for the major heads as given in the Annexure Q. Further, the power unit consumptions also takes into consideration the weather conditions at Noida which generally experience high temperatures during the summers.*

*This estimation is based on the extensive industry knowledge and experience of our personnel. Key considerations include the overall size of the airport, the terminal area, anticipated usage patterns, and other relevant factors. Based on the traffic forecasts, the Power Consumption has been increased by 8% Y-o-Y for the remaining tariff years in the First Control Period."*

Building/ site	Unit consumptions (mn KWh) in FY26
Terminal building	34.26
Airside	21.6
Landside	18.53
Central Utility Plant	13.1
Passenger Apron	8.1
Flight Catering	5.71
Fuel Farm	5.56
Airport Hotel	5.05
GSE Maintenance	4.12
IWLZ	3.96
<b>Total unit consumptions</b>	<b>120</b>
<b>Total unit consumptions (adjusted for 11 months)</b>	<b>110</b>

8.2.68 The Authority had reviewed the contents of the above email from YIAPL and noted that the hotel and other real estate construction is expected to be developed only in Phases during the First Control Period. Regarding EV charging stations, the Authority does not expect a significant increase in consumption as EV adoption is still in a nascent state in the country. Hence the Authority finds the units submitted by YIAPL to be on the higher side.

8.2.69 YIAPL had also entered into Power Purchase Agreement (PPA) for renewable energy – both solar as well as wind energy. The Authority had reviewed these two agreements shared by YIAPL on 13<sup>th</sup> December 2024. It is noted that YIAPL had entered into an agreement for the development of a solar energy facility within the airport, which is expected to supply approximately 18-21 million units of electricity per year.



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Additionally, YIAPL had entered into an agreement for the supply of 22.66-27 million units of electricity generated from a wind energy facility located in Karnataka.

- 8.2.70 Further, in its response dated 18<sup>th</sup> March 2025, YIAPL had submitted the detailed breakup of total power consumption proposed to be met through different sources during the First Control Period, as presented in the table below.

**Table 143: Breakup of power consumption submitted by YIAPL for the First Control Period**

*(Mn. kWh)*

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Solar	8.88	21.18	21.06	20.93	20.80
Wind	-	17.00	22.66	22.66	22.66
Grid	93.05	91.42	96.25	107.58	119.80
<b>Total</b>	<b>101.93</b>	<b>129.60</b>	<b>139.97</b>	<b>151.17</b>	<b>163.26</b>

- 8.2.71 The Authority noted that YIAPL had estimated power requirements based on a designed capacity of 12 MPPA and 24-hour operations. However, it is observed that in the first tariff year of the extended Control Period (FY 2026-27), the projected traffic is significantly lower than 12 MPPA, and the airport is unlikely to operate at full capacity on a 24-hours basis.

- 8.2.72 Considering the above, the Authority proposed to consider the following assumptions for power consumptions:

- FY 2026-27 – 90% of full year consumption of 120 million units
- FY 2027-28 and thereon – 120 million units

- 8.2.73 Based on the above revision and considering that the power procurement from solar and wind sources would be in accordance with the respective Power Purchase Agreement, the contribution from grid power had been suitably adjusted. Accordingly, the breakup of power consumption proposed to be considered by the Authority for the revised First Control Period (as set out in para 8.2.10) is presented in the table below.

**Table 144: Breakup of power consumption proposed by the Authority for the First Control Period at Consultation Stage**

*(Mn. kWh)*

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Solar	21.18	21.06	20.93	20.80	20.68
Wind	17.00	22.66	22.66	22.66	22.66
Grid	69.82	76.28	76.41	76.54	76.66
<b>Total</b>	<b>108.00</b>	<b>120.00</b>	<b>120.00</b>	<b>120.00</b>	<b>120.00</b>

- 8.2.74 With respect to the tariff applicable for the First Control Period, YIAPL had submitted that the applicable electricity tariff would fall under the HV-1 Non-Industrial Block Load category, specifically under subhead (a) "Commercial Load for 33KV connectivity" of the tariff order from U.P Power Corporation Limited. Further, upon enquiring about the difference in tariff considered in YIAPL's submission and that prescribed in the tariff order, YIAPL, vide response dated 12<sup>th</sup> March 2025, clarified as under:

*"We are sourcing electricity from multiple sources - solar, wind and grid. Though the grid cost has the fixed component, we have considered the landed cost per unit inclusive of the fixed and variable components of various sources for computing the total electricity expenses."*

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*Pls consider INR 7.66 per unit as the landed cost.”*

8.2.75 The Authority further sought clarification on the tariffs applicable for Solar and Wind power procurement and noted that YIAPL, in the same response dated 12<sup>th</sup> March 2025, clarified as follows:

*“Tariff for Solar units is INR 3.68 per kWh. Solar unit rates are constant over the years. Tariff for wind units is INR 7.47 per kWh. Tariffs for ISTS charges varies every month and hence, the wind tariffs may vary each month...”*

8.2.76 Based on the above clarifications and considering the proposed usage pattern, the Authority had reviewed the per unit cost across the different power sources and found the average rate reasonable. Accordingly, the Authority proposed to consider the average cost as submitted by YIAPL for the purpose of tariff determination. The year-wise power cost per unit as proposed by the Authority for the revised First Control Period is as per Table 141 and is presented in the table below.

**Table 145: Power Cost per unit submitted by YIAPL and proposed by the Authority for the First Control Period at Consultation Stage**

<i>(Rs. in crores)</i>					
Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Power cost per unit	7.74	7.96	8.04	8.11	8.19

8.2.77 The Authority also noted that YIAPL had estimated DG power cost of Rs. 5.15 crores for FY 2025-26 and thereafter increased y-o-y at 10%. The Authority finds the same to be reasonable considering the infrastructure at the airport and proposed to consider the cost of Rs. 5.15 crores for FY 2025-26 as submitted by YIAPL. Since the Control Period was proposed to commence from 1<sup>st</sup> April 2026 at Consultation Stage, FY 2025–26 has been taken as the base year. Accordingly, for the proposed control period, the DG power cost has been computed by escalating this base cost year-on-year using the inflation rate provided in Table 120.

8.2.78 The Authority also examined the recovery percentage submitted by YIAPL and finds the same to be reasonable and in line with the recovery at other airports. Therefore, the Authority proposed to consider the recovery percentage as submitted by YIAPL in the Financial Model for all years including FY 2030-31.

**Water Cost**

8.2.79 YIAPL had projected both potable and non-potable water costs amounting to Rs. 32.01 crores and Rs. 18.96 crores respectively for the First Control Period.

8.2.80 In reply to the Authority’s query regarding the basis for estimation, YIAPL, via email dated 12<sup>th</sup> December 2024 had submitted that the consumption was assessed for Noida International Airport based on the following.

*“NIA, being a greenfield airport, does not have historical data on water consumption or water cost per kl to forecast future consumption and cost. This lack of historical trends presents a challenge in making precise predictions.*

*Additionally, the complexity of the airport infrastructure, which is still under development and not yet operational, further complicates the ability to accurately quantify water consumption on a detailed level. Given these factors, NIA has adopted a comprehensive approach to estimate the water units consumed for the major heads.*

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*This estimation is based on the extensive industry knowledge and experience of our personnel. Key considerations include the overall size of the airport, the terminal area, anticipated usage patterns, meters and greeters, and other relevant factors. Based on the above factors, the consumption of potable water assessed by NIA is 68.1 litres per passenger during the tariff years FY 25 to FY 29 and as 63.1/ PAX in FY 30 (please refer Annexure AA for detailed computation). The consumption of non-potable water assessed by NIA is 110 litres per passenger during the tariff years FY 25 to FY 29 and as 84 litres per pax in FY 30. This per pax consumption is utilized to determine the year-wise water consumption from FY26 till FY30.*

8.2.81 Further in the response dated 27<sup>th</sup> December 2024, YIAPL had submitted the following

*“NIA will be receiving water supply for potable & non potable water from Govt of UP.*

*NIA will be recycling the water in the STP for non-potable water usage. It is clarified that the recycled water from STP will not meet the entire non-potable water demand of the airport. The proposed non-potable water consumption in the model has taken into consideration the STP related water recycling.*

*Non-potable water will be utilized for HVAC make-up, irrigation (horticulture), toilet flushing, etc. Recovery of the non-potable water will be from concessionaires using the non-potable water.*

*There are no agreements for potable and non-potable water as on date. As per Concession agreement, water supply will be provided by GoUP*

**Potable Water consumption per pax**

Sl. No.	Airport facility	Water demand (million litres per day)	
		FY26-FY29	FY30-FY34
1	Terminal Building	1.48	2.96
2	Miscellaneous	1.32	2.23
	<b>Total</b>	<b>2.80</b>	<b>5.19</b>
	Users for which above demand is estimated (mn)	15.00	30.00
	<b>Potable water per pax consumption (litres)</b>	<b>68.13</b>	<b>63.12</b>

**Non-Potable Water consumption per pax**

Sl. No.	Airport facility	Water demand (million litres per day)	
		FY26-FY29	FY30-FY34
1	Airside Greens	1.93	2.06
2	Central Utility Plant	1.09	2.33
3	Terminal 1	0.64	1.29
4	Miscellaneous	0.81	1.21
	<b>Total</b>	<b>4.49</b>	<b>6.88</b>
	Users for which above demand is estimated (mn)	15.00	30.00
	<b>Potable water per pax consumption (litres)</b>	<b>109.14</b>	<b>83.72</b>

8.2.82 In respect of the cost per KL used for determining water cost, YIAPL, in its response dated 13<sup>th</sup> December 2024, had provided the rate card as issued by the Greater Noida Authority.

8.2.83 The Authority noted that, as per the rate card, the water charges are determined based on the area occupied. The comparison of water charges for NIA as per the rate card and as submitted by YIAPL is detailed below.



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**Table 146: Comparison of Water Charges for Noida International Airport as per the Rate Card issued by Greater Noida Authority and as submitted by YIAPL**

Particulars	Ref.	Area/Amount
Total area of the airport in hectares	A	1,334
Hectares to Acres conversion factor	B	2.47
<b>Total area of the airport in acres</b>	<b>C=A×B</b>	<b>3,296.39</b>
Charge per month for up to 60 acres	D	71,330
Charge per month for remaining acres @ Rs. 1,427 as per rate card	E=(C-60)×1427	46,18,323
<b>Total water charge per month</b>	<b>F=D+E</b>	<b>46,89,653</b>
<b>Total water charge per year</b>	<b>G=F×12</b>	<b>5,62,75,834</b>
<b>Total water charges per year in Rs. crores</b>	<b>H=G÷10<sup>7</sup></b>	<b>5.63</b>
Water charge for the year as per MYTP Submission in Rs. crores	I	6.79
<b>Difference in Rs. crores</b>	<b>J=H-I</b>	<b>-1.16</b>

8.2.84 Considering the above, the Authority proposed to consider the water charges as calculated above for FY 2025-26. However, since the Control Period was proposed to commence from 1<sup>st</sup> April 2026 at Consultation Stage, FY 2025-26 has been taken as the base year. Accordingly, the Authority proposed to escalate this base cost year-on-year using the inflation rate provided in Table 120 in order to arrive at the Water Cost for the First Control Period.

8.2.85 The Authority noted the projected consumption of potable and non-potable water as submitted by YIAPL, as given in the table below.

**Table 147: Consumption of Potable and Non-Potable Water as submitted by YIAPL**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31
Potable water consumption in KL per pax	A	68.13	68.13	68.13	63.12	63.12
No. of pax in MPPA	B	9.01	11.98	15.41	18.65	22.21
<b>Potable water consumption</b>	<b>C=A×B×1000</b>	<b>6,13,949</b>	<b>8,16,237</b>	<b>10,50,003</b>	<b>11,77,200</b>	<b>14,01,847</b>
Non-Potable water consumption in KL per pax	D	109.50	109.50	109.50	83.72	83.72
No. of pax in MPPA	E	9.01	11.98	15.41	18.65	22.21
<b>Non-potable water consumption</b>	<b>F=D×E×1000</b>	<b>9,86,705</b>	<b>13,11,810</b>	<b>16,87,505</b>	<b>15,61,356</b>	<b>18,59,312</b>

8.2.86 The Authority noted that YIAPL has projected potable water costs, after factoring in the recoveries from the Concessionaires, which range from 35% to 45% of the total potable water cost over the period from FY 2026-27 to FY 2030-31. Similarly, YIAPL had projected non-potable water costs, factoring in the recoveries from the Concessionaires, which is 10% of the total non-potable water cost over the same period. However, the Authority proposed to use an effective recovery rate, computed as the weighted average of the recoveries for potable and non-potable, for the First Control Period as the basis for recovery.

**Table 148: Effective Recovery Rate for Water Cost proposed by the Authority for the First Control Period at Consultation Stage**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31
Potable Water Recovery %	A	35.00%	35.00%	40.00%	40.00%	45.00%
Potable Water Consumption in KL	B	6,13,949	8,16,237	10,50,003	11,77,200	14,01,847
Non Potable Water Recovery %	C	10.00%	10.00%	10.00%	10.00%	10.00%



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Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31
Non Potable Water Consumption in KL	D	9,86,705	13,11,810	16,87,505	15,61,356	18,59,312
<b>Weighted Average Recovery for Water</b>	<b>E=(A×B+C×D)÷(B+D)</b>	<b>19.59%</b>	<b>19.59%</b>	<b>21.51%</b>	<b>22.90%</b>	<b>25.05%</b>

8.2.87 Considering the above analysis, the Authority proposed the following Utility Cost for the First Control Period.

**Table 149: Total and Aeronautical Utility Cost proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>Power</b>							
Power unit consumption in Mn. kWh (refer Table 144)	A	108.00	120.00	120.00	120.00	120.00	
Power unit cost in Rs. (refer Table 145)	B=Prev. B×(1+C)	7.74	7.96	8.04	8.11	8.19	
% increase	C		2.81%	0.97%	0.97%	0.97%	
<b>Grid power cost</b>	<b>D=A×B</b>	<b>83.61</b>	<b>95.51</b>	<b>96.43</b>	<b>97.36</b>	<b>98.31</b>	<b>471.22</b>
<b>DG power cost</b>	<b>E</b>	<b>5.30</b>	<b>5.46</b>	<b>5.62</b>	<b>5.79</b>	<b>5.97</b>	<b>28.14</b>
% increase	F		3.00%	3.00%	3.00%	3.00%	
<b>Total power cost</b>	<b>G=D+E</b>	<b>88.91</b>	<b>100.97</b>	<b>102.06</b>	<b>103.16</b>	<b>104.27</b>	<b>499.36</b>
Recovery	H	35.00%	35.00%	40.00%	40.00%	45.00%	
<b>Total power cost chargeable to airport</b>	<b>I=G×(1-H)</b>	<b>57.79</b>	<b>65.63</b>	<b>61.23</b>	<b>61.89</b>	<b>57.35</b>	<b>303.90</b>
<b>Potable and non-potable water</b>							
<b>Total water cost</b>	<b>J</b>	<b>5.80</b>	<b>9.00</b>	<b>13.48</b>	<b>16.63</b>	<b>18.89</b>	<b>63.79</b>
% increase	K		55.26%	49.73%	23.41%	13.56%	
Effective Recovery (refer Table 148)	L	19.59%	19.59%	21.51%	22.90%	25.05%	
<b>Total water cost chargeable to airport</b>	<b>M=J×(1-L)</b>	<b>4.66</b>	<b>7.24</b>	<b>10.58</b>	<b>12.82</b>	<b>14.16</b>	<b>49.45</b>
<b>Total Utility Cost</b>	<b>N=I+M</b>	<b>62.45</b>	<b>72.87</b>	<b>71.81</b>	<b>74.72</b>	<b>71.50</b>	<b>353.35</b>

8.2.88 The Utility Cost, as determined above, is considered to be 100% aeronautical, as the expense is determined net of recoveries from the Concessionaires.

**E. General Administration Cost**

8.2.89 YIAPL had estimated General Administration Cost of Rs. 62.90 crores for the First Control Period comprising Professional and Consultancy Fees, Travelling and Conveyance, and Office Cost and Others.

8.2.90 The Authority had reviewed the discussions regarding General Administration Cost in the O&M Study report and observed that even though the Study report mentions that the expenses are based on similar airports, it neither specifies the airports taken for comparison nor does it provide any detailed computation.

8.2.91 The O&M Study report then compares the General Administration cost arrived at as above for NIA with General Administration cost for CIAL, BIAL (inflation adjusted) and Mopa (Goa) on per Pax, per ATM and per sqm basis and found that the cost for NIA is more or less similar to that for CIAL per ATM basis. The Authority also noted that while the Study report considers the cost from the First Control Period Order for BIAL and Mopa (Goa), the cost for CIAL was considered from the Third Control Period Order. However,

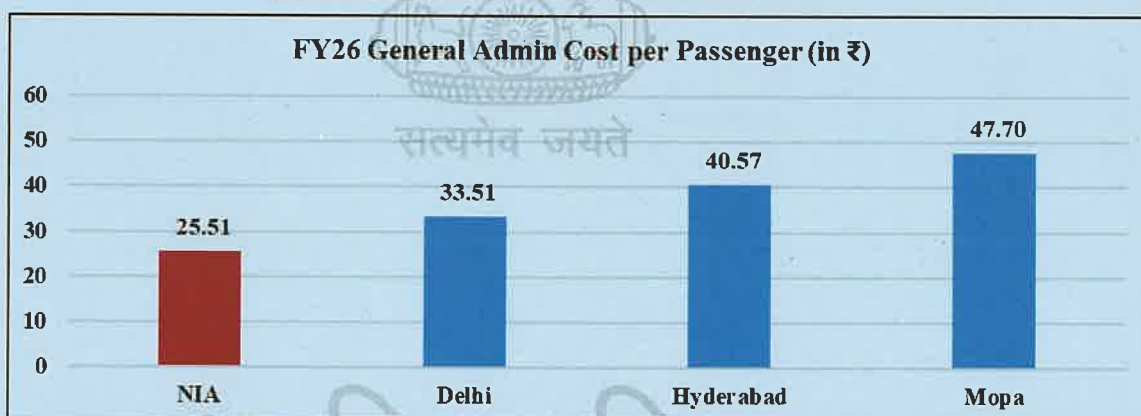


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the reason for not taking the First Control Period data for CIAL was not justified in the Study report. Neither was there any reasoning provided for selection of CIAL, BIAL and Mopa (Goa) airports only in the peer group.

- 8.2.92 YIAPL had submitted the revised General Administration Expenses as indicated in Table 126 to be considered as part of O&M expenses for the First Control Period. The Authority noted that the revised submission for FY 2025-26 as submitted by YIAPL is based on the average cost per passenger for BIAL, DIAL, HIAL and MIAL in FY 2019-20 adjusted for inflation. For the subsequent years of the Control Period, YIAPL has projected an annual increase of 5%.
- 8.2.93 In this context, the Authority noted that the above benchmarking using FY 2019-20 data is inappropriate due to the impact of the COVID-19 pandemic on the passenger traffic during that year. Therefore, the Authority had undertaken a benchmarking exercise as presented in the following paragraphs by including additional airports.
- 8.2.94 The Authority had compared the FY 2025-26 cost per passenger for NIA with the costs approved by the Authority in the most recent orders for other airports, specifically Delhi, Hyderabad and Mopa (Goa), as illustrated in the figure below.

**Figure 8: Comparison of the General Administration Cost per passenger for FY 2025-26 as submitted by YIAPL with that approved for other airports in the latest tariff orders**



- 8.2.95 The Authority noted that the cost per passenger at NIA is lower than comparable airports. Therefore, the Authority proposed to accept the cost as submitted by YIAPL for FY2025-26. Since the Control Period was proposed to commence from 1<sup>st</sup> April 2026 at Consultation Stage, FY 2025-26 has been taken as the base year. Accordingly, the Authority proposed to escalate this base cost, year-on-year, based on the inflation rate provided in Table 120 for computing the General Admin Cost for the First Control Period.
- 8.2.96 In response to the query on the legal expense included under the Professional and consultancy fees, YIAPL had submitted that the legal expenses are estimated to be 3% of the Professional and consultancy fees. However, the Authority noted that the expense towards the legal team of YIAPL has already been considered under employee expense and hence, providing additional expenses towards legal in General Administration Cost would result in redundancy. The Authority also observed that in the recent concession agreements entered by AAI, legal costs are not to be included as a part of the pass-through costs of Airport Operations. Therefore, the Authority proposed to exclude the 3% legal expense component from the Professional and consultancy fees while computing the General Administration Cost for the First Control Period.



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8.2.97 Considering that the General Administration Cost given by YIAPL in Table 126 is for a period of 11 months, the breakup of General Administration Cost for FY 2025-26 for a full one-year period is as follows:

**Table 150: Break-up of General Administration Cost for FY 2025-26 as submitted by YIAPL for 1 full year**

(Rs. in crores)

Particulars	FY 26
Consultancy, legal and professional fees	9.07
Traveling and conveyance	5.58
Office costs and others	1.88

8.2.98 Considering the above analysis, the Authority proposed the following Total General Administration Cost for the First Control Period.

**Table 151: Total General Administration Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Consultancy, legal and professional fees excluding 3% legal expense	A=Prev. A×(1+B)	9.06	9.33	9.61	9.90	10.20	48.09
% increase	B		3.00%	3.00%	3.00%	3.00%	
Traveling and conveyance	C=Prev. C×(1+D)	5.74	5.92	6.09	6.28	6.46	30.49
% increase	D		3.00%	3.00%	3.00%	3.00%	
Office costs and others	E=Prev. E×(1+F)	1.93	1.99	2.05	2.11	2.18	10.26
% increase	F		3.00%	3.00%	3.00%	3.00%	
<b>Total General Administration Cost</b>	<b>G=A+C+E</b>	<b>16.73</b>	<b>17.24</b>	<b>17.75</b>	<b>18.29</b>	<b>18.83</b>	<b>88.85</b>

**Allocation of General Administration Cost**

8.2.99 The Authority noted that YIAPL has allocated General Administration Cost based on Terminal Building Ratio (TBLR). However, the Authority proposed to allocate these expenses based on the Authority's decision in other airports, specifically Mopa (Goa), as follows:

- Professional and consultancy fees – Based on Gross Block Ratio
- Traveling and conveyance – Based on Gross Block Ratio
- Office costs and others – Based on Terminal Building Ratio

8.2.100 In accordance with the aforementioned proposal and considering the revised ratios as given in Table 131, the Aeronautical General Administration Cost proposed by the Authority for the First Control Period is as follows:

**Table 152: Aeronautical General Administration Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Consultancy, legal and professional fees	A	8.19	8.43	8.69	8.95	9.22	43.47
Traveling and conveyance	B	4.88	5.04	5.21	5.40	5.58	26.10
Office costs and others	C	1.75	1.80	1.85	1.91	1.97	9.28
<b>Aeronautical General Administration Cost</b>	<b>D=A+B+C</b>	<b>14.82</b>	<b>15.27</b>	<b>15.76</b>	<b>16.26</b>	<b>16.77</b>	<b>78.88</b>



**F. Repairs & Maintenance (R&M) Cost**

- 8.2.101 The Authority noted that YIAPL has estimated Repairs & Maintenance (R&M) Cost of Rs. 823.86 crores for the First Control Period as per MYTP submission. The Authority's examination of R&M Cost is presented in paragraphs below.
- 8.2.102 The Authority noted that YIAPL has estimated the R&M Cost for the Control Period under the following heads as per MYTP:
- R&M – IT: Relates to technology for various operations including security, baggage handling and passenger information systems. IT maintenance expenses include AMCs, ERP subscription, BHS (SAAS) maintenance, software (anti-virus, Azure, MS office), etc.
  - R&M – AMC: Relates to Annual Maintenance Contracts (AMCs) for major assets such as Baggage Handling Contract (BHS), Airfield Ground Lighting, ATRS and X-ray, UPS, VHT, etc.
  - R&M – Other: Relates to R&M expenses on provisioning of power and maintenance of other assets including HVAC including chiller plant, water treatment plant, sewage treatment plant, firefighting system including fire extinguishers and vehicles.
- 8.2.103 The Authority had also reviewed the relevant sections in the O&M Study report pertaining to R&M and notes that while the Study report outlines the types of R&M costs, it does not align with the breakup submitted in the model. Further, the Study report also does not provide the any details of the computation for the estimation of the R&M Cost for the First Control Period.
- 8.2.104 In the absence of any computation in the O&M Study report pertaining to R&M costs, the Independent Consultant to the Authority had requested a detailed breakdown of the R&M costs. YIAPL, in its submission dated July 2025, provided the requested breakdown along with the status of contract awards. The Authority noted that 72.66% of the total R&M contracts (value of total R&M contracts is Rs. 829.39 crores) are awarded as of July 2025. However, for the remaining unawarded contracts, YIAPL had informed that it has estimated the costs based on best estimates.
- 8.2.105 In the absence of finalized contracts for the unawarded portion of costs, the Authority had benchmarked the Aeronautical Repairs & Maintenance (R&M) Cost for NIA against the cost approved in other similar airports and notes that NIA's Aeronautical R&M cost is amongst the highest. Accordingly, the Authority had determined the R&M cost for NIA as the average of the R&M cost expressed as a percentage of the Aeronautical Gross Block for the comparable airports, which works out to 1.65%.
- 8.2.106 The Authority, on examination of the breakup of R&M expenses submitted by YIAPL, notes that YIAPL had included an annuity payment of Rs. 42.12 crore per annum towards the Utility-as-a-Service (UaaS) contract during each year of the First Control Period. Upon seeking clarification, the Authority noted that YIAPL has executed the said contract with Tata Power for the operation and maintenance of dry utility systems comprising power distribution, substations, and associated infrastructure. The Authority observed that these activities were earlier part of the EPC-1 and EPC-2 contracts and were subsequently descoped to be undertaken as an operating expense, as detailed in Para 5.3.11.
- 8.2.107 While the Authority had benchmarked R&M expenses at 1.65% of the closing aeronautical Gross Block, it observed that the UaaS contract, being of a distinct nature, had been excluded from such benchmarking as comparable arrangements were not observed at other airports. On review of the submitted contract, the Authority noted that YIAPL is required to make annuity payments of Rs. 42.12 crore per annum over a 30-year period, corresponding to the scope excluded from the EPC contracts. The Authority had examined the



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cost-benefit implications of adopting an opex model vis-à-vis a capex model (where the cost would have been capitalized) and observed that the opex model resulted in a more efficient cost outcome for the Airport Operator.

8.2.108 In view of the foregoing, the Authority proposed to consider the UaaS annuity cost in addition to the R&M expenses computed through the 1.65% benchmarking approach. Based on the application of the Gross Block ratio, the aeronautical share of the UaaS annuity during the Control Period worked out to be about Rs. 38 crore per annum.

8.2.109 Based on the above, the Aeronautical R&M Cost proposed by the Authority for the First Control Period is as given below:

**Table 153: Aeronautical R&M Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Closing Aeronautical Gross Block (refer Table 129)	A	6,210.99	6,210.99	6,220.99	6,230.99	6,240.99	
% of Closing Aeronautical Gross Block	B	1.65%	1.65%	1.65%	1.65%	1.65%	
<b>Aeronautical R&amp;M Cost</b>	<b>C=A×B</b>	<b>102.62</b>	<b>102.62</b>	<b>102.79</b>	<b>102.95</b>	<b>103.12</b>	<b>514.11</b>
UaaS Annuity	D	38.06	38.06	38.07	38.07	38.08	190.35
<b>Total Aeronautical R&amp;M Cost</b>	<b>E=C+D</b>	<b>140.69</b>	<b>140.69</b>	<b>140.86</b>	<b>141.03</b>	<b>141.20</b>	<b>704.46</b>
Gross Block Ratio (refer Table 129)	F	90.37%	90.37%	90.38%	90.39%	90.41%	
<b>Total R&amp;M Cost</b>	<b>G=E÷F</b>	<b>155.69</b>	<b>155.69</b>	<b>155.85</b>	<b>156.02</b>	<b>156.18</b>	<b>779.42</b>

8.2.110 The Authority directed YIAPL to submit the contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process.

**G. Advertisement Cost**

8.2.111 The Authority noted that YIAPL has projected the Advertisement Cost for FY 2025-26 to be Rs. 3.50 crore, with a year-on-year increase of 5% for the remaining tariff years of the First Control Period. Further, the Authority had reviewed the O&M Study report submitted by YIAPL and noted that the Study does not provide the basis for estimation nor does it provide details of the computation for advertisement cost.

8.2.112 In the absence of computations, the Authority had compared the Advertisement Cost for NIA with the inflation-adjusted cost approved for the First Control Period of other airports, specifically Bengaluru, Hyderabad and Mopa (Goa) and notes that the cost is comparable.

8.2.113 Considering the above, the Authority proposed to accept the cost as submitted by YIAPL for FY2025-26 as the base cost. However, considering the commencement of control period from 1<sup>st</sup> April 2026 at Consultation Stage, the Authority proposed to escalate this base cost year-on-year using the inflation rate provided in Table 120 in order to arrive at the Advertisement Cost for the remaining years of the First Control Period.

8.2.114 Additionally, the Authority observed that YIAPL, in its response dated 28<sup>th</sup> November 2024, had requested consideration of an additional advertisement cost of Rs. 12 crores for FY 2025-26 and Rs. 10 crores for FY 2026-27 in connection with the airport's launch. The relevant extract is reproduced below:

*“In addition to the advertisement costs, NIA also needs to deploy a launch strategy while taking reference to below pointers -*



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1. *Strategic Marketing for a Greenfield Airport: As a newly established greenfield airport, NIA must implement comprehensive marketing initiatives to attract passenger traffic. This includes digital marketing, social media campaigns, partnerships with travel agencies, and participation in travel fairs and exhibitions. In the initial years, NIA needs to focus on its brand building. Establishing a strong brand identity for NIA is crucial. This involves creating a unique brand message that highlights the airport's modern facilities, efficiency, and customer-centric services.*

2. *Navigating a Competitive Landscape: NIA will operate in a competitive environment alongside Delhi Airport. To successfully position itself and encourage airlines to consider dual operations, we need to invest significantly in promotional activities that highlight the unique advantages of NIA.*

3. *Extensive Customer Outreach: Located approximately 65 km from Noida city, it is crucial to engage in extensive outreach to raise awareness about Noida Airport. This includes advertising campaigns across various media platforms, such as television, radio, print, and social media in the initial years. NIA also needs to inform potential passengers about its connectivity, accessibility, and available facilities, ensuring they are well-informed and motivated to choose NIA for their travel needs.*

*In view of above reasons, the launch cost are INR 12 cr. in FY26 and INR 10 cr. in FY27 in addition to existing projected advertisement cost. These expenses are planned only for the initial two years to ensure a successful launch. Achieving our traffic targets hinges on these marketing and advertising efforts, making this investment essential. We request the Authority to consider this launch expenses.”*

8.2.115 In this regard, the Authority acknowledged that, as a greenfield airport, NIA would necessarily incur substantial advertising and launch-related expenditure in its initial years. However, it was observed that the costs submitted by YIAPL are significantly higher than the inflation-adjusted advertisement expenses approved in recent tariff orders for comparable airports, namely Bengaluru and Mopa Goa. Accordingly, the Authority proposed to allow 50% of the launch-related advertisement cost submitted by YIAPL, in the first tariff year only, in addition to the amount determined as per para 8.2.113. In view of the above, an amount of Rs. 6 crores was proposed to be considered towards launch-related advertisement expenses for FY 2026-27.

8.2.116 The Authority urged YIAPL to ensure efficient and optimal spending of the Advertising Cost, which will be reviewed during the tariff determination of the next Control Period.

8.2.117 Considering the above analysis, the Authority proposed the following Total Advertisement Cost for the First Control Period.

**Table 154: Total Advertisement Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Advertisement Cost	A=Prev.A×(1+B)	3.61	3.71	3.82	3.94	4.06	19.14
% increase	B		3.00%	3.00%	3.00%	3.00%	
Launch Expense	C	6.00	-	-	-	-	6.00
<b>Total Advertisement Cost</b>	<b>D=A+C</b>	<b>9.61</b>	<b>3.71</b>	<b>3.82</b>	<b>3.94</b>	<b>4.06</b>	<b>25.14</b>

**Allocation of Advertisement Cost**

8.2.118 The Authority noted that YIAPL has allocated Advertisement Cost based on Terminal Building Ratio (TBLR). The Authority deemed this allocation basis to be reasonable and, therefore, proposed adopting the same allocation basis, taking into consideration the revised ratios detailed in Table 131.



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In accordance with the aforementioned proposal, the Aeronautical Advertisement Cost proposed by the Authority for the First Control Period is as follows:

**Table 155: Aeronautical Advertisement Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Advertisement Cost	8.45	3.27	3.37	3.47	3.57	22.12

**H. Insurance Cost**

8.2.119 The Authority noted that YIAPL has considered the Insurance Cost at 0.05% of the closing gross block of assets, with a year-on-year inflation rate of 4.27%. Further, the Authority had reviewed the O&M Study report and notes that while it mentions that the percentage of gross block is based on similar airports, there is neither a mention of the airports considered for comparison nor any details of computation.

8.2.120 YIAPL, on 13<sup>th</sup> December 2024 shared the basis for estimation of the percentage of gross block as average of the percentage for BIAL, DIAL, HIAL, and MIAL in FY 2018-19. After comparing the same to other airports, the Authority found this percentage (0.05%) to be reasonable and proposed considering the same for determining the Insurance Cost for the First Control Period.

8.2.121 Based on the above, the Authority proposed computing the Insurance Cost for the First Control Period as given below:

- i. **Opening Gross Block in FY 2026-27:** The Authority proposed to consider insurance cost at 0.05% of the opening gross block for the first tariff year of the Control Period. Thereafter, the Authority proposed to increase this cost by the inflation rate as detailed in Table 120 for the remaining tariff years of the Control Period.
- ii. **Addition to Gross Block:** The Authority proposed to consider insurance cost at 0.05% on addition to the gross block in the respective tariff years in which such additions have been proposed. Subsequently, the Authority proposed to increase this cost by the inflation rate as detailed in Table 120 for the remaining tariff years of the Control Period.

8.2.122 The Total Insurance Cost proposed by the Authority for the First Control Period is as presented in the table below.

**Table 156: Total Insurance Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Addition to Gross Block (refer Table 129)	6,873.17	10.00	10.00	10.00	10.00	6,913.17
% of Gross Block	0.05%	0.05%	0.05%	0.05%	0.05%	
Inflation		3.00%	3.00%	3.00%	3.00%	
<b>Total Insurance Cost</b>	<b>3.73</b>	<b>3.84</b>	<b>3.96</b>	<b>4.09</b>	<b>4.21</b>	<b>19.83</b>

**Allocation of Insurance Cost**

8.2.123 The Authority noted that YIAPL has allocated Insurance Cost based on Gross Block Ratio (GBR). The Authority deems this allocation basis to be reasonable and, therefore, proposed to consider the same allocation basis, taking into consideration, the revised ratios detailed in Table 131.



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8.2.124 In accordance with the aforementioned proposal, the Aeronautical Insurance Cost proposed by the Authority for the First Control Period is as follows:

**Table 157: Aeronautical Insurance Cost proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Insurance Cost	3.37	3.47	3.58	3.69	3.81	17.93

**I. Airport Operator Support Fee (Corporate Cost allocation)**

8.2.125 The Authority noted that YIAPL has entered into an agreement with Zurich Airport International AG for the provision of technical service in lieu of remuneration as detailed in Annexure 2 of the Agreement, the extract of which is reproduced below.

*"Services provided by the service provider will be remunerated as follows:*

- *The project related services will be charges on the basis of actual working hours spent. The hours worked will be recorded by the service provider and charged to the beneficiary in accordance with 4.*
- *The hourly rates for the project related work will be reviewed regularly by the service provider and communicated to the beneficiary. The hourly rates should be determined on the basis of arm's length principle in line with functions performed, assets deployed and risks assumed by the entities. The underlying calculation of the hourly rates is separately available."*

8.2.126 Additionally, the Authority noted that YIAPL had projected this expense based on the following assumptions:

- Support from holding company will be obtained for specified number of Mandays during each tariff year of the Control Period
- A rate of CHF per Manday
- A CHF to INR conversion rate with an approximate 3% escalation

8.2.127 In its response dated 18<sup>th</sup> November 2024, YIAPL submitted that the rate per Manday had been determined in accordance with arm's length pricing principles. In support of this, the transfer pricing study for FY 2022-23 was furnished and duly verified by the Independent Consultant to the Authority.

8.2.128 Considering the above assumptions to be reasonable, the Authority proposed to include this expense as part of O&M expense. However, the Authority proposed to consider the latest CHF to INR conversion rate, along with an escalation based on the projected inflation in Switzerland according to IMF versus the projected inflation in India as per Table 120.

8.2.129 Based on the above, the Total Airport Operator Support Fee proposed by the Authority for the First Control Period is presented in the table below.

**Table 158: Total Airport Operator Support Fee proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Airport operator support fee	5.31	5.43	5.55	5.68	5.81	27.76



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**Allocation of Airport Operator Support Fee**

- 8.2.130 The Authority observed that YIAPL had allocated the expense based on EHCR and finds it to be reasonable. Therefore, the Authority proposed to consider the same allocation basis.
- 8.2.131 Considering the revised EHCR as given in Table 131, the Authority proposed the following Aeronautical Airport Operator Support Fee for the First Control Period of Noida International Airport.

**Table 159: Aeronautical Airport Operator Support Fee proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Airport operator support fee	4.51	4.62	4.75	4.88	5.01	23.76

**J. Corporate Environment Responsibility (CER)**

- 8.2.132 The Authority noted that YIAPL has projected CER expense of Rs. 10.96 crores per year throughout the First Control Period, in compliance with the statutory sustainability obligations as mandated by Environment Clearance from the Ministry of Environment, Forest and Climate Change (MoEF&CC).
- 8.2.133 In response to the Authority's query, YIAPL shared the Environment Clearance (EC) Approval Letter from MoEF&CC. According to the letter, YIAPL is required to allocate Rs. 18.79 crores for Phase I under CER.
- 8.2.134 The Authority also noted that the EC Letter mandates the AO to implement the recommendations outlined in the final report prepared by the Wildlife Institute of India (WII) on Conservation Plans for Birds and Fauna.
- 8.2.135 Additionally, in a response dated 18<sup>th</sup> November 2024, YIAPL shared the recommendations from the WII report. The breakup of the cost as per the recommendation is reproduced below.

**Table 160: Breakup of the Cost as per the recommendations in the WII report on Conservation Plan for Birds and Fauna**

Sl. No.	Category	Cost in Rs.	Mandates
1	Creation of "GJIA conservation Foundation"	0.5% of the total cost of GJIA project	Undertake activities which enhances conservation value of the GJIA landscape
2	Biodiversity offsetting as a conservation strategy: Creation of "Compensatory Conservation Fund"	0.25% of the total cost of GJIA project	Enhance conservation status of Blackbuck populations in U.P. Enhance conservation status of Sarus cane in U.P. by implementing suggestions made by Rahmani et. al. (2019)
3	Establish and run temporary "Animal Rescue and Rehabilitation Center" for five years	500.00 lakhs	Rescue and rehabilitate wild animals for initial five years Establish 2 Rapid Response Teams to rescue wildlife species impacted due to airport construction in difference phases
4	Annual allocation from "Corporate Social Responsibility (CSR)" initiative	As per applicable norms	Augmentation of GJIA Conservation Foundation time to time
5	Initiate long term scientific study for "Monitoring likely impacts on fine-scale biodiversity values in	2904.75 lakhs/ten years	Assesses likely impacts during different phases of the GJIA on:



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Sl. No.	Category	Cost in Rs.	Mandates
	landscape during different phases of GJIA” for ten years		Monitor changes in spatial and temporary biodiversity values using eDNA. Study fine scale ecological requirements of Blackbucks and Sarus crane through ranging behaviour using GPS tagged individuals Suggest fine-scale conservation strategies for GJIA landscape

8.2.136 Further in a response dated 20<sup>th</sup> January 2025, YIAPL shared the email from NIAL (the concessioning authority) mandating the implementation of the WII's recommendations at the Airport Operator's expense as given below:

- 0.75% of project cost on conservation efforts, and
- Rs. 29.04 crores for long term study by WII

8.2.137 Considering the details as per the EC Letter, WII report and email communication from NIAL as detailed above, the Authority proposed to include the expense as submitted by YIAPL (including the breakup as per their email communication) as part of the CER expense for the Control Period. Since neither the WII report nor the NIAL email communication explicitly states the project cost for determining this expense, the Authority proposed to use the project cost specified in the EC Letter, i.e., Rs. 3,754 crores for determining the expenses.

8.2.138 The Authority noted that YIAPL has allocated Rs. 18.79 crores over five tariff years of the Control Period and the cost related to the WII report over 10 years from the Airport COD. When queried on the rationale for allocating the WII report cost over 10 years, YIAPL stated that this was based on a proposal submitted to the 48<sup>th</sup> meeting of the Expert Appraisal Committee (Infra 2) of MoEF&CC, GOI AC on 28<sup>th</sup> January 2020. Accordingly, the Authority proposed to allocate the cost over the 10 years as submitted by YIAPL.

8.2.139 Total CER expense proposed by the Authority for the First Control Period, based on the above discussions, is as given in the table below.

**Table 161: Total CER expense proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>EC Letter</b>							
Corporate Environment Responsibility as per EC	A	3.76	3.76	3.76	3.76	3.76	<b>18.79</b>
<b>WII Report</b>							
Creation of GJIA Project	B = 0.5% of Project Cost	1.88	1.88	1.88	1.88	1.88	<b>9.39</b>
Compensatory Conservation Fund	C = 0.25% of Project Cost	0.94	0.94	0.94	0.94	0.94	<b>4.69</b>
Scientific Study	D = Rs. 29.0475 crores for 10 years	2.90	2.90	2.90	2.90	2.90	<b>14.52</b>
<b>Total expense as per WII Report</b>	<b>E = B + C + D</b>	<b>5.72</b>	<b>5.72</b>	<b>5.72</b>	<b>5.72</b>	<b>5.72</b>	<b>28.60</b>
<b>Total CER expense</b>	<b>F = A + E</b>	<b>9.48</b>	<b>9.48</b>	<b>9.48</b>	<b>9.48</b>	<b>9.48</b>	<b>47.39</b>



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**Allocation of Corporate Environment Responsibility (CER)**

8.2.140 The Authority noted that YIAPL had allocated this expense as 100% aeronautical. However, the Authority proposed to allocate this expense based on the revised Gross Block Ratio (GBR) as per Table 131, since the expense is incurred for the development of the airport, including the Non-Aeronautical portion.

8.2.141 The Aeronautical CER expense proposed by the Authority for the First Control Period is as given below

**Table 162: Aeronautical CER expense proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical CER expense	8.57	8.57	8.57	8.57	8.57	42.83

**K. Collection Charges**

8.2.142 The Authority noted that YIAPL has computed Collection Charges on 70% of both embarking and disembarking passengers, excluding exempt and transfer passengers, due to the anticipated delay in remittance for the remaining 30% for more than 15 days, thereby exempting the AO from making any payments. The Authority found this approach reasonable and proposed to consider the same for the determination of Collection Charges.

8.2.143 The Authority further noted that YIAPL has determined Collection Charges at the rate of Rs. 5 per passenger for both embarking and disembarking passengers together. The Authority found this rate consistent with that approved in the recent orders for other airports and therefore proposed to consider the same for determining the Collection Charges for the First Control Period.

8.2.144 The Collection Charges proposed by the Authority for the embarking passengers, based on the revised traffic as submitted by YIAPL for the First Control Period is as presented in the table below.

**Table 163: Collection Charges proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total passengers in MPPA (refer Table 33)	A	6.74	10.26	15.06	18.13	20.04	70.23
Eligible % of billing	B	70.00%	70.00%	70.00%	70.00%	70.00%	
<b>Total eligible passengers in MPPA</b>	<b>C=A×B</b>	<b>4.72</b>	<b>7.18</b>	<b>10.54</b>	<b>12.69</b>	<b>14.03</b>	<b>49.16</b>
Collection charges per passengers in Rs.	D	5.00	5.00	5.00	5.00	5.00	
<b>Collection charges</b>	<b>E=C×D</b>	<b>2.36</b>	<b>3.59</b>	<b>5.27</b>	<b>6.35</b>	<b>7.02</b>	<b>24.58</b>

8.2.145 The Collection Charges, as determined above, are considered to be 100% aeronautical, as they pertain to the provision of Aeronautical Service.

**L. Other Cost**

8.2.146 The Authority observed that YIAPL has submitted "Other Cost" at 3% of operating expenses, citing references to similar airports. While the O&M Study report indicates that this percentage has been derived based on comparable airports, it does not provide the list of such airports or details of the underlying computation. Further, the Authority noted that the Study report includes interest and penalties under "Other Cost," which are not considered passthrough expenses for the purpose of aeronautical tariff determination. However, the specific amounts towards such interest and penalties have not been disclosed in the report.



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8.2.147 The Authority had also reviewed similar cost components approved in respect of Mopa (Goa), and noted that such expenses amount to approximately 2% of total operating expenses. Accordingly, considering that Noida International Airport, being a new airport, would incur various day-to-day operational expenses, the Authority proposed to consider 2% of operating expenses, after excluding license fees, concession fees, CNS/ATM expenditures, CSR expenses, and interest on working capital.

8.2.148 The total Other Cost proposed by the Authority for the First Control Period is as given in the table below.

**Table 164: Total Other Costs proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total operating expense	A	407.34	423.88	437.82	458.39	468.32	2,195.75
% of operating expense	B	2.00%	2.00%	2.00%	2.00%	2.00%	
<b>Total Other Costs</b>	<b>C=A×B</b>	<b>8.15</b>	<b>8.47</b>	<b>8.75</b>	<b>9.16</b>	<b>9.36</b>	<b>43.90</b>

**Allocation of Other Cost**

8.2.149 The Authority noted that YIAPL has allocated the Other Cost based on the Terminal Building Ratio (TBLR). However, the Authority proposed to compute the aeronautical Other Costs as 2% of the total aeronautical operating expense excluding CNS/ATM expenditure, CSR expense and interest on working capital.

8.2.150 Based on the above proposal, the Aeronautical Other Cost proposed by the Authority for the First Control Period is as given below:

**Table 165: Aeronautical Other Costs as proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical operating expense	A	366.07	381.89	394.64	413.68	422.51	1,978.79
% of operating expense	B	2.00%	2.00%	2.00%	2.00%	2.00%	
<b>Aeronautical Other Costs</b>	<b>C=A×B</b>	<b>7.32</b>	<b>7.64</b>	<b>7.89</b>	<b>8.27</b>	<b>8.45</b>	<b>39.58</b>

**M. CNS/ATM Expenditure**

8.2.151 The Authority noted that YIAPL has included expenses related to CNS/ATM services as part of the O&M expenses for the First Control Period. In this regard, the Authority observed that these CNS/ATM expenses pertain to the deficit between the TNLC charges collected by AAI during the previous year and the actual cost of providing the service during the year, in accordance with Clause 7.4 of the CNS/ATM Agreement, which is reproduced below:

*“The provision of CNS-ATM services as mentioned in Para 5.1 shall be on cost recovery basis. .... However, TNLC collected by AAI during the previous year shall be deducted from the actual cost of providing the CNS/ATM services during that year. In case of any deficit the same shall be borne by the YIAPL.”*

8.2.152 Additionally, the expenditure includes equated annual installments of Rs. 22.89 crores related to the capital expenditure of Rs. 129.30 crores incurred by AAI for the development of CNS/ATM facilities required for Phase I of the project. This amount is payable to AAI by YIAPL over a period of 10 years, starting from the COD, at an annual percentage rate of 12%. The Authority noted that, although this payment is not referred to in the CNS/ATM Agreement, the letter from AAI dated 28<sup>th</sup> April 2024, permits the collection of the expenses as described above. The relevant paragraph is reproduced below:



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*“Capital expenditure (CAPEX) costs shall be recovered as Annual Yearly Installment(s), at an Annual Percentage Rate (APR) of 12%, amortized over a ten-year period.”*

8.2.153 The Authority further noted that YIAPL has submitted a detailed breakup of the proposed capital expenditure amounting to Rs. 129.34 crores and operating expense of Rs. 74.70 crores for the first tariff year. The operating expense comprises Rs. 24.90 crores towards ATM manpower cost, Rs. 47.14 crores towards CNS manpower cost and Rs. 2.67 crores towards other operating expenses.

8.2.154 The Authority observed that the operating expense (manpower cost and other operating expenses) indicated above included an overhead component of 30%. This overhead component does not have a clear and demonstrable linkage to incremental administrative or support services over and above those already embedded within these CNS/ATM expenses attributable specifically to the airport. Given that CNS/ATM services are provided by AAI uniformly across all the airports as a Centralized statutory function, the associated administrative and support costs are expected to be absorbed within AAI’s overall cost structure and reflected in the base operating costs. In the absence of a transparent, airport-specific cost allocation methodology, loading an additional overhead on an ad-hoc percentage basis would result in double counting of costs and an unjustified pass-through to passengers. Accordingly, the Authority proposed to not consider the overhead component. However, the Authority invited comments from stakeholders on this issue of 30% overhead costs applied by AAI, that will ultimately be borne by passengers. The Authority would take a final view on this matter during the stakeholder consultation based on the comments received from stakeholders. The Authority also noted that as airport traffic and operational volumes stabilize and improve, AAI would be in a position to progressively absorb and offset any projected overheads since in the subsequent years all excess revenue collected by AAI from TNLC over and above their operating costs would be retained by AAI only.

8.2.155 The Authority examined the break-up of capital expenditure as submitted by YIAPL and notes that it pertains to the cost of equipment installed at the CNS/ATM tower for operational purposes. Accordingly, the Authority proposed to consider the capital cost of Rs. 129.34 crores to be amortized over 10 years from COD at an annual percentage rate of 12%, and the operating expense of Rs. 57.46 crores for FY 2025-26 as the base cost. However, since the control period commenced from only 1<sup>st</sup> April 2026 at Consultation Stage, the Authority proposed to escalate this base cost year-on-year using the inflation rate provided in Table 120 in order to arrive at the operating expenses for the First Control Period.

8.2.156 The Authority also proposed to consider TNLC in accordance with the tariff specified in the DGCA AIC dated 30<sup>th</sup> September 2020, considering the arrival and departure ATMs in a 50:50 ratio.

8.2.157 The Authority noted that the TNLC charges for the current year were adjusted in the subsequent year in accordance with the correspondence between AAI and YIAPL. However, the Authority proposed to adjust the TNLC charges of the respective year against the CNS ATM expenses of the same year.

8.2.158 The revised CNS/ATM Expenditure proposed by the Authority considering the revised ATMs as computed by the Authority in Table 32- for the First Control Period is given below:

**Table 166: CNS/ATM Expenditure proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>ATM Traffic (refer Table 33)</b>							
Domestic Passenger ATM	A	43,100	64,650	95,359	1,14,431	1,25,874	<b>4,43,414</b>



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Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic Cargo ATM	B	950	970	980	1,040	1,080	5,020
<b>Total Domestic ATM</b>	C=A+B	44,050	65,620	96,339	1,15,471	1,26,954	4,48,434
International Passenger ATM	D	900	2,700	3,983	4,779	5,257	17,619
International Cargo ATM	E	1,080	1,580	2,070	2,560	3,060	10,350
<b>Total International ATM</b>	F=D+E	1,980	4,280	6,053	7,339	8,317	27,969
Billable domestic ATM	G = C/2	22,025	32,810	48,170	57,736	63,477	2,24,217
Billable international ATM	H = F/2	990	2,140	3,027	3,670	4,159	13,985
<b>TNLC Charges</b>							
Domestic	I	7,012	7,012	7,012	7,012	7,012	
International	J	8,178	8,178	8,178	8,178	8,178	
<b>Revenue from TNLC Charges</b>	K=(G*I)+(H*J)	16.25	24.76	36.25	43.48	47.91	168.66
Operating expense	L	59.19	60.96	62.79	64.68	66.62	314.24
Capital Expenditure EMI	M	22.89	22.89	22.89	22.89	22.89	114.46
<b>Total</b>	N=L+M	82.08	83.85	85.68	87.57	89.51	428.69
<b>Shortfall = CNS ATM Expenditure</b>	O=N-K	65.83	59.10	49.43	44.08	41.60	260.03

Note: Figures correspond to the revised Control Period commencing from COD of 1<sup>st</sup> April 2026. FY 2026-27 represents the first full year of operations.

8.2.159 The CNS/ATM Expenditure as determined above was considered as 100% aeronautical in line with Clause 3.6.8 of the MoU between NIA and GoI which states that “Any payments made by the concessionaire to any Government Instrumentality for providing sovereign functions shall be considered as an operating expense for the purpose of the determination of aeronautical charges, and shall accordingly be considered as a part of the cost of the determination of the Aeronautical Charges.”

**N. CSR Expense**

8.2.160 The Authority noted that YIAPL had estimated CSR Expense of Rs. 0.03 crores based on 2% of the trailing 3-year average PBT.

8.2.161 The Authority took cognizance of the statutory provisions of the Companies Act, 2013 towards allowance of CSR expenses and the extract of the same has been provided as follows:

“Section 135 (1) of Companies Act, 2013 states that ‘Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one shall be an independent director.’ Further section 135(5) states that ‘The Board of every company referred in section 135(1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility.’”



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8.2.162 In this regard, the Authority is of the view that as the CSR is a mandatory Social Responsibility of Companies (covered under Section 135(1) of Companies Act). As CSR expenditure is to be incurred by Companies out of their net profits, it is to be regarded as an element of appropriation of Net Profits and not as a part of their Operating Expenditure. Therefore, CSR expenses could not be construed as passthrough expenditure for the purpose of determination of aeronautical tariff of the companies. Otherwise, it would defeat the very purpose of the social responsibility entrusted on the companies. Section 37(1) of the Income Tax Act also disallows CSR expenses, as these are not considered expenses incurred wholly and exclusively for the purpose of the business of the entity.

8.2.163 In view of the above, the Authority proposed not to consider CSR expenses under the O&M expenses.

**O. Interest on Working Capital**

8.2.164 The Authority observed that YIAPL had calculated the interest on the working capital loan based on the projected recovery of revenue and payment of expenses, considering Receivable Days as 15 and Payable Days as 30. Accordingly, YIAPL had submitted in the MYTP that there was a requirement for working capital for all tariff years of the First Control Period except the first year.

8.2.165 On enquiry about the basis for 10% interest rate considered, YIAPL in its response dated 3<sup>rd</sup> December 2024, had shared the Sanction Letter for the Working Capital Loan. The Authority reviewed the same and noted that the effective rate as per the letter was 10.15%.

8.2.166 The Authority noted that interest on working capital is dependent on many factors including aeronautical revenue which is in turn dependent on the tariff rate card. However, since the tariff rate card would be submitted by the AO only after the issue of this consultation paper, the Authority, for the purposes of this consultation paper, proposed to consider the interest on working capital corresponding to each tariff year as submitted by YIAPL in their financial model.

8.2.167 The Authority further proposed to recompute the interest on working capital at the time of Tariff Order, considering any changes to the building blocks and changes in Aeronautical Revenue based on the tariff decided by the Authority.

8.2.168 The Total Interest on Working Capital proposed by the Authority for the First Control Period is as given below:

**Table 167: Total Interest on Working Capital proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Interest on Working Capital	0.48	1.60	2.94	4.48	6.42	15.92

**Allocation of Interest on Working Capital**

8.2.169 The Authority noted that YIAPL has allocated Interest on Working Capital based on Gross Block Ratio (GBR). The Authority deems this allocation basis to be reasonable and, therefore, proposed to consider the same allocation basis, taking into consideration, the revised ratios detailed in Table 131.

8.2.170 In accordance with the aforementioned proposal, the Aeronautical Interest on Working Capital proposed by the Authority for the First Control Period is as follows:



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**Table 168: Aeronautical Interest on Working Capital proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Interest on Working Capital	0.44	1.44	2.66	4.05	5.80	14.39

**P. Concession Fee**

8.2.171 Although the Concession Fee is not pass through expense, the Authority noted that YIAPL has included it in the Total O&M expenses (Table 122) in FY 2029-30. However, as per the Master Concession Agreement, the Concession Fee is payable only from the 6<sup>th</sup> year after the Airport COD, i.e., FY 2031-32 considering that the revised COD is 1<sup>st</sup> April 2026. Since the Concession Fee is not payable during the First Control Period and is not a pass-through as per the Master Concession Agreement, the same is not included as part of O&M expenses.

**Pre-COD Losses for the Period from 22<sup>nd</sup> January 2020 to Airport COD**

8.2.172 YIAPL, along with the projections for the First Control period, submitted details for the period from 22<sup>nd</sup> January 2020 till (erstwhile) expected Airport COD of 30<sup>th</sup> April 2025, as part of O&M expenses. Although these details were not separately presented in the MYTP as pre-COD results, they have been included in the O&M expenses of the first tariff year of the First Control Period to determine the ARR for the year.

8.2.173 The Authority's proposals regarding not including pre-COD losses as a part of the tariff for the period from Company inception to Airport COD are discussed in Chapter 3.

8.2.174 Considering the above, the total Operation and Maintenance (O&M) expenses proposed to be considered by the Authority for the First Control Period is presented in the table below:

**Table 169: Total Operation and Maintenance (O&M) expenses proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	Table 132	103.85	111.45	121.62	134.87	143.40	615.18
B	Contracted Services (Manpower Outsourcing Cost)	Table 137	33.22	35.35	37.31	39.42	42.12	187.42
C	Materials, Equipment and Supplies Cost	Table 139	4.92	5.07	5.22	5.38	5.54	26.15
D	Utility Cost	Table 149	62.45	72.87	71.81	74.72	71.50	353.35
E	General Administration Cost	Table 151	16.73	17.24	17.75	18.29	18.83	88.85
F	R&M Cost	Table 153	155.69	155.69	155.85	156.02	156.18	779.42
G	Advertisement Cost	Table 154	9.61	3.71	3.82	3.94	4.06	25.14
H	Insurance Cost	Table 156	3.73	3.84	3.96	4.09	4.21	19.83
I	Airport Operator Support Fee	Table 158	5.31	5.43	5.55	5.68	5.81	27.76
J	Corporate Environment Responsibility (CER)	Table 161	9.48	9.48	9.48	9.48	9.48	47.39
K	Collection Charges	Table 163	2.36	3.59	5.27	6.35	7.02	24.58
L	Other Cost	Table 164	8.15	8.47	8.75	9.16	9.36	43.90
M	CNS/ATM Expenditure	Table 166	65.83	59.10	49.43	44.08	41.60	260.03
N	CSR Expense	Para 8.2.163	-	-	-	-	-	-



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Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
O	Interest on Working Capital	Table 167	0.48	1.60	2.94	4.48	6.42	15.92
P	Concession Fee	Para 8.2.171	-	-	-	-	-	-
	<b>Total O&amp;M Expenses</b>		<b>481.80</b>	<b>492.88</b>	<b>498.77</b>	<b>515.95</b>	<b>525.53</b>	<b>2,514.92</b>

8.2.175 Taking into account the revised ratios and allocation basis as discussed under each expense category, the Authority proposed the following Aeronautical O&M expenses for the First Control Period of Noida International Airport.

**Table 170: Aeronautical Operation and Maintenance (O&M) expenses proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	Table 133	88.20	94.88	104.05	115.97	123.72	526.82
B	Contracted Services (Manpower Outsourcing Cost)	Table 138	28.22	30.09	31.92	33.89	36.34	160.46
C	Materials, Equipment and Supplies Cost	Table 140	4.45	4.58	4.72	4.86	5.01	23.63
D	Utility Cost	Table 149	62.45	72.87	71.81	74.72	71.50	353.35
E	General Administration Cost	Table 152	14.81	15.27	15.75	16.25	16.76	78.84
F	R&M Cost	Table 153	140.69	140.69	140.86	141.03	141.20	704.46
G	Advertisement Cost	Table 155	8.45	3.27	3.37	3.47	3.57	22.12
H	Insurance Cost	Table 157	3.37	3.47	3.58	3.69	3.81	17.93
I	Airport Operator Support Fee	Table 159	4.51	4.62	4.75	4.88	5.01	23.76
J	Corporate Environment Responsibility (CER)	Table 162	8.57	8.57	8.57	8.57	8.57	42.83
K	Collection Charges	Table 163	2.36	3.59	5.27	6.35	7.02	24.58
L	Other Cost	Table 165	7.32	7.64	7.89	8.27	8.45	39.58
M	CNS/ATM Expenditure	Table 166	65.83	59.10	49.43	44.08	41.60	260.03
N	CSR Expense	Para 8.2.163	-	-	-	-	-	-
O	Interest on Working Capital	Table 168	0.44	1.44	2.66	4.05	5.80	14.39
P	Concession Fee	Para 8.2.171	-	-	-	-	-	-
	<b>Aeronautical O&amp;M Expenses</b>		<b>439.65</b>	<b>450.07</b>	<b>454.63</b>	<b>470.08</b>	<b>478.36</b>	<b>2,292.80</b>

8.2.176 Based on the above considerations, the Authority proposed Aeronautical Operating and Maintenance Expenditure of Rs. 2,292.80 crores for the First Control Period at Consultation Stage, as against YIAPL's revised submission of Rs. 3,116.05 crores (refer Table 128).

8.2.177 Major adjustments made by the Authority in O&M expenses include:

- **Personnel Cost Rationalization:**  
The average cost per employee had been taken as Rs. 0.21 crores with a 6% annual growth rate, compared to YIAPL's assumption of Rs. 0.25 crores with a 10% annual increase.
- **Outsourced Manpower Cost Rationalization:**  
The cost for FY 2026 has been taken as Rs. 36.33 crores instead of Rs. 40.21 crores as submitted by YIAPL. The Authority had assumed a 6% year-on-year increase, in line with personnel costs, whereas YIAPL projected an average increase of 8.5%. Additionally, CAM charges amounting to Rs. 32.93



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crores, expected to be recovered from licensees and concessionaires, have been adjusted against this expense head, which decreases the total outsourced manpower cost.

- **Repairs & Maintenance Expenses:**

R&M expenses had been considered at 1.65% of the closing aeronautical gross block for each tariff year. Including the UaaS annuity of Rs. 190.47 crores added to the R&M costs for the First Control Period, the total amounts to Rs. 705.51 crores. In comparison, YIAPL had proposed a higher provision of 2.45% of the closing gross block, aggregating to Rs. 802.57 crores.

- **CNS/ATM Cost Rationalization:**

The Authority had rationalized CNS/ATM costs in the first tariff year due to the revised COD assumption. Further, the arrival and departure ratio had been revised from 51:49 (as proposed by YIAPL) to 50:50. Also, TNLC charges for the current year have been netted off against CNS/ATM expenses of the same year, as opposed to YIAPL's method of offsetting previous year's TNLC charges. The Authority had also excluded the overhead of 30% applied to O&M expenses claimed by AAI.

- **Materials, Equipment, and Supplies Cost Rationalization:**

The Authority had based projections on the average cost at comparable airports, amounting to Rs. 4.78 crores for FY 2025-26 (base year), as against YIAPL's significantly higher estimate of Rs. 17.6 crores (0.28% of gross block).

- **Utility Cost Rationalization:**

Power costs have been rationalized by factoring in phased operations of the airport. Water charges have also been reduced, as the Authority's computation uses rates set by the regulatory body, whereas YIAPL had based estimates on consumption per passenger.

- **Other Costs:**

Since this category is calculated as a percentage of total O&M expenses, rationalization across all major cost heads had led to a corresponding reduction here as well.

8.2.178 The Authority expects the Airport Operator to bring in efficiencies in the incurrence of O&M expenses for the benefit of airport users in line with the AERA Act, AERA Guidelines and International Civil Aviation Organization (ICAO) Principles.

### 8.3 Stakeholders' comments regarding Operation and Maintenance (O&M) Expenses for the First Control Period

8.3.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26 with respect to Operation and Maintenance (O&M) Expenses for the First Control Period. The comments by stakeholders are presented below:

#### YIAPL's comments regarding Operation and Maintenance (O&M) Expenses for the First Control Period

8.3.2 YIAPL's comment regarding Personnel Cost are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide Chapter 8 regarding Personnel Cost the Authority has compared the average cost per employee for NIA with other airports.*

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### YIAPL response

YIAPL hereby submits that a like-to-like comparison of personnel cost per employee across airports is not appropriate without due consideration of the distinct operational and structural characteristics of Noida International Airport, as set out below:

- Organization built from Zero: The airport has had to build its team from scratch, including onboarding experienced and highly skilled personnel from different cities and airports. At NIA, more than 50% of the resources recruited so far are relocated from different cities and airports. This has necessarily led to higher compensation levels along with associated relocation and talent acquisition costs, particularly in the initial years of operation.
- Single/sole Airport of group: NIA is effectively a standalone operating entity and does not benefit from the extent of centralized group functions or shared corporate manpower costs that may be available in larger airport groups. Therefore, personnel costs that may be absorbed or apportioned at a group level in other cases are required to be directly borne at the airport level in NIA's case.
- Location Constraints and Higher Cost per FTE: The relatively higher cost per FTE is influenced by market realities such as strong demand for skilled aviation personnel, the greenfield nature of the project, the new company set-up, and the location-related challenges associated till the area/development matures with attracting and retaining resources.

The average cost per employee at mature and larger airports is also influenced by the composition of their workforce. Such airports typically have a significantly larger employee base, including a higher proportion of operational, supervisory and support staff at relatively lower compensation levels. The presence of this broader base of lower cost employees naturally reduces the overall average cost per employee. In contrast, at a greenfield airport such as NIA, particularly in the initial years, the employee base is relatively smaller and more heavily weighted towards managerial, technical and specialist roles required for set-up, commissioning and stabilization of operations.

As a result, the average cost per employee at NIA is structurally higher and is not directly comparable with that of larger and mature airports and with airports belonging to one group.

Further, with reference to para 8.2.29, the Authority has mentioned that no detailed computation supporting the average CTC of INR 0.25 crore has been provided. In this regard, YIAPL submits that such detailed computations were not included in the O&M study due to the confidentiality of the underlying data. However, the figures are based on actual costs incurred, and all requisite information has been duly shared with the Authority.

Additionally, YIAPL would like to highlight that in Table 79, the Authority has already captured the average CTC at the departmental level as provided by YIAPL during the tariff determination process. In light of the confidentiality provisions outlined in the MYTP, we respectfully request the Authority to remove the department-wise average CTC details from Table 79 in the final tariff order.

### Insurance for Employees:

YIAPL hereby requests the Authority to consider the cost towards insurance for employees which includes group health insurance as INR 3 Crores per annum for Y1 and with further escalation in the subsequent years. The said insurance was not considered by YIAPL during the MYTP submission. Based on the group



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insurance policy executed and actual cost of Insurance, YIAPL has proposed the same and requested the authority to consider.

YIAPL Comments and submission on the Employee Head Count Ratio (EHCR) :

During MYTP and interim submissions, NIA has submitted the details of manpower and personnel cost basis the projected functional requirements. Now with improved visibility and the stabilization of manpower as NIA approaches operationalization, NIA hereby shares the updated employee head count along with corresponding departments and bifurcation towards aeronautical, Non-Aeronautical and common as Annexure C and requests the Authority to consider the same before issuance of final tariff order.

Any additional information relating to the roles and responsibilities of the department or personnel concerning EHCR will be provided to the Authority, if required.

In view of the above submission, we request the Authority to consider the average cost CTC submitted by YIAPL as representing the actual cost incurred, in light of the reasons outlined above and to accordingly consider the revised EHCR as submitted, at the time of issuance of the final tariff order. Annexure C is given below:

**Annexure C - Personnel Cost Headcount and Classification for Noida International Airport**

Details of Head Count and classification thereto for year 1 No. of Employees	Aeronautical	Common	Non Aero	In Nos
				Total Head Count
	328	103	19	450

8.3.3 YIAPL's comment regarding Contracted Services (Manpower Outsourcing Cost) are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide paras 8.2.39 to 8.2.46, the Authority has proposed manpower outsourcing cost & its escalation as "Personnel Cost" and classification of manpower outsourcing cost has been drawn basis the EHCR.*

YIAPL response

YIAPL hereby submits that with MYTP submission and various interim submission, YIAPL has shared comprehensive details of outsourced manpower cost, At the stage of MYTP, YIAPL has projected the manpower cost for the following heads of expenses:

- Trolley Management - Landside Security
- Guest Relation Executives - Obstacle Management
- Wildlife Management - IT Services
- Terminal Operations Executive - Medical Facilities
- Civil Infrastructure - Housekeeping & Facility Management
- Horticulture

The details of these contracts such as housekeeping, horticulture, and obstacle services were already shared with the Authority and residual significant value contracts/agreements have also been executed at this stage. YIAPL request the authority to consider the revised outsourcing cost towards IT services, Wildlife management and landside security totaled as INR 27.9 Crores per annum basis the awarded contract and with further escalation for the subsequent years.



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*At the time of awarding contracts, YIAPL adopted a hybrid model to improve efficiency and optimize costs. Under this model, each contract includes manpower, materials, and machinery as a single package. Accordingly, contracts for services such as housekeeping, horticulture, civil infrastructure and medical facilities have been awarded on a hybrid basis.*

*It is important to note that contracts like housekeeping, horticulture, medical services, civil maintenance etc include not only manpower but also all materials and machinery required by vendor/contractor to perform the jobs. Therefore, these contracts should not be treated as pure manpower outsourcing as the cost composition towards material and machines are also significant.*

*For outsourced manpower costs, the Authority has drawn comparisons with other airports (MOPA, Goa, and HIAL) without considering the contract structure adopted by YIAPL. YIAPL would like to highlight that in the case of HIAL and MOPA, housekeeping expenses are not included within outsourced manpower costs and are instead accounted for under a separate head of Operation & Maintenance expenses. Further, for outsourced manpower costs, the Authority has also derived aeronautical and Non-Aeronautical cost ratios based on EHCR.*

*However, as explained above, YIAPL's contracts are hybrid in nature and include manpower, materials and machinery. Therefore, the basis of comparison used by the Authority is not appropriate.*

*YIAPL requests the Authority to kindly consider housekeeping, medical facilities & horticulture basis the contract awarded as separate O&M expenses.*

*As regards the contract for medical services, the same has already been shared with the Authority. The scope of this contract includes ambulances, rescue equipment, and medical personnel. Therefore, benchmarking this cost as pure manpower outsourcing is not appropriate.*

*These medical service costs are mandatory for the airport operator under applicable regulations and should be treated as 100% aeronautical expenses.*

*After recovery of CAM charges from concessionaires, expenses under manpower outsourcing are solely related to aeronautical operations at the airport. Therefore, YIAPL requests the Authority to kindly consider these expenses as 100% aeronautical while issuing the final tariff order."*

### 8.3.4 YIAPL has also mentioned the following comments on details of O&M Expenses:

*"The Authority had directed YIAPL to submit the incremental O&M contracts awarded if any, till the date of issue of this Consultation Paper during the stakeholders' consultation process.*

*In this regard, YIAPL submits that the incremental O&M cost as covered in chapter 6 above and contracts that have been executed since the last submission are enclosed herewith. It is respectfully requested that the Authority consider the same while evaluating the O&M costs."*

### 8.3.5 YIAPL's comments regarding Repairs and maintenance Cost & Common Area Maintenance (CAM) Recovery are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide Para 8.2.47, the Authority has proposed CAM as deduction from outsourced manpower cost to determine the net manpower expenses. Vide Para 8.2.110, the Authority has directed YIAPL to share the awarded contracts/agreements.*



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YIAPL Response:

For the maintenance of common areas at NIA, YIAPL will levy Common Area Maintenance (CAM) charges on its concessionaires. These charges will be determined in a reasonable and nondiscriminatory manner. At the time of the MYTP submission, adequate visibility with respect to CAM charges was not available. However, as part of the interim submission, YIAPL has submitted the relevant details pertaining to CAM charges to the Authority. Further, YIAPL submits that CAM charges will be recovered under two categories:

- Common Infrastructure Service Cost (CISC): Applicable to concessionaires located outside the terminal building, such as hotel, fuel farm, and IFK for usage of common infrastructure.
- Common Area Service Cost (CASC): Applicable to all concessionaires occupying spaces within buildings such as the terminal, Office Block West, AMB, etc.

These charges will be recovered from both aeronautical and Non-Aeronautical concessionaires for the regular use of common infrastructure and facilities at the airport.

It is clarified that CAM charges represent an indirect recovery of YIAPL's operation and maintenance expenses, including housekeeping, security, civil works, HVAC, engineering and maintenance, personnel cost and the use of common equipment and systems.

YIAPL has already shared the required details of CAM charges with the Authority. Additionally, now with more clarity based on operational insights and executed agreements for CAM recovery, YIAPL is submitting the updated CAM recovery as INR 7.2 Crs per annum.

In view of the above, all recoveries from concessionaires for the use of airport infrastructure have already been accounted by YIAPL in form of CAM. As per para 8.2.51, the Authority has adjusted the total projected CAM from outsourcing costs and further applied the aeronautical and Non-Aeronautical ratio.

This results in duplication, as the aero/non-aero ratio is being applied again on the residual costs, which are directly related to aeronautical operations at YIAPL.

After recovery of CAM charges from concessionaires, expenses under O&M heads such as repairs and maintenance, IT and manpower outsourcing are solely related to aeronautical operations at the airport. Therefore, YIAPL requests the Authority to kindly consider these expenses as 100% aeronautical while issuing the final tariff order.

Lastly, vide para 8.2.110, the Authority has directed YIAPL to submit the contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process. YIAPL hereby submits that basis the revised contracts R&M cost towards Airport systems, other systems, R&M related to MEP and electricals, amounts to Rs 86.14 Crs for the FY27. This doesn't include R&M cost towards IT systems and annuity for UaaS. YIAPL requests the Authority to consider the above submissions while issuing final tariff order for FCP."

8.3.6 YIAPL has also mentioned the following with respect to Repairs & Maintenance Expenses:

"The Authority had directed YIAPL to submit the R&M contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process.

In this regard, YIAPL submits that the revised R&M cost based on the contracts has been submitted vide para 8.3.5 of this Tariff Order. YIAPL has been providing R&M contracts to the Authority from time to time since the MYTP filing.

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*It is respectfully requested that the Authority consider the same while evaluating the R&M costs."*

8.3.7 YIAPL's comments on details of CAM Charges are as follows:

*"The Authority has directed YIAPL to submit the finalised CAM charges, where available, and provide estimates for those still under finalisation as part of the stakeholder comments, so that the same may be considered in the Tariff Order.*

*In this regard, YIAPL submits that the CAM charges are finalised as per executed agreements, and furnished under para 6.3 (refer para 8.3.5 of this Tariff Order) of this submission."*

8.3.8 YIAPL's comments regarding IT Cost are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 8.2.115, the Authority has proposed the IT costs for NIA for First Control Period*

*YIAPL's Response*

*During MYTP submission, YIAPL submitted the IT cost based on the estimates. Subsequently, with finalization of contracts, with better visibility on operational IT requirements, and identification of certain additional systems and services necessary for safe, secure, and efficient airport operations, the IT cost requirement has been revised. The updated costs now reflect actual contracts, committed scope and detailed assessment of IT requirements across various categories. Basis the contracts executed, updated IT cost for FY 2026- 27 is Rs. 28.26 Crores with an escalation in the subsequent years in the First Control Period. YIAPL requests the Authority to kindly consider the same while issuing tariff for First Control Period.*

*Digital Cost :*

*YIAPL, being a digitally driven greenfield airport, has envisaged and implemented multiple digital initiatives such as ServiceNow, Human Resource Information System (HRIS), and Engineering & Maintenance (E&M) ticketing software with the objective of optimising resources and enhancing overall operational efficiency. These digital platforms are integral to modern airport management and support effective manpower planning and deployment, asset and maintenance management, and structured handling of incidents and service requests across airport operations. The adoption of such systems enables streamlined workflows, improved response times, enhanced operational visibility, and better governance through system-driven controls and audit trails. The expenditure incurred towards these digital initiatives is recurring in nature, being aligned with licensing, subscriptions, and ongoing usage of the platforms, and is necessary to sustain efficient, technology-enabled operations. Further, the deployment and continued use of these systems are in line with industry best practices adopted by comparable airports, facilitating reliable, safe, and efficient airport services. YIAPL hereby requests the authority to consider digital cost per annum as Rs. 9.98 Crores for year 1 with an inflationary escalation in the corresponding years."*

8.3.9 YIAPL's comments regarding Insurance are as follows:

*"At the time of MYTP, YIAPL submitted insurance cost estimates based on benchmarks from HIAL, DIAL, and MIAL, calculated at 0.05% of the gross block. With improved visibility, along with detailed discussions with the insurance provider, YIAPL now submits a revised insurance cost of INR 8 crores per annum, subject to an annual escalation of 8%. insurance requirement for YIAPL is driven by the scale, seismicity of location of the airport, nature, and evolving risk profile of the project.*



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As a greenfield airport, YIAPL is also exposed to heightened probability of loss events, particularly from natural perils such as heavy rainfall and flooding, which directly influence underwriting assessments and premium outcomes. The insurance program accordingly requires comprehensive coverage at appropriate limits, including property damage and catastrophe risks, where market rates which are currently competitive, remain subject to sharp upward corrections in hardening cycles.

In addition to asset related risks, a significant portion of the insurance program comprises reinsurance driven liability covers, including Airport Operator's Liability, cyber insurance, and terrorism/war risks. These covers are highly sensitive to global market conditions, including geopolitical developments, large aviation losses, and evolving cyber threat landscapes. In particular, cyber insurance for aviation infrastructure is subject to stringent underwriting, treaty exclusions, and limited market capacity, often resulting in elevated premiums. Further, recent global trends have necessitated broader coverage such as war risk extensions, adding to the overall cost. These elements are not directly linked to asset value and contribute materially to the overall insurance spend.

YIAPL operates as a standalone airport, unlike other private operators operating multiple airports in India, who benefit from portfolio-based insurance structures across multiple airports, enabling diversification and better pricing leverage. This structural difference results in relatively higher premiums for YIAPL due to concentrated risk exposure.

Further, inflation (or rather escalation of premium) in the insurance sector is driven by claims experience and reinsurance costs has been observed at levels higher than standard assumptions, indicating that a 3% escalation may not adequately reflect market reality. Basis the market trend of last 5 years, Inflation or escalation is approximately 7-8%, however, the inflation considered by AERA is 3% which is nowhere close to the reality of the insurance industry.

In view of the above, YIAPL requests the Authority to consider the actual assessed insurance cost of YIAPL, rather than a normative percentage of gross block, to ensure adequate and prudent risk coverage aligned with market realities."

### 8.3.10 YIAPL's comments regarding Utility Cost are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*The Authority has stated that YIAPL's projected power requirements as submitted by YIAPL are based on a designed capacity of 12 MPPA and 24-hour operations. However, the Authority notes that in the first tariff year of the extended Control Period (FY 2026-27), the projected traffic is significantly lower than 12 MPPA, and the airport is unlikely to operate at full capacity on a 24 hours basis.*

*Considering the above, the Authority proposes to consider the following assumptions for power consumptions:*

- FY 2026-27 – 90% of full year consumption of 120 million units
- FY 2027-28 and thereon – 120 million units

#### YIAPL response:

*The Authority has assumed power consumption of 120 million units from FY 2027-28 onwards at a constant level. In this regard, it is respectfully submitted that YIAPL originally considered 120 million units for FY 2026-27 as the base consumption and had projected a year-on-year increase of 8% thereafter. While the*



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Authority has, with certain adjustments, considered the projected unit consumption for the initial year, it has not appropriately accounted for the subsequent growth in consumption.

It is submitted that such an approach does not reflect the operational reality of an airport ramping up over time. As passenger traffic increases year-on-year and the airport progressively approaches and exceeds its designed capacity, power consumption would also increase correspondingly. This is on account of higher operational intensity across both airside and terminal-side activities, including increased passenger processing, terminal usage, lighting, load on HVAC systems, baggage systems, ground support requirements, and associated infrastructure loads.

Accordingly, it would be reasonable to consider that the load on the airport's power infrastructure will increase in line with traffic growth and operational ramp-up, rather than remaining constant after FY 2027-28. In this regard, it is also pertinent to note that the traffic projections considered for the First Control Period exceed 12 MPPA within the five-year period, and in fact cross 12 million passengers in the third year itself. In such a scenario, assuming a flat level of consumption over the remaining years would understate the actual power requirement of the airport.

Further, it is submitted that NIA is closer to operational readiness and with better visibility on the operational requirements for the usage of Diesel Generator sets and diesel consumptions thereto. Also, diesel prices have increased due to geopolitical tensions affecting trade and supply.

It is pertinent to note that, at the beginning of the year, MCX crude oil futures prices were in the range of Rs. 5,000 to Rs. 6,000 per barrel and have since shown an upward movement because of the situation in the middle east.



Source: [https://groww.in/charts/commodities/mcx\\_crudeoil](https://groww.in/charts/commodities/mcx_crudeoil)

Since diesel constitutes a key input cost for DG operations, the expected increase in fuel prices in the short to medium term may have a material impact on DG-related expenditure. It is therefore requested that the Authority should take into consideration the revised diesel cost of Rs 10 Crs in the first year with an increase of 10% in further years while issuing the final tariff order.

Lastly, it is submitted that recovery from concessionaires has been considered aggressively by the Authority whereas YIAPL, in its submission, has mentioned a tentative recovery of power at 30% in first year of operation with a gradual increase in subsequent years.

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*Given that utility recovery is consumption-based, YIAPL requests the Authority to consider adopting the recovery percentages as proposed by YIAPL in its MYTP submission.”*

8.3.11 YIAPL’s comments regarding Advertisement Cost are as follows:

*“The Authority’s consideration and proposal put forth in Consultation Paper:*

*Vide para 8.2.115 the Authority has proposed the advertisement cost for NIA for First Control Period*

*YIAPL submission:*

*At the time of MYTP submission, the advertisement and marketing expense was submitted at Rs. 3.61 crore as recurring cost, based on the estimates and scope identified at that stage.*

*Subsequently, based on the readiness towards the airport’s operationalization and promotional requirements, the earlier projected numbers are revised based on the airport’s ongoing marketing and traffic development strategy which was not appropriately captured in the earlier submission.*

*The revised submission is tabulated as below:*

*The revised advertisement expense includes expenditure towards website content and digital assets, SEO/SEM, creative and social media support and festive and seasonal passenger engagement initiatives, among other recurring communication and outreach requirements.*

*It is further submitted that, as part of YIAPL’s ongoing marketing and traffic development strategy, the airport has entered MoUs with airlines, pursuant to which YIAPL is estimated to incur a joint marketing expenditure of Rs. 3 crore per annum. This expenditure is critical for collaborative promotional initiatives with airline partners, traffic stimulation, and route development support, and was not adequately reflected in the earlier submitted recurring expenditure.*

*Further, the one-time launch expense approved by the authority is Rs. 6 crore vis-à-vis 12 crore submitted. The proposed launch cost is very crucial for a greenfield airport operating in dual airport region to establish market presence, drive awareness and demand, and effectively compete within an already contested catchment. The revision is projected based on the latest discussions with vendors, and reflects the required expenditure on communication, awareness, and visibility initiatives at the time of airport operationalization.*

*The Authority has drawn parallels with Bangalore and Mopa airports while comparing the advertisement costs of NIA. In this regard, it is respectfully submitted that a more appropriate comparison would be with Delhi Airport, which had submitted and was allowed substantially higher advertisement and sales promotion expenses in its Fourth Control Period Order.*

*As noted in paragraph 9.2.61 of Consultation Paper No. 07/2024-25:*

*“DIAL also submitted that in order to protect the interest of the Airport considering the competition from the upcoming Noida International Airport, DIAL projected to incur expenditure for attracting the passengers by way of various advertisements highlighting passenger experience, facilities, service quality and ratings of the Airport. Thus, DIAL has projected Advertising expenditure based on passenger traffic growth and inflation.*

*It is submitted that if such expenditure was considered justified for Delhi Airport in light of the competitive impact of the upcoming Noida International Airport, then the converse should equally hold true for NIA, which, being a greenfield airport, is required to establish its market presence, build awareness, stimulate traffic and compete in an already contested catchment.*

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*Considering the competitive environment faced by Noida International Airport, together with its greenfield nature, it is respectfully requested that the Authority allow the advertisement and marketing expenses in line with above submissions."*

8.3.12 YIAPL's comments regarding CNS ATM Expenditure are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 8.2.154 and 8.2.157 the Authority has proposed to not consider the component of 30% overheads and has also proposed to adjust the TNLC charges of the respective year against the CNS ATM expenses of the same year.*

### *YIAPL's Response*

*Clause 22.1.1 of the Master Concession Agreement mandates YIAPL to appoint Designated GOI Agencies for the Reserved Services which includes CNS/ATM services. YIAPL hereby requests the Authority to adjust TNLC as per the CNS/ATM Agreement executed between YIAPL and AAI. The proposal set forth by the Authority will lead to an impact on the cashflows of airport operator as AAI will allow the adjustment to TNLC In subsequent year.*

*Further, in addition to CNS/ATM services, YIAPL has entered into an agreement with the India Meteorological Department (IMD) for provision of Aviation Meteorological Services in accordance with ICAO guidelines. Under the terms of this agreement, YIAPL is required to bear the cost of salaries, accommodation, conveyance, as well as procurement and maintenance of all the equipment requirements for such services. These costs were not factored into the MYTP submission.*

*Basis the cost estimates received from IMD, Cost towards their services will be Rs 5 Crores per annum. Since these costs pertain to reserved services, it is respectfully requested that the Authority consider and allow the same.*

*Further, YIAPL requests the Authority to allow actual cost incurred with reference to reserved services by airport operator as the same are mandatory in pursuance of executed agreements.*

*As regards the proposed disallowance of 30% overheads claimed by AAI, YIAPL strongly requests the Authority to consider the issue from YIAPL's perspective. We have a situation where one statutory authority (AAI) claims an amount basis an agreement and monopoly over which YIAPL has had no bargaining or negotiating power to question or push back on any of these costs. On the other hand, another statutory authority (AERA) questions the same cost and proposes to disallow the same. This leads to only two choices for YIAPL: submit to the proposal of the Authority and dispute the payment of such costs with AAI OR request the Authority to take cognizance of this situation and allow the cost in its entirety. YIAPL earnestly hopes that the Authority would adopt the latter approach and help in avoiding an unnecessary dispute like situation."*

### **Other Stakeholders' comments regarding Operation and Maintenance Expenses for the First Control Period**

8.3.13 Mr. Sumedh Bhagwat's comments regarding Tighter Benchmarking for O&M Escalations are as follows:

*"The Authority's intervention to cap baseline payroll expenses at ₹0.21 crore per employee for FY26 and strictly assess utility load requirements is a necessary step. However, applying a fixed 6% annual escalation for payroll and an 8% Y-o-Y growth for power consumption builds in unnecessary slack. O&M escalations*



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*should be strictly pegged to verifiable efficiency targets and throughput rather than blanket inflationary adjustments, particularly in the initial years when the terminal will likely operate below its peak design capacity. The concessionaire must be incentivized to absorb operational inefficiencies, not pass them through to the ARR."*

### 8.3.14 IATAs comments regarding CNS/ATM Expenses are as follows:

*"AAI CNS/ATM reimbursement and OPEX overheads*

*The CP provides for recovery of ₹129.30 crore of CNS/ATM capital expenditure incurred by AAI, amortized over 10 years at 12% APR, along with ongoing operating expenditures that are fully allocated to aeronautical users. AERA also observes that AAI's CNS/ATM OPEX includes a 30% overhead loading, for which no clear or demonstrable linkage to incremental service provision has been established.*

*Given that these costs are charged entirely to aeronautical users, full transparency and clear justification are essential, including visibility on cost drivers, efficiency benchmarks, and evidence that overheads reflect actual incremental costs rather than a general allocation.*

*IATA and the airline community strongly encourage the Authority to maintain a strictly prudent, evidence based approach when recognising both capital and operating costs. At a greenfield airport with significant upfront investment, it is critical that:*

- Only efficient, justified and demand timed CAPEX is admitted;*
- Construction related risk is not transferred prematurely to airlines*
- CNS/ATM cost allocations and overheads are fully validated and transparent; and*
- Users are protected from cost burdens that lack clear operational need or are not reflective of actual service delivery.*

*Applying these principles will help ensure tariffs remain both affordable and aligned with sustainable traffic development, avoiding unnecessary front loading of costs onto early operators during DXN's ramp up phase."*

### 8.3.15 Lufthansa Group's comments regarding CNS/ATM Expenditure are as follows:

*"AERA noted that YIAPL has included expenses related to CNS/ATM services as part of the O&M expenses for the First Control Period. In this regard, the Authority observes that these CNS/ATM expenses pertain to the deficit between the TNLC charges collected by AAI during the previous year and the actual cost of providing the service during the year, in accordance with Clause 7.4 of the CNS/ATM Agreement.*

*We support the Authority's analysis in Para 8.2.154(of the Consultation Paper) that this overhead lacks a "clear and demonstrable linkage" to actual incremental services for DXN. We urge the Authority to uphold its stated proposal to exclude this component when issuing the final Tariff Order, as contemplated in the review process under Para 8.3.3(of the Consultation Paper). Clause 7.4 of the CNS-ATM Agreement explicitly states that services shall be provided on a "cost recovery basis". An ad-hoc markup is a profit margin, not a verifiable cost.*

*Under this agreement, AAI is limited to the reimbursement of actual, verifiable expenses incurred specifically for DXN.*



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*We agree with the Authority's view in Para 8.2.154(of the Consultation Paper) that since CNS/ATM is a "Centralized statutory function," support costs are already "absorbed within AAI's overall cost structure". Allowing an additional 30% markup would result in "double counting of costs and an unjustified pass-through to passengers".*

*Subjecting DXN to an overhead not applied at other major PPP airports would be discriminatory and inconsistent with regulatory principles and would unfairly inflate the aeronautical cost base.*

*As per Articles 22.2.2 and 22.2.3 of the Concession Agreement, YIAPL is responsible for bearing incremental costs if it requests equipment upgrades to a level "higher than he requirements set forth in ICAO Documents and Annexes". Standard administrative overheads for routine services do not meet this criterion for an additional pass-through cost."*

8.3.16 Lufthansa Group's comments regarding Personnel Costs are as follows:

*"The Authority has noted in Para 8.1.6(of the Consultation Paper) that YIAPL projected an average cost per employee of ₹0.25 crore for the base year with a high annual escalation of 10%. In Para 8.2.31(of the Consultation Paper), the Authority's benchmarking analysis across major Indian airports (referencing Figure 3, Page 144) revealed that NIA's projected average salary as the highest in the country compared to other airports. Consequently, in Para 8.2.32(of the Consultation Paper), the Authority proposed rationalizing the base year cost to ₹0.21 crore with a reduced annual escalation of 6%. We support the Authority's proposal in Para 8.2.32 to reduce the inflated personnel cost base and to cap the annual escalation at 6%. YIAPL's original proposed 10% increase is significantly higher than general inflation and creates an unsustainable cost base.*

*While we acknowledge the Authority's reduction to ₹0.21 crore, we submit that the cost should be further aligned with the efficient industry benchmarks identified in the CP. As illustrated in Figure 3 (Page 144), efficient airports such as Hyderabad and Ahmedabad operate with an average cost of ₹0.16 crore per employee. As a greenfield airport, NIA should adopt these benchmarks from the beginning and reduce the employee costs further.*

*Rationalization of Pre-Operative Personnel Costs: We also support the Authority's proposal in Table 81 (Para 5.3.211) to exclude capitalized personnel costs related to Non-Aeronautical teams (Commercial and Real Estate) from the Regulatory Asset Base (RAB) being non aero. Personnel costs that do not directly contribute to aeronautical services must not be included into the RAB, as this leads to long-term tariff inflation.*

*We support the Authority's suggestion in Para 8.2.22(of the Consultation Paper) to reclassify employees to departments such as from "Aeronautical" to "Common". This ensures a more accurate Environment & Sustainability, Security, and the COO Office Employee Head Count Ratio (EHCR) and prevents the over-allocation of personnel expenses on the aeronautical side.*

*Article 5 of the Concession Agreement talks about the Obligations of the Concessionaire and Article 5.1.4 binds the Concessionaire to conform to "Good Industry Practice" at all times.*

*Article 53 (Definitions) of the CA explicitly defines "Good Industry Practice" as performing functions in a "reliable, safe, economical and efficient manner."*



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*Maintaining the highest salary structure for a greenfield airport is neither "economical" nor "efficient." This makes the Aggregate Revenue Requirement (ARR) higher, placing an unjustified financial burden on airlines and passengers that violates the efficiency standards mandated by the Concession Agreement.*

*Productivity and Staffing Levels: Based on the projected headcount growth to 481 employees by FY 2031 (Table 121, Para 8.2.23), we urge the Authority to strictly monitor the "passenger-to-employee" productivity ratio and seek justifications from YIAPL. Under Article 17.1.1 of the CA, it is the obligation of the Concessionaire to operate assets "diligently and efficiently," requiring optimal staffing levels consistent with international "Good Industry Practice."*

### 8.4 YIAPL's response to Stakeholders' comments on Operation and Maintenance Expenses for the First Control Period

8.4.1 YIAPL's response to Mr. Sumedh Bhagwat's comments on tighter Benchmarking for O&M Escalations is as follows:

*"Operations and Maintenance (O&M) expenses are fundamental to ensuring the safe, efficient, and continuous functioning of an airport and cannot be compromised without impacting operational readiness and service quality. In this regard, YIAPL submits that any like-to-like comparison of personnel cost per employee across airports would be inappropriate unless due regard is given to the distinct operational, structural, and developmental characteristics of Noida International Airport, which is a greenfield airport, single airport company build from scratch. Accordingly, YIAPL respectfully requests the Authority to consider the detailed submissions set out in paragraph 6.1 (refer para 8.3.2 of this Tariff Order) of YIAPL's comments on the Consultation Paper while examining personnel-related costs.*

*With respect to personnel costs, YIAPL further submits that an annual escalation in personnel costs as 10% is industry-consistent, empirically supported, and reflective of prevailing conditions in the Indian aviation sector. Such escalation is driven by regulatory staffing requirements, skilled manpower constraints, training and certification needs, and compliance with safety and service-level mandates, particularly for airport operators. The proposed escalation is therefore reasonable and aligned with sectoral benchmarks.*

*Further, in relation to the increase in power consumption, YIAPL submits that electricity consumption at an airport is directly correlated with operational activity and traffic growth. As passenger and aircraft movements increase in subsequent years, the utilisation of terminal facilities, airside infrastructure, utilities, and systems correspondingly rises, leading to higher power consumption. This increase is structural in nature and a function of growing airport operations rather than inefficiency.*

*YIAPL requests the Authority to take into consideration the detailed submissions made in paragraph 6.5 (refer para 8.3.10 of this Tariff Order) of YIAPL's comments on the Consultation Paper."*

8.4.2 YIAPL has not submitted any response to IATA's comments on CNS/ATM expenses.

8.4.3 YIAPL's response to Lufthansa Group's comments on Personnel Costs is as follows:

*"Lufthansa, in its comments on personnel costs, has relied on the Authority's comparison of approved personnel costs for other airports with the personnel costs submitted by YIAPL. In this regard, it is important to note that airports operate in different circumstances and are not directly comparable in all respects. YIAPL is materially different from the airports used for comparison, inter alia, for the following reasons:*

- *YIAPL is a greenfield airport, built from the ground up and only now commencing operations.*



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- *The scale and stage of operations during the First Control Period are materially different from those of the comparison airports, resulting in a different workforce composition.*
- *YIAPL is the sole airport within its group structure and therefore does not benefit from apportionment of manpower or corporate costs across multiple airports or centralised functions.*
- *The location of the airport presents its own challenges, particularly as the surrounding area is still in the process of development.*

*Further, with reference to the Authority's comparison with Cochin International Airport, it may be noted that the average personnel cost based on the audited financial statements of Cochin Airport is Rs 22.5 lakh for FY 2025, which, even after applying a modest growth rate of 6%, increases to approximately Rs 25.25 lakh for FY 2027. In this context, YIAPL submits that the average personnel cost projected for Noida International Airport for FY 2027 is broadly at par with that of Cochin Airport, notwithstanding the comparatively higher cost of living in the NCR region. Further, drawing reference for personnel cost to matured airports or airports from group company will not be appropriate due to distinct characteristics of NIA.*

*In addition, YIAPL has provided detailed submissions on the Authority's treatment of personnel costs in Section 6.1 (refer para 8.3.2 of this Tariff Order) of its comments on the Consultation Paper. YIAPL respectfully requests the Authority to take the same into consideration."*

8.4.4 YIAPL's response to Lufthansa Group's comments on CNS/ATM Expenditure is as follows:

*"In the matter of disallowance of 30% overhead costs pertaining to CNS/ATM services, YIAPL has provided detailed comments in Section 6.7 (refer para 8.3.12 of this Tariff Order) of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration."*

### **8.5 Authority's analysis on Stakeholders' comments regarding Operation & Maintenance Expenses for the First Control Period**

#### **Personnel Cost**

8.5.1 The Authority has examined the submissions of YIAPL regarding personnel costs. The Authority reiterates that benchmarking of average personnel cost per employee with other airports is undertaken as part of the prudence review process to promote efficiency and reasonableness in costs proposed to be recovered from airport users. The Authority further expects that, as operations stabilize and traffic scales up, the Airport Operator shall progressively achieve efficiencies in manpower deployment and cost structures in line with Good Industry Practice.

8.5.2 The Authority has taken note of YIAPL's submissions regarding its status as a greenfield airport, the need to establish the organisation from the ground up, the absence of group-level cost sharing arrangements, and the operational and location-related challenges associated with attracting and retaining skilled personnel during the initial years of operation. The Authority has also noted YIAPL's counter comments to Lufthansa Group's submissions regarding comparison with Cochin Airport and the contention that the projected average personnel cost for Noida International Airport for FY 2027 is broadly comparable with the personnel cost levels at Cochin Airport after considering annual escalation and regional cost differentials. While acknowledging these factors, the Authority is of the view that such considerations do not preclude the need for benchmarking and prudence assessment of personnel costs.

Accordingly, while the benchmarking analysis undertaken by the Authority indicated lower average personnel costs at certain comparable airports, the Authority has considered the specific operational



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circumstances highlighted by YIAPL and therefore decides to adopt an average cost per employee of Rs. 0.21 crore as proposed in the Consultation Paper. The Authority considers the same to represent a balanced and reasonable approach between benchmarking outcomes and the unique circumstances highlighted by YIAPL.

- 8.5.3 The Authority notes YIAPL's submissions regarding employee insurance costs, including group health insurance expenses proposed during the tariff determination process. The Authority observes that such costs were not part of the original MYTP submissions and have been proposed subsequently at the order stage. In the absence of detailed assessment and stakeholder review of the revised expenditure proposals, the Authority considers it appropriate to retain the personnel cost assumptions as proposed in the Consultation Paper for the First Control Period. The same may be considered at the time of true-up during the tariff determination of the Second Control Period based on actual incurrence and assessment of reasonableness, efficiency and prudence.
- 8.5.4 Further, with regard to the updated manpower numbers submitted by YIAPL, the Authority has examined the revised headcount and notes that the current submission reflects an increase of 12 employees over the headcount of 438 considered at the Consultation Paper stage. However, the Authority observes that no reconciliation or detailed justification has been furnished to substantiate the variation in headcount between the Consultation Paper stage and the revised submission. The Authority further notes that the incremental increase of 12 employees is not expected to materially impact the overall personnel costs for the First Control Period. Accordingly, in the absence of adequate supporting justification, the Authority considers it appropriate to retain the employee numbers as proposed in the Consultation Paper for the purpose of determination of personnel costs for the First Control Period.
- 8.5.5 The Authority has also examined the revised Employee Head Count Ratio (EHCR) and departmental allocation submitted by YIAPL. However, considering that the Authority has decided to retain the employee headcount as proposed in the Consultation Paper for the First Control Period, the Authority also considers it appropriate to retain the employee classification and allocation methodology adopted at the Consultation Paper stage for determination of aeronautical personnel costs for the First Control Period.
- 8.5.6 The Authority further notes YIAPL's request regarding confidentiality of the department-wise average CTC details disclosed in Table 81 of this Tariff Order. In this regard, the Authority observes that the said disclosures do not contain any employee-wise personally identifiable information. The Authority further considers that the disclosure of such aggregated information is necessary to ensure transparency and to enable stakeholders to meaningfully assess and comment upon the proposals contained in the Consultation Paper. Accordingly, the Authority does not consider such disclosure to give rise to confidentiality concerns and decides to retain Table 81 of this Tariff Order.

The personnel costs so considered shall be subject to true-up at the time of tariff determination for the Second Control Period, based on assessment of actual expenditure, reasonableness and efficiency.

- 8.5.7 The Authority further notes Lufthansa Group's submissions regarding the need for adherence to "Good Industry Practice" as envisaged under Article 5 and Article 53 of the Concession Agreement, which, inter alia, require the airport operator to undertake operations in a reliable, safe, economical, and efficient manner. In this regard, the Authority has undertaken a benchmarking assessment of personnel costs across comparable airports while also taking cognizance of the specific operational characteristics and constraints highlighted by YIAPL, including its status as a greenfield airport, the scale and stage of operations during the First Control Period, and the absence of cost-sharing benefits available to multi-airport operators.



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With respect to monitoring of personnel productivity and staffing levels, the Authority expects YIAPL to prudently manage personnel and other operating costs in alignment with the terminal's passenger handling capacity and actual utilisation levels. Accordingly, such costs should remain commensurate with traffic throughput, operational requirements, and capacity deployment and should be calibrated so as not to exceed the levels approved for the Control Period. The Authority further expects YIAPL to ensure that manpower planning and deployment are undertaken in accordance with principles of operational efficiency, economy and reasonableness, keeping in view the impact on tariffs and the interests of airport users and other stakeholders.

### **Contracted Services (Outsourced Manpower), Repairs and Maintenance Expenses, IT Cost and Digital Cost**

- 8.5.8 The Authority notes the comments of YIAPL regarding outsourced manpower costs and R&M costs, including CAM charges, IT costs and Digital costs. The Authority has examined the details furnished by YIAPL, including the contract-wise breakup of outsourced manpower expenses and R&M related costs submitted in July 2025 during preparation of the Consultation Paper, and the updated details subsequently submitted by YIAPL at the order stage in April 2026. On a prima facie examination, the Authority observes that the submissions made at the order stage primarily comprise an incremental listing of contracts pertaining to manpower outsourcing and R&M activities which do not reconcile with the unawarded contracts forming part of the July 2025 submissions. The Authority further notes that YIAPL has not furnished a consolidated and comprehensive mapping of the projected outsourced manpower and R&M costs against awarded contracts, proposed contracts and projected expenditure. Instead, separate schedules have been submitted at different stages without adequate reconciliation between the same.

The Authority further observes that, in certain instances, the contract values reviewed do not fully correspond with the amounts reflected in the revised cost schedules submitted by YIAPL, indicating that a portion of the projected expenditure continues to be based on estimates. The Authority also notes that contractual documentation for certain elements of the revised costs has not been furnished for verification, suggesting that such costs have been proposed on an estimated basis. Accordingly, while the Authority has taken note of the revised submissions, the Authority considers it appropriate to retain the assumptions adopted in the Consultation Paper for the purpose of determining outsourced manpower costs and R&M costs, including CAM charges, IT costs and digital costs for the First Control Period.

With respect to the application of allocation ratios, the Authority decides to consider the outsourced manpower expense, net of CAM charges recovered from concessionaires as 100% aeronautical in nature for the purpose of tariff determination.

The aforesaid costs shall be subject to true up during the tariff determination for the Second Control Period based on actual expenditure and supporting documentation and shall be assessed in accordance with the principles of essentiality, reasonableness and efficiency.

Considering the above, the revised Total and Aeronautical Outsourced Manpower Costs for the First Control Period as decided by the Authority is as follows:



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**Table 171: Total Aeronautical Outsourced Manpower Cost decided by the Authority for the First Control Period**

(Rs. in crores)

Pàrticulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Manpower Outsourcing Cost (Table 137)	A=Prev. A×(1+B)	38.64	41.25	43.87	46.69	49.90	220.35
% increase	B		6.78%	6.33%	6.44%	6.87%	
CAM Charges (Recovery) (Table 136)	C	4.30	5.91	6.56	7.27	7.78	31.82
<b>Net Manpower Outsourcing Cost</b>	<b>D=A-C</b>	<b>34.34</b>	<b>35.35</b>	<b>37.31</b>	<b>39.42</b>	<b>42.12</b>	<b>180.59</b>
<b>Manpower Outsourcing Cost considering operational period</b>	<b>E</b>	<b>26.40*</b>	<b>35.35</b>	<b>37.31</b>	<b>39.42</b>	<b>42.12</b>	<b>180.59</b>
Allocation Ratio (refer para 8.5.8)	F	100%	100%	100%	100%	100%	
<b>Aeronautical Manpower Cost</b>	<b>G=E×F</b>	<b>26.40</b>	<b>35.35</b>	<b>37.31</b>	<b>39.42</b>	<b>42.12</b>	<b>180.59</b>

\* Considering COD as 15<sup>th</sup> June 2026

**Insurance**

8.5.9 The Authority notes the comments of YIAPL regarding insurance costs pertaining to every aspects of the infrastructure and operations of the airport. In this regard, while the Authority acknowledges that insurance requirements for a greenfield airport may vary based on risk profile and market conditions, the Authority notes that YIAPL has not submitted a detailed break up of the revised insurance cost across asset related and liability related policies, along with coverage limits, deductibles and supporting premium justification, to enable an assessment of the submission. In the absence of such detailed information, the Authority considers it appropriate to continue with the approach adopted in the Consultation Paper.

With respect to escalation, the Authority notes YIAPL’s submission that insurance premium inflation has been higher than standard assumptions; however, the Authority reiterates that escalation factors applied for tariff determination are required to be uniform, transparent and based on reliable and publicly available macro-economic indicators. Accordingly, the Authority has decided to adopt escalation based on the Wholesale Price Index (WPI), as given in the “Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 99th Round” published by the Reserve Bank of India, which is the consistently applied benchmark for cost escalation by the Authority.

The Authority further clarifies that insurance costs pertaining to airport assets shall be subject to review and true up during the tariff determination of the Second Control Period subject to assessment of their reasonableness and efficiency.

**Utility Cost**

8.5.10 The Authority notes the comments of YIAPL regarding Utility Charges. In this regard, the Authority notes that power consumption at an airport is primarily driven by installed capacity, base load requirements and operational requirements associated with maintaining airport functionality and service availability, rather than passenger traffic alone, particularly during the early years of operation of a greenfield airport. Even at lower traffic levels, essential airport systems such as terminal and airfield lighting, HVAC systems, baggage handling systems, safety, security and surveillance infrastructure are required to remain operational to ensure continuous service availability, operational safety and compliance with applicable regulatory requirements.



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The Authority further notes that YIAPL's own design assumptions and planning of electrical infrastructure are based on a designed capacity of 12 MPPA with 24-hour operational readiness. Accordingly, passenger traffic levels do not have a linear or proportionate relationship with utility consumption. In view of the above, and considering the absence of actual operational data for the initial years, the Authority considers it appropriate to retain the power consumption assumptions as proposed in the Consultation Paper for the First Control Period, subject to true-up based on actual consumption and assessment of reasonableness and efficiency in subsequent tariff determination exercises.

The Authority has examined YIAPL's submissions seeking revision of Diesel Generator (DG) cost from INR 5 crore, as proposed in the Consultation Paper, to INR 10 crore, and notes that YIAPL has furnished a cost estimate based on updated operational assumptions, fuel price trends and projected DG usage. Given that Noida International Airport is commencing operations and that actual DG utilisation and fuel consumption patterns will stabilise only after commencement of commercial operations, the Authority considers it prudent to retain the DG cost assumption as proposed in the Consultation Paper for the First Control Period. The Authority decides that the DG cost so considered shall be subject to true-up based on actual expenditure incurred and assessment of its reasonableness and efficiency at the time of subsequent tariff determination.

With regard to recovery of power and DG costs from concessionaires, the Authority has examined YIAPL's submission proposing a lower recovery of 30% in the initial year with a gradual increase thereafter. The Authority notes that there has been a delay in the Commercial Operations Date (COD), during which additional concession agreements have been awarded, resulting in a larger base of concessionaires availing common utility services. Considering that recovery of utility charges is consumption-based and that a wider set of concessionaires are expected to be operational from COD, the Authority considers it appropriate to retain the recovery assumption of 35% as proposed in the Consultation Paper for the First Control Period. The Authority further clarifies that recovery of utility costs shall be subject to true-up based on actual recoveries and consumption patterns, assessed for reasonableness and efficiency at the time of tariff determination of the second control period.

### **Advertisement Cost**

8.5.11 The Authority notes the submissions of YIAPL regarding advertisement and marketing expenditure. The Authority notes that YIAPL has proposed a revision to the projected advertisement and marketing costs; however, no detailed break-up or adequate supporting justification for the revised expenditure has been provided. The Authority further notes that the revised expenditure proposals submitted at the order stage have not been subjected to stakeholder consultation and review.

The Authority also notes that Noida International Airport is a greenfield airport presently in the initial phase of operations and yet to achieve operational stabilization. In this regard, the Authority has adopted a prudent approach and considered only such costs that are assessed to be necessary and essential for airport operations during the First Control Period. In the absence of sufficient details enabling assessment of the nature, necessity, efficiency, and reasonableness of the revised advertisement and marketing expenditure, the Authority does not consider it appropriate to allow the revised costs for the First Control Period. Accordingly, the Authority retains the advertisement and marketing cost assumptions as proposed in the Consultation Paper.

The Authority further notes that any expenditure incurred by YIAPL towards advertisement and marketing activities shall be subject to review and true-up at the time of tariff determination for the Second Control Period, based on assessment of actual expenditure, efficiency, necessity, and reasonableness.



**CNS/ATM Expenses**

8.5.12 The Authority notes comments of YIAPL, IATA and Lufthansa Group regarding CNS/ATM expenditure. In this regard, the Authority observes that TNLC is a mechanism for recovery of CNS/ATM costs and, therefore, for the purpose of tariff determination, the adjustment of TNLC against CNS/ATM expenditure is required to be undertaken in the same year so as to appropriately align the costs with the period in which the corresponding services are rendered. Deferring such adjustment to subsequent years, as envisaged under the contractual arrangement between YIAPL and AAI, would distort year-wise tariff outcomes and result in inter-period shifting of costs, whereby certain users may bear costs that do not pertain to their period of usage.

The Authority further notes that the CNS/ATM capital expenditure considered in the present tariff determination pertains to infrastructure necessary for operationalization of airport services and has been assessed in accordance with the applicable prudence principles under the tariff framework. The Authority has considered only such costs as are assessed to be reasonable, efficient, and relevant to current service delivery, so as to avoid any undue or premature transfer of cost burden to airport users, particularly during the ramp-up phase of airport operations.

With regard to the overhead component claimed by AAI as part of CNS/ATM charges, the Authority maintains its proposal to not consider the overheads amounting to 30% at this stage (refer para 8.2.154). The Authority notes that the said overheads are being levied as a flat rate across services, without any demonstrated nexus to the nature or extent of CNS/ATM services rendered, and without adequate supporting cost break-up or allocation basis. In the absence of sufficient justification, the Authority considers it appropriate to disallow the overhead component for tariff determination purposes, so as to avoid burdening airport users and other stakeholders with costs that have not been established as reasonable, efficient, and directly attributable to the services provided.

Further, the Authority notes that AAI, being the primary stakeholder in this matter, has neither raised any objections during the Stakeholder Consultation Meeting nor submitted any comments thereafter. Accordingly, the Authority understands that AAI has no objection to the proposal of the Authority.

With regards to the expenditure relating to Aviation Meteorological Services proposed to be incurred through IMD, the Authority notes that YIAPL has not furnished an adequate cost break-up, supporting invoices or detailed justification of the proposed expenditure so as to enable a prudence assessment at this stage. In the absence of such information, the Authority is not in a position to consider the said costs for the First Control Period.

However, the Authority acknowledges that such services form part of the reserved services required for airport operations. Accordingly, these costs shall be subject to review and true-up during the tariff determination for the Second Control Period, based on actual expenditure duly supported by detailed information and subject to assessment of their reasonableness, efficiency and relevance to aeronautical service delivery in accordance with the applicable tariff framework.

**Tighter Benchmarking for O&M escalations**

8.5.13 The Authority notes the Mr. Sumedh Bhagwat's observation regarding the application of standard escalation rates for manpower and utilities and the need to link O&M costs with efficiency and throughput. In this regard, the Authority reiterates that the escalation rates adopted for manpower and utilities are accepted regulatory benchmarks that have been consistently applied across airports. The base cost proposed by the Authority has been considered only after benchmarking with peer airports to assess overall reasonableness



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and efficiency. The benchmarking exercise, as presented in the Consultation Paper, indicates that the projected O&M costs are broadly in line with comparable airports operating under similar conditions, including greenfield airports in early years of operation.

At the same time, the Authority recognizes that operational efficiency must be encouraged and that inefficiencies should not be automatically passed through to users. Accordingly, the Authority proposed to true up O&M expenditure at the time of tariff review, based on actual performance, traffic evolution, and demonstrated efficiency, including assessment against peer benchmarks. This ensures that while reasonable escalations are allowed upfront to maintain operational readiness and service quality, any deviations arising from inefficiencies will be addressed through the regulatory true up mechanism, thereby protecting user interest.

8.5.14 As detailed above the Authority has recomputed the Operating expenditure by incorporating the following changes from the Consultation Stage:

- Change in Outsourced Manpower cost by considering the cost post recovery of CAM to be 100% aeronautical instead of application of EHCR at Consultation Stage as discussed in Table 171.
- Consideration of change in COD to 15<sup>th</sup> June 2026 as per para 1.2.6 instead of 1<sup>st</sup> April 2026 at Consultation Stage.
- Change in gross block ratio consequent to the changes in aeronautical allocation ratio of VGDS and CISF Bachelor Accommodation as explained in Paras 5.9.6 and 5.9.7 of this Tariff Order.
- Change in inflation rates as per Table 121

**Table 172: Total O&M Expenses as decided by the Authority for the First Tariff Year (FY 2026-27) of the First Control Period**

(Rs. in crores)

Particulars	FY 2027*
Personnel Cost	82.55
Contracted Services (Manpower outsourcing cost)	26.40
Materials, equipment and supplies cost	3.98
Utility cost	49.73
General administration cost	13.52
R&M cost	123.70
Advertisement cost	8.91
Insurance cost	2.96
Airport operator support fee	4.51
Corporate Environment Responsibility (CER)	7.53
Collection charges	1.89
Other cost	6.51
CNS/ATM expenditure	52.83
CSR expense	-
Interest on working capital	0.38
<b>Total</b>	<b>385.40</b>

\*Pro-rated considering COD as 15<sup>th</sup> June 2026

8.5.15 After incorporation of the change in COD and applying the revised inflation rates as per Table 121 and the change in assumptions as mentioned in para 8.5.14 and Table 180, the following is the Total and Aeronautical Operation and Maintenance expense for the First Control Period as decided by the Authority for Noida International Airport.



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**Table 173: Total Operations and Maintenance Expenses as decided by the Authority for the First Control Period**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Personnel Cost	82.55	111.51	121.71	134.99	143.55	594.31
Contracted Services (Manpower outsourcing cost)	26.40	35.35	37.31	39.42	42.12	180.59
Materials, equipment and supplies cost	3.98	5.19	5.37	5.57	5.77	25.87
Utility cost	49.73	74.57	74.30	77.77	75.02	351.38
General administration cost	13.52	17.62	18.26	18.91	19.60	87.91
R&M cost	123.70	155.69	155.85	156.02	156.18	747.43
Advertisement cost	8.91	3.80	3.93	4.07	4.22	24.94
Insurance cost	2.96	3.86	4.01	4.16	4.31	19.31
Airport operator support fee	4.51	5.84	6.01	6.18	6.36	28.92
Corporate Environment Responsibility (CER)	7.53	9.48	9.48	9.48	9.48	45.44
Collection charges	1.89	3.47	5.08	6.09	6.76	23.28
Other cost	6.51	8.53	8.83	9.25	9.47	42.59
CNS/ATM expenditure	52.83	61.42	52.62	47.99	46.14	261.00
CSR expense	-	-	-	-	-	-
Interest on working capital	0.38	1.60	2.94	4.48	6.42	15.82
<b>Total</b>	<b>385.40</b>	<b>497.92</b>	<b>505.69</b>	<b>524.38</b>	<b>535.38</b>	<b>2,448.77</b>

8.5.16 The Aeronautical O&M expenses after considering the allocation ratios as per Table 131 and a change in allocation ratio for Manpower Outsourcing cost as per Table 171 is given below:

**Table 174: Aeronautical Operations and Maintenance Expenses as decided by the Authority for the First Control Period**

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Personnel Cost	70.11	94.94	104.13	116.07	123.85	509.10
Contracted Services (Manpower outsourcing cost)	26.40	35.35	37.31	39.42	42.12	180.59
Materials, equipment and supplies cost	3.60	4.69	4.86	5.04	5.22	23.42
Utility cost	49.73	74.57	74.30	77.77	75.02	351.38
General administration cost	11.97	15.62	16.21	16.83	17.45	78.09
R&M cost	111.94	140.89	141.06	141.23	141.40	676.51
Advertisement cost	7.84	3.34	3.46	3.59	3.71	21.94
Insurance cost	2.68	3.50	3.63	3.76	3.90	17.47
Airport operator support fee	3.83	4.98	5.14	5.32	5.49	24.76
Corporate Environment Responsibility (CER)	6.81	8.58	8.58	8.58	8.58	41.13
Collection charges	1.89	3.47	5.08	6.09	6.76	23.28
Other cost	5.94	7.80	8.08	8.47	8.67	38.95
CNS/ATM expenditure	52.83	61.42	52.62	47.99	46.14	261.00
CSR expense	-	-	-	-	-	-
Interest on working capital	0.35	1.45	2.66	4.06	5.81	14.32
<b>Total</b>	<b>355.92</b>	<b>460.58</b>	<b>467.12</b>	<b>484.21</b>	<b>494.12</b>	<b>2,261.94</b>

8.5.17 Tabulation of changes in values between Consultation Stage and Order, together with reasons are as given below:



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**Table 175: Summary of changes in Aeronautical Operations and Maintenance Expenses between Consultation Stage and Order**

(Rs. in crores)

Particulars	At Consultation Stage (A)	At Order Stage (B)	Difference (C=B-A)	Reason
Personnel Cost	526.82	509.10	-17.72	Personnel expenses decreased due to pro-rata application (9.5 months in the first year).
Contracted Services (Manpower outsourcing cost)	160.46	180.59	20.13	The allocation ratio changed from 86% (EHCR) to 100% aeronautical, resulting in higher personnel costs.
Materials, equipment and supplies cost	23.63	23.42	-0.21	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
Utility cost	353.35	351.38	-1.97	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
General administration cost	78.84	78.09	-0.75	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
R&M cost	704.46	676.51	-27.95	Due to pro-rating of the first year considering the revised COD of 15 <sup>th</sup> June 2026 as against 1 <sup>st</sup> April 2026 as considered at the Consultation Stage.
Advertisement cost	22.12	21.94	-0.18	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
Insurance cost	17.93	17.47	-0.46	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
Airport operator support fee	23.76	24.76	1.00	Change in inflation and pro-rating of the first year considering the revised COD of 15 <sup>th</sup> June 2026 as against 1 <sup>st</sup> April 2026 as considered at the Consultation Stage.
Corporate Environment Responsibility (CER)	42.83	41.13	-1.70	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
Collection charges	24.58	23.28	-1.30	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year and due to change in traffic.
Other cost	39.58	38.95	-0.63	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
CNS/ATM expenditure	260.03	261.00	0.97	Change in inflation and pro-rating of the first year considering the revised COD of 15 <sup>th</sup> June 2026 as against 1 <sup>st</sup> April 2026 as considered at the Consultation Stage.
CSR expense	-	-	-	Not applicable.
Interest on working capital	14.39	14.32	-0.07	The increase due to higher inflation is offset by the pro-rata reduction (9.5 months) in the first year.
<b>Total</b>	<b>2,292.78</b>	<b>2,261.94</b>	<b>-30.84</b>	



**8.6 Authority's decision regarding Operation and Maintenance (O&M) expenses for the First Control Period**

Based on the material before it and its analysis, the Authority decides the following with regard to Operation and Maintenance (O&M) expenses for the First Control Period.

- 8.6.1 To consider Aeronautical O&M expenses for the First Control Period for Noida International Airport as per Table 174.
- 8.6.2 To consider the O&M expenses incurred by YIAPL during the First Control Period subject to reasonableness and efficiency, at the time of tariff determination for the next Control Period.



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9.1.3 YIAPL had estimated NAR based on the Income per Passenger (IPP) for each service which is then multiplied with the total number of passengers. The revenue per passenger considered by YIAPL for each service is given below.

**Table 177: Income per Passenger (IPP) assumed by YIAPL for Non-Aeronautical Revenue for the First Control Period**

(Rs. per pax)

Sl. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
A	Integrated Warehousing and Logistics Zone (IWLZ)*	-	-	-	-	-
B	Advertising & Promotion	13.95	17.40	14.45	13.52	13.46
C	Duty Free	8.87	14.33	15.80	16.47	18.66
D	Food & Beverage (F&B)	25.39	37.20	39.42	39.77	44.64
E	Lounges	14.36	26.59	26.83	29.93	32.41
F	Hotel	-	2.89	2.42	5.03	5.80
G	Space Rentals	5.54	7.21	6.26	5.52	5.39
H	Retail	13.03	24.91	29.36	30.96	36.12
I	Services	6.83	9.32	8.76	8.63	6.70
J	Mobility	18.58	18.84	19.22	22.55	23.05
K	In-Flight Kitchen (IFK)	-	-	1.14	1.25	1.37
L	IT	-	0.42	1.89	1.66	1.53
M	Maintenance, Repair & Overhaul (MRO)	33.88	42.64	67.35	54.97	52.24
N	Real Estate Revenues**	-	-	-	-	-
O	Public Transportation Centre (PTC)	-	-	-	-	25.00
P	Real State (Admin Block)	-	-	-	5.18	5.49
Q	Cargo Fuel Station	-	-	-	0.65	0.59

\*Estimated based on the terms as per the IWLZ Concession Agreement

\*\*Estimated based on expected revenue from two land parcels – 24 Ha and 46 Ha

9.1.4 YIAPL had submitted that the Non-Aeronautical Revenue (NAR) will initially be lower but is expected to rise as the airport traffic increases and the airport matures. YIAPL had also submitted that it has made aggressive estimates for NAR based on the anticipated growth of middle class, additional disposable income with the passengers, a continued market trend towards premium products, and the ability of concessionaires to attract passengers. However, due to the sensitivity of NAR to these assumptions and challenges of a greenfield airport, YIAPL submitted that there is a risk of downward revision of these forecasts.

9.1.5 YIAPL had also submitted that NIA, being a greenfield airport, is in the process of appointing Non-Aeronautical concessionaires. Based on the latest submissions made by YIAPL and the discussions held by the Independent Consultant of the Authority with YIAPL, it is noted that concessions have already been awarded for Non-Aeronautical services such as Duty Free, Food & Beverages, Lounges, Hotel, Retail, advertisement, etc., while certain concessions (like MRO, PTC, Real Estate, app based car services, etc.) are in the process of being tendered / awarded as per the latest information available.

## 9.2 Authority's examination regarding Non-Aeronautical Revenue for the First Control Period at Consultation Stage

9.2.1 The Authority had reviewed the projections and the rationale behind such projections as submitted by YIAPL for the First Control Period. The Authority observes that YIAPL had relied on benchmark analysis, contracts



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awarded (where available), tentative business estimates, and internal market research-based estimates to determine the NAR for this period.

9.2.2 The Authority notes that YIAPL had awarded certain license/concession agreements and was in the process of awarding the rest of the licenses/concessions for Non-Aeronautical Services. YIAPL had also submitted the documents pertaining to the concessions already awarded to the Independent Consultant appointed by the Authority. Upon reviewing these documents, it was observed that the Licensee/Concessionaire is required to make certain payments common to all license/concession agreements. The list of these payments is given below:

- **Utility Charges:** With effect from the Access Date (i.e. date on which the Licensee/Concessionaire has been provided access rights to the site), the Licensee/Concessionaire is required to pay YIAPL, utility charges for electricity, water, waste disposal (tipping fee), sewerage and analogous utilities. The Authority noted that YIAPL has adjusted recovery from Licensees/Concessionaires towards Utility Charges when computing the aeronautical Utility Expenses. Therefore, the Authority proposed not to consider this charge when determining NAR for the First Control Period.
- **Rental Charges:** The Licensee/Concessionaire is required to pay YIAPL a monthly rental for any additional space allotted by YIAPL in connection with the License/Concession. YIAPL has not considered these charges as part of NAR in its MYTP submission, as it is understood that there was no additional space projected to be utilized by the Licensees/Concessionaires in the First Control Period. Therefore, the Authority also proposed not to consider these charges and to re-examine this at the time of true up in the next Control Period.
- **Common Area Maintenance Charges (CAM):** As per the License/Concession agreements, “YIAPL shall levy on the Service Provider, common area maintenance charges, which shall be determined reasonably and on a non-discriminatory basis”. YIAPL had neither considered these charges in NAR, nor had it adjusted against O&M expenses in its MYTP submission as the rates had not been finalized at the time of submission of MYTP. In response to a query from the Independent Consultant, YIAPL provided the finalized License/Concession agreements, which include the CAM charges. The Authority had adjusted these charges against Contracted Services (Manpower Outsourcing Cost) as detailed in para 8.2.47. However, in cases where the details were not available, the Authority understands that the CAM charges are still under finalization with the Licensees/Concessionaires and, as such, were not included in the Authority's proposal at the Consultation Stage. YIAPL was directed to submit the finalized CAM charges where available and provide estimates for those that were still being finalized as part of the Stakeholders' comments, so that they can be considered in the Tariff Order.
- **Data & Voice Port Charges and Miscellaneous Charges:** With effect from the Access Date, the Licensee must pay data and voice port charges on per device per month basis. Licensees are also required to pay Miscellaneous Charges for performance audit and various other services. YIAPL had not included these charges as part of NAR in its MYTP submission. However, the Authority had considered an estimate of 1% of NAR towards these charges and has factored the same in its proposal at Consultation Stage.
- **Marketing Fund Charges:** The Licensees/Concessionaires shall pay YIAPL as marketing charges, an amount equivalent to 1% (one percent) of the projected/actual Net Sales for provision of service, payable from Airport COD, towards a marketing fund as maintained by YIAPL or any other party as appointed by YIAPL for promoting the Airport. Upon enquiry it is noted that the Marketing Fund collected by YIAPL is likely to be classified as a separate fund in the Balance Sheet of YIAPL.



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The Authority, considering the above explanation and in-line with the stand taken by the Authority in other similar airports, proposed to continue with the practice of treating the collections towards Marketing Fund as an earmarked fund and therefore not to consider it as a part of Non-Aeronautical Revenue.

- 9.2.3 Most concession agreements contain clauses that require the concessionaire to pay to YIAPL, the higher of the MMG or revenue share. YIAPL has, however, submitted its projection of NAR based on the IPP, which includes some line items based on revenue share and others based on a Minimum Annual Guarantee (MAG) amount. Below are a list of NAR items and the basis for their projection as adopted by YIAPL.

**Table 178: Basis of estimation of IPP as submitted by YIAPL for the First Control Period**

Sl. No.	Particulars	Basis of Estimation
A	Integrated Warehousing and Logistics Zone (IWLZ)	Upfront Fee & License Fee
B	Advertising & Promotion	MAG
C	Duty Free	MAG
D	Food & Beverage (F&B)	Revenue Share
E	Lounges	Revenue Share
F	Hotel	MAG
G	Space Rentals	Based on area rented & monthly rental
H	Retail	Revenue Share
I	Services	Based on IPP estimated for different Services
J	Mobility	Revenue Share/MAG
K	In-Flight Kitchen (IFK)	MAG
L	IT	Revenue Share
M	Maintenance, Repair & Overhaul (MRO)	Based on area rented & monthly rental
N	Real Estate Revenues	Based on area rented & monthly rental
O	Public Transportation Centre (PTC)	Revenue Share
P	Real State (Admin Block)	Based on area rented & monthly rental
Q	Cargo Fuel Station	Revenue Share

- 9.2.4 Upon inquiry with YIAPL regarding the rationale for adopting MAG in certain concessions and revenue share in others, the explanation provided was that, according to their estimates, in some contracts, the revenue share was higher than the MAG, while in others, the MAG was higher than the revenue share. However, YIAPL's explanation did not provide sufficient justification or clarity on the specific circumstances under which either revenue share or MAG was adopted.
- 9.2.5 The Authority had benchmarked most of the IPPs against peer airports where possible and had developed its proposals for this Consultation Paper based on these benchmarks.
- 9.2.6 Vide mail dated 3rd February 2026, YIAPL informed the Authority that the Airport COD is expected in Q4 of FY 2025-26. Accordingly, the Authority proposed to consider the First Control Period as commencing from 1st April 2026 and extending till 31st March 2031 (refer para 1.2.5) at Consultation Stage.
- 9.2.7 For the purpose of enabling a meaningful comparison and analysis, the Authority had re-drawn YIAPL's submission for the revised control period ending FY 2030-31. Towards this, the following adjustments have been made:



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- For Advertising & Promotion, Duty Free, Food & Beverage (F&B), Lounges, Services and In-Flight Kitchen (IFK), which are linked to Airport COD as per the respective concession agreements, the projections, as submitted by YIAPL in their MYTP, had been shifted forward by one year to correspond with the revised COD of 1<sup>st</sup> April 2026. It is noted that the figures for FY 2025–26 as submitted in the MYTP were prorated for 11 months. Since YIAPL had projected the revenue in terms of IPP rather than as full-year aggregate, equivalent full-year numbers for FY 2026–27 cannot be reliably estimated. Therefore, the amount as submitted by YIAPL had been considered for comparison purposes.
- For the remaining heads of Non-Aeronautical Revenue, where agreements were either not yet executed or where revenue accrues from the date of execution of the agreement (such as IWLZ) and is not linked to Airport COD, the projections had been retained as submitted for the respective years.

9.2.8 Considering the above adjustments, the revised Non-Aeronautical Revenue (NAR) for the First Control Period, as drawn up by the Authority based on the Financial Model and aligned to the revised Control Period from FY 2026-27 to FY 2030-31, is presented in the table below. This table will be used for comparison and analysis.

**Table 179: Revised Non-Aeronautical Revenue drawn up by the Authority, as YIAPL Submission, for the First Control Period at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Integrated Warehousing and Logistics Zone (IWLZ)	14.25	14.63	14.98	15.38	15.80	75.03
B	Advertising & Promotion	8.29	15.68	17.31	20.84	25.10	87.21
C	Duty Free	5.27	12.91	18.93	25.38	34.80	97.28
D	Food & Beverage (F&B)	15.09	33.52	47.22	61.29	83.25	240.37
E	Lounges	8.53	23.96	32.15	46.12	60.45	171.22
F	Hotel	2.60	2.90	7.75	10.81	12.00	36.06
G	Space Rentals	6.50	7.50	8.50	10.06	11.91	44.47
H	Retail	22.45	35.18	47.71	67.36	96.12	268.81
I	Services	8.40	10.50	13.30	12.50	13.50	58.20
J	Mobility	16.98	23.03	34.75	42.98	52.39	170.13
K	In-Flight Kitchen (IFK)	-	-	1.37	1.93	2.55	5.85
L	IT <sup>#</sup>	0.38	2.27	2.56	2.86	3.00	11.07
M	Maintenance, Repair & Overhaul (MRO)	38.42	80.68	84.72	97.42	106.74	407.99
N	Real Estate Revenues	2.19	1.88	9.39	13.25	17.55	44.26
O	Public Transportation Centre (PTC)	-	-	-	46.63	51.08	97.71
P	Real State (Admin Block)	-	-	7.98	10.23	12.92	31.13
Q	Cargo Fuel Station	-	-	1.00	1.10	1.20	3.30
S	Landside Plaza	-	-	-	-	12.66	12.66
	<b>Total NAR before exemptions and other income</b>	<b>149.36</b>	<b>264.63</b>	<b>349.60</b>	<b>486.14</b>	<b>613.01</b>	<b>1,862.74</b>
	Less: Real Estate - Revenues from 24 hectares	2.19	1.88	9.39	12.37	14.52	40.35
R	Add: Other income incl. Interest income	16.45	18.91	26.85	48.24	72.95	183.39
	<b>Total NAR</b>	<b>163.61</b>	<b>281.66</b>	<b>367.06</b>	<b>522.01</b>	<b>671.44</b>	<b>2,005.78</b>

<sup>#</sup>Revenue from concession of Neutral Host Services at the Airport



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9.2.9 The Authority's observations and assessment of YIAPL's concession-wise NAR projections are detailed in the following paragraphs.

**A. Integrated Warehousing and Logistics Zone (IWLZ) – Rs. 75.03 crores**

9.2.10 The Authority noted that YIAPL had already awarded the concession for the construction, operation, maintenance and management of the Integrated Warehousing and Logistics Zone (IWLZ) Facility for a period co-terminus with the Airport Concession on a Design, Built, Finance, Operate and Transfer (DBFOT) basis. According to the Concession Agreement, the IWLZ Project Concessionaire is required to pay YIAPL the following:

**Table 180: Revenue entitlement of YIAPL as per the Concession Agreement for Integrated Warehousing and Logistics Zone**

Nature of Revenue	Details
Upfront Fee	Clause 1 of Schedule L – The IWLZ Project Concessionaire shall pay to YIAPL an Upfront Fee in equal installments. This Upfront Fee is non-refundable.
License Fee	Clause 2 of Schedule L – In consideration of YIAPL granting the IWLZ Project Concessionaire license to use and access to the IWLZ Facility Area, the IWLZ Project Concessionaire shall pay to YIAPL an annual consideration throughout the Concession Period

9.2.11 The Authority also noted that the Concessionaire is required to pay, in addition to the Upfront Fee and License Fee, Utility Charges and CAM Charges. However, the Authority noted that in the MYTP submission, YIAPL has considered only Upfront Fee and License Fee as given below. The Authority's proposal regarding treatment of Utility Charges and CAM Charges is detailed in para 9.2.2.

**Table 181: Breakup of Revenue from Integrated Warehousing and Logistics Zone as drawn up by the Authority (considered as YIAPL's submission) at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Upfront Fee	A	8.36	8.39	8.36	8.36	8.36	41.84
License Fee	B	5.89	6.24	6.62	7.01	7.43	33.19
<b>Total</b>	<b>C=A+B</b>	<b>14.25</b>	<b>14.63</b>	<b>14.98</b>	<b>15.38</b>	<b>15.80</b>	<b>75.03</b>

9.2.12 The Authority noted that as per the Master Concession Agreement for YIAPL, the Cargo Facility includes short-term warehousing. The relevant extract is reproduced below:

*“Cargo Facility” means the real estate, building, structures and equipment, as the case may be, required for handling of incoming and outgoing cargo, including short-term warehousing thereof in accordance with the provisions of Article 21 of this Agreement;*

*Clause 21.1.1. states “Subject to the Applicable Laws and the Applicable Permits, the Concessionaire shall or cause to, develop, operate and maintain, the Cargo Facilities which shall include the buildings, structures and equipment required for handling of incoming and outgoing cargo, **including short-term warehousing** thereof in accordance with the provisions of this Agreement, Applicable Laws, relevant ICAO Documents and Annexes and Good Industry Practice.”*

*Clause 21.1.2. states “The Concessionaire shall procure that the Cargo Facilities to be provided hereunder include adequate cargo and parcel space, handling equipment, storage and handling of perishable cargo and dangerous goods, space for cargo agents and customers, inspection area, office space, automation systems,*



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*screening equipment, storage facilities, and facilities for mail handling and courier shipments in accordance with the provisions of this Agreement and Good Industry Practice.”*

9.2.13 According to Clause 2 of Schedule A of the Concession Agreement for IWLZ, the scope of services for IWLZ projects and product offerings include Warehousing. The relevant extract is provided below.

*“a. Warehousing Zone (“Tier III”): consisting of facilities like BUP Facility, bonded warehousing, consolidation/aggregation centers for freight forwarders, integrators, OEMs, and airlines for the storage, handling or processing of domestic and international cargo. The IWLZ Project Concessionaire shall provide a combination of sub-licensed and common-use facilities in accordance with market demand;”*

9.2.14 Further the Authority noted that as per definition given in the AERA Act, the service provided for Cargo Facility at an airport is an Aeronautical Service. The relevant extract is given below.

*“2. Definitions.—In this Act, unless the context otherwise requires,—*

*(a) “aeronautical service” means any service provided—*

*(i) for navigation, surveillance and supportive communication thereto for air traffic management;*

*(ii) for the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at an airport;*

*(iii) for ground safety services at an airport;*

*(iv) for ground handling services relating to aircraft, passengers and cargo at an airport;*

*(v) for the cargo facility at an airport;*

*(vi) for supplying fuel to the aircraft at an airport; and*

*(vii) for a stake-holder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority;*

*(b) “airport” means a landing and taking off area for aircrafts, usually with runways and aircraft maintenance and passenger facilities and includes an aerodrome as defined in clause (2) of section 2 of the Aircraft Act, 1934 (22 of 1934);”*

9.2.15 The Authority further noted that, in addition to the Warehousing Zone, the scope of the IWLZ Project as defined under Clause 2 of Schedule A of the Concession Agreement also encompasses a Logistics Park and a Trucking Centre. The Logistics Park comprises facilities such as e-commerce distribution and fulfilment centers, e-commerce sorting centers, and food processing facilities, while the Trucking Centre includes truck parking and associated amenities, as well as office space for government and regulatory agencies.

9.2.16 In view of the above, the Authority observed that the activities undertaken within the IWLZ encompass both aeronautical and Non-Aeronautical components. For the purpose of tariff determination for the First Control Period, the Authority proposed to allocate 75% of the revenue (from upfront fee and license fee) from IWLZ as Aeronautical and the remaining 25% as Non-Aeronautical. This allocation is based on the current estimate that approximately 75% of the IWLZ capacity will be functionally linked with the operations of the cargo terminal and hence classified as aeronautical in nature, while about 25% of the capacity is expected to be independently utilized by third parties for distribution, fulfilment centres and other logistics activities not dependent on the cargo facility. This allocation, however, shall be subject to triuing up based on the actual



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revenue composition observed during the First Control Period, and the same shall be appropriately adjusted at the time of tariff determination for the Second Control Period.

- 9.2.17 For the purpose of computation of the upfront fee, the Authority noted that, as per the Concession Agreement, Rs. 320 crores, being the upfront payment, is collected in five instalments of Rs. 64 crores, with the first payment received on 6th July 2023. The Authority proposed to consider upfront fee payments as commencing from Airport COD and accruing evenly over the concession period irrespective of the actual payment dates.
- 9.2.18 For computation of the license fee, the Authority had considered the land area occupied along with the lease rent rate per sq. ft. and the applicable escalation as specified in the Concession Agreement. The Authority further noted that license fee is payable from the date of execution of the agreement.
- 9.2.19 Based on the above, the Revenue from Integrated Warehousing and Logistics Zone proposed by the Authority for the First Control Period is as detailed below:

**Table 182: Revenue from Integrated Warehousing and Logistics Zone proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL</u>							
Revenue from IWLZ	A	14.25	14.63	14.98	15.38	15.80	75.03
<u>As per the Authority</u>							
Upfront Fee	B	9.01	9.01	9.01	9.01	9.01	45.07
License Fee	C	5.89	6.24	6.62	7.01	7.43	33.19
Revenue from IWLZ	D=B+C	14.90	15.26	15.63	16.03	16.45	78.26
Non-Aeronautical Revenue from IWLZ (refer para 9.2.16)	E=D×25%	3.73	3.81	3.91	4.01	4.11	19.57
Difference*	F=E-A	(10.53)	(10.81)	(11.07)	(11.37)	(11.68)	(55.46)

\* On account of considering 75% of Revenue from IWLZ as aeronautical and due to revision in Commercial Operation Date to 1<sup>st</sup> April 2026.

**B. Advertising & Promotion – Rs. 87.21 crores**

- 9.2.20 The Authority noted that YIAPL has awarded the license for Advertising & Promotion for a period of 7 years from the date of Airport's Commencement of Operations (COD), with an option for YIAPL to extend it by another 7 years under the same terms and conditions. According to the License Agreement, the Licensee is required to pay YIAPL the following:

**Table 183: Revenue entitlement of YIAPL as per the License Agreement for Advertising & Promotion**

Nature of Revenue	Details
License Fee	Clause 5.4.2 (a) – With effect from Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: Minimum Monthly Guarantee (MMG); or Actual Revenue Share Amount.

- 9.2.21 The Authority also noted that the Licensee is required to pay, in addition to above, Utility Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL had not projected any income / expense adjustment towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges including Utility Charges, Data and Voice Port Charges and Miscellaneous Charges is detailed in para 9.2.2.



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- 9.2.22 In response to the Independent Consultant's query regarding the basis for estimating the IPP (whether based on MMG or Revenue Share), YIAPL had clarified that " The revenues of advertisement are derived basis the MMG as per the contract." The Authority had checked the rationale for using MMG vs Revenue Share and is given to understand that YIAPL does not anticipate the Licensee to achieve the target revenue as set out in the License Agreement for Advertising & Promotion during the First Control Period.
- 9.2.23 The Authority had further cross-checked the MMG submitted by YIAPL with the business plan outlined in the License Agreement and found the same to be in order, except for the first tariff year, where YIAPL's projected revenue is lower as compared to the business plan. In this regard, YIAPL, in its response dated 12th December 2024, informed that during the first tariff year, the IPP depends on the handover date of the advertisement site to the Licensee. Hence, YIAPL has assumed a later start date. However, YIAPL had not provided any documentation confirming the exact handover date.
- 9.2.24 In the absence of any documentary evidence substantiating the delay in handing over the site to the Licensee, the Authority proposed to consider Advertising & Promotion Revenue from the revised Airport COD, i.e. 1st April 2026.
- 9.2.25 Based on the above analysis and considering the revised Control Period as outline in para 9.2.6, the Authority proposed to consider Advertising & Promotion Revenue for the First Control Period in accordance with the Minimum Annual Guarantee (MAG) specified in the License Agreement.
- 9.2.26 Accordingly, the Advertising & Promotion Revenue proposed by the Authority for the First Control Period is set out in the table below:

**Table 184: Advertising & Promotion Revenue proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL</b>							
Advertising & Promotion Revenue	A	8.29	15.68	17.31	20.84	25.10	87.21
<b>As per the Authority</b>							
Advertising & Promotion Revenue	B	14.20	15.68	17.31	20.84	25.10	93.12
Difference*	C=B-A	5.91	-	-	-	-	5.91

\* On account of rationalizing based on the agreement and considering revenue from Airport COD (1<sup>st</sup> April 2026) for the full year, as against YIAPL's projection which was prorated for 11 months of operations.

**C. Duty Free – Rs. 97.28 crores**

- 9.2.27 The Authority noted that YIAPL has awarded the license for the development, setting up, financing, operations, maintenance and management of Duty Free Outlets at various locations within the Airport. This license is for a period of 7 years starting from the Airport COD, with an option for YIAPL to extend it by another 7 years under the same terms and conditions. The Duty Free outlets will include those selling duty free items specifically liquor, tobacco, cosmetics (including fragrance and personal care products) and chocolates.
- 9.2.28 In consideration of the License, the Licensee is required to make the following payments to YIAPL.

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**Table 185: Revenue entitlement of YIAPL as per the Duty Free License Agreement**

Nature of Revenue	Details
License Fee	Clause 5.4.2 (a) – With effect from the Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: Minimum Monthly Guarantee (MMG) (multiplied by the number of Pax in a particular Month); or Actual Revenue Share Amount.

9.2.29 The Authority also noted that the Licensee is required to pay, in addition to above, Utility Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL has not projected any income / expense adjustment towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.30 In response to the Independent Consultant's query regarding the basis for estimating the IPP (whether based on MMG or Revenue Share), YIAPL had clarified that "The revenues of duty free are derived basis the MMG as per the contract." The Authority had reviewed on the rationale for using MMG vs Revenue Share and is given to understand that YIAPL does not anticipate the Licensee to achieve the target revenue outlined in the Duty Free License Agreement during the First Control Period. The Authority noted the same and proposed to consider the MMG as the basis for estimation of Duty Free revenue for the First Control Period.

9.2.31 Further the Authority had made the following adjustments to the total revenue from Duty Free outlets:

- The Authority noted that the revenue computations in the signed license agreements were based on a "bid traffic" which was the traffic estimated by YIAPL at the time that the RFPs for various license agreements were issued. However, the traffic as per the traffic study conducted by L&B (as detailed in para 4.1.1) indicates different traffic. In a response dated 1<sup>st</sup> January 2025, YIAPL stated: "While the IPP shared by the bidders as per the bid traffic has been taken, the revenues in the business plan are calculated as per the traffic study report. Please note that such adjustment of traffic and estimation basis revenue share is an aggressive estimate of NIA with a downward risk." Hence the Authority proposed to adjust the MMG with the traffic (specifically international traffic) as per Table 33 as decided by the Authority.
- The Authority also noted that there is a USD vs INR conversion factor factored in the License agreement to arrive at the MMG. The Authority has updated the conversion factor as of December 2025 escalated by inflation to arrive at the MMG in INR for FY 2026-27. For FY 2027-28 onwards, Y-o-Y inflation is taken into consideration to arrive at conversion factor.

9.2.32 The revised revenue from Duty Free License after considering the above is as follows:

**Table 186: Duty Free Revenue proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL – redrawn submission</u>							
Duty Free Revenue	A	5.27	12.91	18.93	25.38	34.80	97.28
<u>As per the Authority</u>							
Calculation Basis/ Methodology applied		MMG (per international passenger) in USD × Currency Conversion Factor × Inflation for Currency Conversion (FY 27 onwards) × International Pax					



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Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Duty Free Revenue	B	4.59	14.46	22.35	28.35	33.14	102.89
Difference*	C=B-A	(0.68)	1.55	3.42	2.97	(1.66)	5.61

\* On account of rationalizing based on the agreement, consideration of traffic estimates proposed by the Authority and considering revenue from Airport COD (1<sup>st</sup> April 2026) for the full year, as against YIAPL's projection for year 1 which was prorated for 11 months of operations.

**D. Food & Beverage (F&B) – Rs. 240.37 crores**

9.2.33 The Authority noted that Food & Beverage (F&B) revenue pertains to licensing of F&B outlets as follows:

- Package 1 comprising F&B outlets measuring 1,308 sqm
- Package 2 comprising F&B outlets measuring 1,265 sqm
- Branded Café
- Anchor Store

9.2.34 The Authority further noted that the License Agreement was executed only for Package 1 & 2. For the Branded Café and Anchor Store, YIAPL had issued a Letter of Intent to Award (LOIA) as per the latest information available.

9.2.35 According to the License Agreement for Package 1 & 2, the Licensees are required to make the following payments to YIAPL.

**Table 187: Revenue entitlement of YIAPL as per the License Agreement for Food & Beverage (F&B)**

Nature of Revenue	Details
License Fee	Clause 5.4.2 – With effect from the Airport COD until the expiry or termination of the License Term, the F&B Licensee shall be liable to pay a License Fee which shall be the higher of the following: Minimum Monthly Guaranteed (MMG); or Actual Revenue Share Amount.

9.2.36 The Authority further noted that the Licensees are required to pay, in addition to the above, Utility Charges, Data and Voice Port Charges, Rental Charges on additional space, Marketing Fund Charges and Miscellaneous Charges. However, YIAPL had not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.37 The Authority noted that the revenue computations in the LOIA and in the signed license agreements were based on a "bid traffic" which was the traffic estimated by YIAPL at the time that the RFPs for various License/Concession agreements were issued. However, the traffic as per the traffic study conducted by L&B (as detailed in para 4.1.1) indicated a different traffic number. In a response dated 9th January 2025, YIAPL stated: "While the IPP shared by the bidders as per the bid traffic has been taken, the revenues in the business plan are calculated as per the traffic study report. Please note that such adjustment of traffic and estimation basis revenue share is an aggressive estimate of NIA with a downward risk."

9.2.38 The Authority had checked on the rationale for using Revenue Share vs MMG for F&B Revenue and is given to understand that YIAPL during the First Control Period anticipates the Revenue Share to be higher than MMG for F&B revenue. The Authority noted the same and proposed to consider the Revenue Share as the basis for estimation of F&B revenue for the First Control Period.



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- 9.2.39 The Authority had also benchmarked the F&B revenue as projected by YIAPL with similar revenue at other comparable airports like CIAL, BIAL, etc. and notes the same to be in line with the peer airports. Hence the Authority proposed to consider the F&B revenue as submitted by YIAPL except for adjustments as per paragraphs below.
- 9.2.40 The Authority noted that the total revenue share for F&B Package 1, used by YIAPL for estimating the IPP, is different from the amount specified in the License Agreement. Upon enquiry, YIAPL informed that the revenue share for Package 1 was inadvertently based on LOIA and requested that the revenue share as per the finalized agreement be used for determining the F&B revenue. Hence, the Authority proposed to consider the revenue share as per the License Agreement for F&B Package 1. The Authority verified the submissions of YIAPL with regard to the other three components of the F&B Revenue with the respective License Agreement/LOIA and noted that there are no differences. Hence, the Authority proposed to consider the revenue as submitted by YIAPL for the other three components.
- 9.2.41 Further the Authority proposed to adjust the revenue from F&B considering the revised traffic, inclusive of exempt passenger, as given in Table 33, in accordance with YIAPL's submission as given in para 9.2.36.
- 9.2.42 The Authority also noted that YIAPL has projected an increase in space allocated for F&B outlets in FY 2029-30. The Authority had reviewed the same and proposed to consider the corresponding additional revenue from such expansion as submitted by YIAPL for FY 2029-30 and to escalate the same by 5% to arrive at the additional revenue for FY 2030-31.
- 9.2.43 Based on the above, the F&B Revenue proposed by the Authority for the First Control Period is as per table below:

**Table 188: Revenue from Food & Beverage Outlets proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL – redrawn submission</u>							
F&B Revenue	A	15.09	33.52	47.22	61.29	83.25	240.37
<u>As per the Authority</u>							
Calculation Basis/ Methodology applied		Revenue share as per the signed agreements/ LOIA adjusted for traffic proposed by the Authority in Table 33					
F&B Revenue	B	22.90	37.46	57.84	78.22	88.40	284.82
Difference*	C=B-A	7.81	3.94	10.62	16.93	5.15	44.45

\* On account of rationalizing based on the agreement, consideration of traffic estimates proposed by the Authority and considering revenue from Airport COD (1<sup>st</sup> April 2026) for the full year, as against YIAPL's projection for year 1 which was prorated for 11 months of operations.

**E. Lounges – Rs. 171.22 crores**

- 9.2.44 The Authority notes that YIAPL has awarded the License for the designing, development, setting up, financing, operations, maintenance and management of the Lounge(s) for a period of 7 years from Airport COD, with an option given to YIAPL to extend it for an additional 3 years under the same terms and conditions. According to the concession agreement "YIAPL can exercise such Continuation Right, through the issuance of a written notice to the Licensee in accordance with the procedure set out in Clause 4.3.1 and Clause 4.3.2". According to the License Agreement, the Licensee is required to pay YIAPL the following:



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**Table 189: Revenue Entitlement of YIAPL as per the License Agreement for Lounges**

Nature of Revenue	Details
License Fee	Clause 5.4.2 – With effect from the Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: (i) Minimum Monthly Guaranteed (MMG) or (ii) Actual Revenue Share Amount

- 9.2.45 The Authority further noted that the Licensee is required to pay, in addition to the above, the Utility Charges, Data and Voice Port Charges, Rental Charges on additional space and Miscellaneous Charges. However, YIAPL had not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority’s proposal regarding treatment of these other charges is detailed in para 9.2.2..
- 9.2.46 The Authority noted that the revenue computations in the signed License Agreement was based on a “bid traffic” which was the traffic estimated by YIAPL at the time that the RFPs for various License Agreements were issued. However, the traffic as per the traffic study conducted by L&B (as detailed in para 4.1.1 of Chapter 4) considers a different traffic. In a response dated 9th January 2025, YIAPL stated: “. While the IPP shared by the bidders as per the bid traffic has been taken, the revenues in the business plan are calculated as per the traffic study report. Please note that such adjustment of traffic and estimation basis revenue share is an aggressive estimate of NIA with a downward risk... ”
- 9.2.47 The Authority had reviewed the rationale for using Revenue Share vs MMG, and has been informed that YIAPL, during the First Control Period, anticipates the Revenue Share to be higher than MMG. The Authority noted the same and proposed to consider the Revenue Share as the basis for estimation of Lounge revenue for the First Control Period.
- 9.2.48 Accordingly, the Authority proposed to consider the Lounge revenue as submitted by YIAPL after adjustment for traffic proposed by the Authority as given in Table 33.
- 9.2.49 The Authority also noted that YIAPL has projected an increase in space allocated for Lounge(s) in FY 2029-30. The Authority had reviewed the same and proposed to consider the corresponding additional revenue from such expansion as submitted by YIAPL for FY 2029-30 and to escalate the same by 5% to arrive at the additional revenue for FY 2030-31.
- 9.2.50 Based on the above, the Lounge Revenue proposed by the Authority for the First Control Period is detailed below:

**Table 190: Lounge Revenue proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL – redrawn submission</b>							
Lounge Revenue	A	8.53	23.96	32.15	46.12	60.45	171.22
<b>As per the Authority</b>							
Calculation Basis/ Methodology applied		Revenue share as per signed license agreement					
Lounge Revenue	B	16.59	27.29	44.92	56.07	65.37	210.24
Difference*	C=B-A	8.05	3.32	12.77	9.95	4.92	39.02

\* On account of rationalizing based on the agreement, consideration of traffic estimates proposed by the Authority and considering revenue from Airport COD (1<sup>st</sup> April 2026) for the full year, as against YIAPL’s projection for year 1 which was prorated for 11 months of operations.



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**F. Hotel – Rs. 36.06 crores**

9.2.51 The Authority noted that the license for the development, operation and maintenance of the hotel at NIA has been granted on a DBFOT basis, effective from “Effective Date”, i.e. the date of handover of possession of the Project Site by YIAPL to the Licensee, until 30<sup>th</sup> September 2061. According to the agreement, the Licensee is required to pay YIAPL the following:

**Table 191: Revenue Entitlement of YIAPL as per the Hotel License Agreement**

Nature of Revenue	Details
License Fee	Clause 4.1.1 – In consideration of the License, the Licensee hereby agrees to pay License Fee on quarterly basis for each Financial Year to YIAPL, the Revenue Share Amount or the Minimum Annual Guaranteed Amount, whichever is higher. Clause 4.1.3 – License Fee shall not be payable for a period of 36 (thirty-six) months from the Effective Date.

9.2.52 In response to the Independent Consultant's query regarding the basis for estimating the revenue (whether based on MMG or Revenue Share), YIAPL had clarified that " *The revenues of hotel are derived basis the MMG as per the contract.*" The Authority had checked on the rationale for using MMG vs Revenue Share and was informed by YIAPL that during the First Control Period, it did not anticipate the Licensee to achieve the target revenue as per the agreement. The Authority noted the same and proposed to consider the MMG as the basis for estimation of the Hotel revenue for the First Control Period.

9.2.53 The Authority noted that the revenue (MAG) submitted by YIAPL was in line with the Business Plan as given in the Hotel License Agreement (HLA) except for the last three tariff years. On enquiring with YIAPL regarding the steep increase in revenue during the last three tariff years of the First Control Period, YIAPL vide response dated 13th December 2024, informed that another hotel is planned to be commissioned from Year 3 onwards and hence had considered 2 times the revenue for Year 3 ,Year 4 and Year 5. The Authority noted YIAPL’s response and finds the same to be reasonable.

9.2.54 Based on the response from the airport operator, the handover date for the hotel is April 2023, and operations are expected to commence in FY 2026-27, i.e., 36 months from the handover date as per the agreement. Accordingly, the revenue payable to the airport operator has been taken into account from FY 2026-27 onwards, corresponding to the first full year of operations (at Consultation Stage).

9.2.55 Therefore, the Authority proposed to consider the revenue submitted by YIAPL for the First Control Period as detailed below:

**Table 192: Revenue from Hotel proposed by the Authority for the First Control Period**

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL – redrawn submission</b>							
<b>Hotel Revenue for the year</b>	<b>A</b>	<b>2.60</b>	<b>2.90</b>	<b>7.75</b>	<b>10.81</b>	<b>12.00</b>	<b>36.06</b>
<b>As per the Authority</b>							
Calculation Basis/ Methodology Applied		Minimum Monthly Guarantee as per the contract					
<b>Hotel Revenue</b>	<b>B</b>	<b>2.60</b>	<b>2.90</b>	<b>7.75</b>	<b>10.81</b>	<b>12.00</b>	<b>36.06</b>
<i>Difference</i>	<i>C=B-A</i>	-	-	-	-	-	-



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**G. Space Rentals – Rs. 44.47 crores**

9.2.56 The Authority noted that Space Rentals relates to revenue from renting of space in Passenger Terminal Building (PTB), Office Block West (OBW) and Ground Support Equipment – Airport Maintenance Building (GSE-AMB).

The Authority noted that YIAPL has not yet entered into space rental agreements for the renting of space in these buildings. On inquiry on the basis of estimation of revenue from space rentals, YIAPL clarified vide response dated 25<sup>th</sup> November 2024 as follows “This has been estimated based on market research and the available benchmarks”. However, YIAPL had not shared the benchmarks used for estimation, and instead had shared the computation as given below:

**Table 193: Basis for estimation of revenue pertaining to Space Rental as submitted by YIAPL**

Building	Area Utilization					Revenue per month				
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5
PTB	35.00%	70.00%	75.00%	80.00%	95.00%	18,63,061	39,12,429	44,01,482	49,29,660	61,46,670
OBW	35.00%	65.00%	75.00%	80.00%	85.00%	4,83,854	9,43,516	11,43,106	12,80,278	14,28,310
GSE-AMB	45.00%	65.00%	80.00%	85.00%	85.00%	3,67,343	5,57,136	7,19,992	8,03,241	8,43,403
<b>Total</b>						<b>27,14,258</b>	<b>54,13,081</b>	<b>62,64,580</b>	<b>70,13,179</b>	<b>84,18,383</b>
<b>Rent revenue per year</b>						<b>3,25,71,099</b>	<b>6,49,56,971</b>	<b>7,51,74,956</b>	<b>8,41,58,151</b>	<b>10,10,20,600</b>

9.2.57 The Authority noted that there was no information on the rate per sqm in the above table. Hence, YIAPL was requested to provide the area rented out in each of the three buildings. YIAPL in their response dated 9<sup>th</sup> January 2025, informed that 2,947 sqm, 657 sqm and 2,532 sqm area out of 1,37,985 sqm, 9,805 sqm and 6,535 sqm respectively are expected to be rented out in PTB, OBW and GSE-AMB during the First Control Period. The remaining area was expected to be used by NIA for its own use.

9.2.58 With respect to the area utilization submitted by YIAPL, the Authority was informed that the area is proposed to be rented out in a phased manner given in the table above and finds this estimate to be reasonable.

9.2.59 Based on the above response, the Authority noted that the rate per sqm for each of the buildings is as follows:

**Table 194: Rate per sqm estimated by the Authority for Space Rental based on YIAPL’s response at Consultation Stage**

Particulars	Area in sqm	FY26	FY27	FY28	FY29	FY30
PTB	2,947	1,806.25	1,896.57	1,991.40	2,090.97	2,195.51
OBW	657	2,104.17	2,209.38	2,319.85	2,435.84	2,557.63
GSE-AMB	2,532	322.40	338.52	355.45	373.22	391.88
<b>Weighted avg. rate per sqm per month</b>		<b>1,225.85</b>	<b>1,287.14</b>	<b>1,351.50</b>	<b>1,419.07</b>	<b>1,490.02</b>
<i>% y-o-y increase</i>			5.00%	5.00%	5.00%	5.00%

9.2.60 Given that the space had not yet been rented to concessionaires or airlines, the Authority had benchmarked the rate per sqm for Space Rental with the weighted average rate per sqm considered by the Authority for other similar airports and noted that the weighted average rate per sqm per month, estimated for NIA is comparable with the rate considered by the Authority for recent other greenfield airports.

9.2.61 The Authority had reviewed YIAPL’s submissions as presented in Table 134 and noted that YIAPL had classified the entire Space Rental income as Non-Aeronautical, irrespective of nature of the concessionaire. This includes rentals received from Airlines and Ground Handling Concessionaire (GSE-AMB area), both of



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whom are engaged in the provision of Aeronautical Services as defined under the AERA Act. YIAPL had clarified, except for the GSE-AMB area, the “Concessionaires” referred to in the table pertains exclusively to Non-Aeronautical concessionaires.

- 9.2.62 In view of the above, the Authority proposed to classify space rental income received from Airlines and the Ground Handling Concessionaire (entire GSE-AMB area) as Aeronautical Revenue and accordingly exclude the same from computation of revenue from Space Rental as part of NAR for the First Control Period at NIA.
- 9.2.63 For FY 2030-31, the Authority had estimated Space Rental revenue by retaining the Area Utilization at the same level as FY 2029-30 and by escalating the monthly rate per sqm for FY 2029-30 based on the three-year CAGR of the respective rates for PTB, OBW and GSE-AMB.
- 9.2.64 Based on the above, the revenue from Space Rental proposed to be considered by the Authority for the First Control Period at NIA is as detailed below:

**Table 195: Revenue from Space Rentals proposed by the Authority for the First Control Period at Consultation Stage**

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL – redrawn submission</u>							
Revenue from Space Rental	A	6.50	7.50	8.50	10.06	11.91	44.47
<u>As per the Authority</u>							
<b>Area allocated to Concessionaires in sqm (refer Table 135)</b>							
PTB	B	1,052	1,052	1,052	1,052	1,052	
OBW	C	437	437	437	437	437	
GSE-AMB	D	-	-	-	-	-	
<b>Total Area</b>	<b>E=B+C+D</b>	<b>1,489</b>	<b>1,489</b>	<b>1,489</b>	<b>1,489</b>	<b>1,489</b>	
<b>Area Utilization (refer Table 193)</b>							
PTB	F	70.00%	75.00%	80.00%	95.00%	95.00%	
OBW	G	65.00%	75.00%	80.00%	85.00%	85.00%	
GSE-AMB	H	65.00%	80.00%	85.00%	85.00%	85.00%	
<b>Rental in Rs. per sqm per month (refer Table 194)</b>							
PTB	I	1,896.57	1,991.40	2,090.97	2,195.51	2,305.29	
OBW	J	2,209.38	2,319.85	2,435.84	2,557.63	2,685.52	
GSE-AMB	K	338.52	355.45	373.22	391.88	411.47	
<b>Annual Rental in Rs. crores</b>							
PTB	L=B×F×I×12	1.68	1.89	2.11	2.63	2.76	11.07
OBW	M=C×G×J×12	0.75	0.91	1.02	1.14	1.20	5.02
GSE-AMB	N=D×H×K×12	-	-	-	-	-	-
<b>Total Annual Rental</b>	<b>O=L+M+N</b>	<b>2.43</b>	<b>2.80</b>	<b>3.13</b>	<b>3.77</b>	<b>3.96</b>	<b>16.10</b>
<i>Difference*</i>	<i>P=O-A</i>	<i>-4.07</i>	<i>-4.70</i>	<i>-5.37</i>	<i>-6.29</i>	<i>-7.95</i>	<i>-28.37</i>

\*On account of consideration of the area rented to only Non-Aeronautical concessionaire/service providers.

- 9.2.65 The Authority directed YIAPL to submit the contracts pertaining to the unawarded space rentals, to the extent such contracts have been concessioned, during the consultation process.



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**H. Retail – Rs. 268.81 crores**

9.2.66 The Authority noted that YIAPL has licensed the development, setting up, finance, operations, maintenance and management of retail outlets for a period of four years starting from Airport COD extendable by further three years under the same terms and conditions.

9.2.67 According to the License Agreement for retail outlets, the Licensee is required to pay YIAPL the following:  
**Table 196: Revenue Entitlement of YIAPL as per the License Agreement for Retail Outlets**

Nature of Revenue	Details
License Fee	Clause 5.4.2 (a) – With effect from the Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: (i) Minimum Monthly Guaranteed (MMG) (multiplied by the number of Pax in a particular Month); or (ii) Actual Revenue Share Amount.

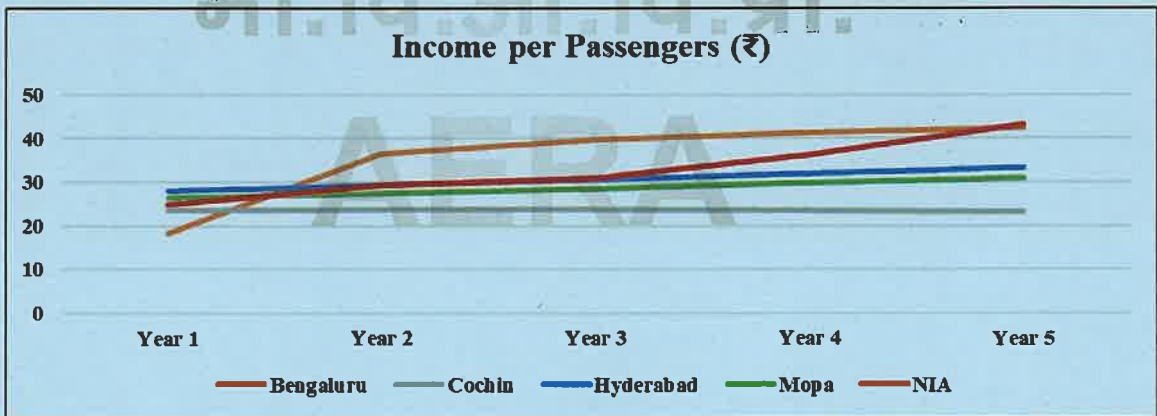
9.2.68 The Authority further noted that the Licensee is required to pay, in addition to above, the Utility Charges, Data and Voice Port Charges, Rental Charges on additional space, Marketing Fund Charges and Miscellaneous Charges. However, YIAPL had not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority’s proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.69 In response to the Independent Consultant's query regarding the basis for estimating the IPP (whether based on MMG or Revenue Share), YIAPL had clarified that *"The IPP considered in the business plan is as per the revenue share."*

9.2.70 The Authority had checked on the rationale for using Revenue Share vs MMG and was informed that YIAPL anticipates the Revenue Share to be higher than MMG during the First Control Period. The Authority noted the same and proposed to consider the Revenue Share as the basis for estimation of F&B revenue for the First Control Period.

9.2.71 The Authority had therefore benchmarked the Income Per Passenger (IPP) submitted by YIAPL against the IPP approved by the Authority in the latest order of other airports, namely Bengaluru, Cochin, Hyderabad and Mopa (Goa) as shown in the figure below.

**Figure 9: Comparison of IPP submitted by YIAPL and approved by the Authority for other Airports**



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- 9.2.72 The Authority noted that the IPP for NIA is the lowest amongst peer airports in the first tariff year but gradually increases over the remaining Control Period, eventually exceeding that of the compared airports.
- 9.2.73 The Authority, recognizing the potential for further growth in Retail Revenue in the first tariff year, proposed to increase the revenue submitted by YIAPL by 25%. For the remaining tariff years, the Authority proposed to consider the revenue as submitted by YIAPL.
- 9.2.74 Considering the above, the Retail Revenue proposed by the Authority for the First Control Period is detailed below.

**Table 197: Retail Revenue proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL – redrawn submission</b>							
Retail Revenue for the year	A	22.45	35.18	47.71	67.36	96.12	268.81
<b>As per the Authority</b>							
Calculation Basis/ Methodology Applied		Minimum Monthly Guarantee as per the license agreement (subject to increase in first few years as per para 9.2.73)					
Retail Revenue for the year	B=A×(1+C)	28.06	35.18	47.71	67.36	96.12	274.42
% increase	C		0.00%	0.00%	0.00%	0.00%	
Difference	D=B-A	5.61	-	-	-	-	5.61

\*On account of rationalizing as mentioned in para 9.2.73.

**I. Services – Rs. 58.20 crores**

- 9.2.75 The Authority noted that the Services revenue includes income from various concessionaires such as pharmacy, baby care room, forex, smoking lounges, EV charging stations, etc. YIAPL had calculated this revenue based on the estimated IPP during the First Control Period.
- 9.2.76 Upon inquiry with YIAPL regarding the breakdown of the IPP, YIAPL provided the following details for the IPP used to estimate Services revenue for FY 2025-26.

**Table 198: Basis for estimation of IPP pertaining to Services as submitted by YIAPL**

Service Head	IPP in Rs.
Forex	0.50
Spa	1.29
Baby Care Rooms	0.39
Smoking Rooms	1.41
Personal assistance	0.65
Porter Service	0.31
PRM services	0.08
Wi-Fi sponsorship	0.05
Cigarette kiosk	0.71
Other minor contracts – cloak room, bank, charging stations, baby pram, pet assistance etc.	1.45
<b>Total</b>	<b>6.83</b>

- 9.2.77 The Authority, through its Independent Consultant, enquired on the status of contracting these concessions. The response received from YIAPL is tabulated in table below:



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**Table 199: Status of contracting of the Service concessions**

Service Head	Status of concessioning
Forex	License Agreement signed
Spa	Process of concessioning not started
Baby Care Rooms	Letter of Intent to Award (LOIA) has been issued
Smoking Rooms	RFQ issued
Personal assistance	Process of concessioning not started
Porter Service	Process of concessioning not started
PRM services	Process of concessioning not started
Wi-Fi sponsorship	Process of concessioning not started
Cigarette kiosk	RFQ issued
Other minor contracts – cloak room, bank, charging stations, baby pram, pet assistance, etc.	EV Charging Stations RFQ issued, Draft License Agreement for Fuel Station issued for signature

- 9.2.78 The Authority noted, upon review of License Agreement/LOIA/RFQ, that the Service Provider is required to pay License Fee to YIAPL, which is the higher of Minimum Monthly Guarantee (MMG)/Monthly Rental Charges or the actual Revenue Share amount.
- 9.2.79 In response to the Independent Consultant's query regarding the basis for estimating the IPP for "Services" (whether based on MMG or Revenue Share), YIAPL in their response dated 9<sup>th</sup> January 2025, stated that "... These are based on internal and market assessment of NIA. In this regard, further assumptions/ calculations are not available."
- 9.2.80 YIAPL had provided the license agreements for Fuel Stations and Foreign Exchange Counters only, since the others are in the process of getting finalized. The Authority also noted that the Licensees are required to pay, in addition to above, Utility Charges, CAM Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL had not projected any income towards these charges in their MYTP submission. The Authority's proposal regarding the treatment of other charges is detailed in para 9.2.2.
- 9.2.81 The Authority reviewed the draft license agreement for Fuel Stations shared by YIAPL, which was included under "Other minor contracts" in YIAPL's submission. The IPP for Fuel Stations as per the draft license agreement works out to Rs. 2.24. However, YIAPL had submitted an IPP of only Rs. 0.74 for the same in their MYTP projection. Upon enquiry, it was informed that YIAPL's submission was an estimate, and the Authority was requested to consider the amount as per the draft license agreement. Hence the Authority proposed to consider revenue from Fuel Stations as per the finalized license agreement.
- 9.2.82 The Authority noted that, upon review of the License Agreement for Foreign Exchange Counters shared by YIAPL, the MMG as per the agreement was higher than the revenue projected by YIAPL. Therefore, the Authority proposed to consider the MMG derived from the License Agreement.
- 9.2.83 Considering the above, the Authority proposed to recompute the revenue for FY 2025-26 based on the terms of these License Agreements for Foreign Exchange Counters, Baby Care Rooms and Fuel Stations.
- 9.2.84 The Authority proposed to first estimate the Services revenue for the first tariff year and thereafter apply the inflation percentage as indicated in the agreement or as per WPI inflation if there is no inflation percentage indicated in the agreement. For this purpose, the Authority had carried out the following steps:



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- Since majority of the concession agreements for “Services” are not yet signed, the Authority proposed to take the first tariff year revenue as submitted by YIAPL except for the cases where concession agreement has been provided by YIAPL.
- The Authority proposed to benchmark the revenue for FY 2025-26 with those of peer airports for the same year.
- If the benchmarking is found suitable, the Authority proposed to extrapolate the numbers as submitted by YIAPL with inflationary changes for the remaining years of the First Control Period.

9.2.85 For other services listed in Table 198, the Authority proposed to consider the IPP submitted by YIAPL in their responses and true up based on actuals at the time of determination of tariff for the Second Control Period. The revised IPP breakdown for FY 2025-26 proposed by the Authority after consideration of license fee as per License Agreement for Foreign Exchange Counters and Fuel Stations is as follows:

**Table 200: Revised IPP proposed to be considered by the Authority for the first tariff year of the First Control Period at Consultation Stage**

Service Head	Ref.	IPP (Rs.)
Forex	A	0.95
Spa	B	1.29
Baby Care Rooms	C	0.69
Smoking Rooms	D	1.41
Personal assistance	E	0.65
Porter Service	F	0.31
PRM services	G	0.08
Wi-Fi sponsorship	H	0.05
Cigarette kiosk	I	0.71
Fuel Station	J	2.24
Other minor contracts - cloak room, bank, charging stations, baby pram, pet assistance, etc.	K	0.71
<b>Total IPP for the year</b>	<b>L=SUM (A:K)</b>	<b>9.09</b>

9.2.86 Given that no license agreement has been entered into for majority of the services, the Authority had benchmarked the revised IPP computed by the Authority for FY 2025-26 against the IPP approved by the Authority for FY 2025-26 in the latest order for other airports, namely Bengaluru and Hyderabad.

9.2.87 The Authority noted that the revised IPP for NIA is in similar range to the average for these airports, for FY 2025-26.

9.2.88 For the First Control Period, the Authority proposed to estimate Service revenue based on the following:

- Consider year-wise inflation rates as per the Authority’s proposal (refer Table 120) to project the IPP for the tariff years from FY 2026-27 onwards, and
- Consider the revised passenger traffic as proposed by the Authority for the First Control Period (refer Table 33).

9.2.89 Considering the above, the Services Revenue proposed by the Authority for the First Control Period is detailed below:



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**Table 201: Services Revenue proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL - redrawn submission</u>							
Services Revenue for the year	A	8.40	10.50	13.30	12.50	13.50	58.20
<u>As per the Authority</u>							
Services Revenue for the year	B	6.31	9.89	14.95	18.54	21.11	70.80
Difference*	C=B-A	(2.09)	(0.61)	1.65	6.04	7.61	12.60

\*Based on traffic estimates proposed by the Authority, change in inflation rates applied by the Authority and rationalizing based on the agreement.

9.2.90 The Authority had directed YIAPL to submit contracts pertaining to the remaining unawarded services, to the extent such contracts have been concessioned, during the consultation process.

**J. Mobility – Rs. 170.13 crores**

9.2.91 The Authority noted that the Mobility revenue pertains to the revenue from car park, app-based car services, postpaid taxis, etc., which YIAPL has estimated based on IPP for the First Control Period.

9.2.92 Further, in their response dated 27th December 2024 to the queries by the Independent Consultant, YIAPL had provided the break-up of the IPP in table below:

**Table 202: Basis for estimation of IPP pertaining to Mobility as submitted by YIAPL**

(Rs. per pax)

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Car Park (Self Concession) - excl app-based cabs	5.53	5.81	6.10	6.40	6.72
App-based car services	8.63	8.63	8.63	11.51	11.51
Postpaid taxis	2.00	2.10	2.21	2.32	2.43
Other minor contracts - Car wash, mechanic, etc.	2.43	2.30	2.29	2.32	2.39
<b>Total</b>	<b>18.60</b>	<b>18.84</b>	<b>19.23</b>	<b>22.55</b>	<b>23.05</b>

9.2.93 The Authority noted that while YIAPL is yet to award the contract for any of the taxi services and car parking, the AO has issued the LOIA for Branded Taxi which forms part of "Other minor contracts". As per the LOIA for Branded Taxi, the license will be for a period of 5 years from Airport COD, with the Licensee required to make the following payments to YIAPL in lieu of the License to operate at the airport.

**Table 203: Revenue Entitlement of YIAPL as per the RFP issued for use of Branded Taxi from and to the Airport**

Nature of Revenue	Details
License Fee	<p>Clause 4.3.2 (a) – The Licensee shall, in consideration of the License granted by YIAPL, pay to YIAPL the License Fee which shall include the higher of:</p> <p>(i) Minimum Monthly Guarantee (MMG); and</p> <p>(ii) Actual Revenue Share Amount.</p> <p>Clause 4.3.2 (b) – In addition to the above, the License Fee shall also include the fixed monthly rental amount for the Locations used by the Licensee</p>

9.2.94 Additionally, the Licensee is required to pay the Utility Charges, Data and Voice Port Charges, Marketing Fund Charges and Miscellaneous Charges. However, YIAPL had not projected any income towards these

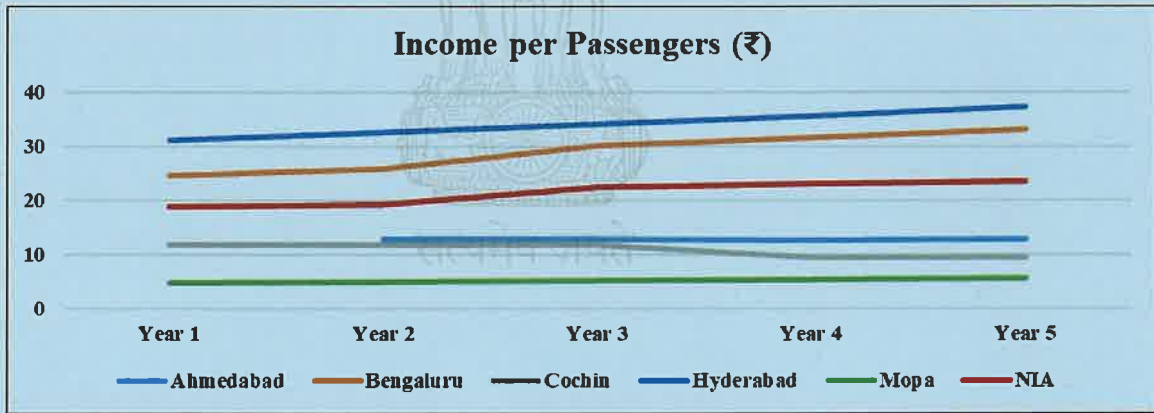


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charges (including CAM Charges) in their MYTP submission. The Authority’s proposal regarding treatment of other charges is detailed in para 9.2.2.

- 9.2.95 Further, in the response dated 20th January 2025, YIAPL shared the Letter of Intent to Award (LOIA) issued to a prospective Licensee shortlisted for the License to procure, finance, brand, operate, maintain, and manage Branded Taxi for NIA. The LOIA provided the revenue share payable by the Licensee in each year of the License Term.
- 9.2.96 Furthermore, in their response dated 9<sup>th</sup> January 2025, YIAPL stated that "The revenue per taxi is based on internal and market assessments."
- 9.2.97 Considering that no license agreement had been entered into for any other mobility related services the Authority has benchmarked the Income Per Passenger submitted by YIAPL against the IPP approved by the Authority in the latest order of other airports, namely Ahmedabad, Bengaluru, Cochin, Hyderabad and Mopa (Goa) as shown in the figure below:

**Figure 10: Comparison of IPP for Mobility submitted by YIAPL and approved by the Authority for other Airports**



9.2.98 Based on the above analysis, the Authority noted that the IPP submitted by YIAPL is broadly in line with the average for these airports. Accordingly, the Authority proposed to consider the Mobility revenue as per financial model submitted by YIAPL for the First Control Period.

9.2.99 The Mobility Revenue proposed by the Authority for the First Control Period is detailed below:

**Table 204: Mobility Revenue proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL - redrawn submission</b>							
Mobility Revenue for the year	A	16.98	23.03	34.75	42.98	52.39	170.13
<b>As per the Authority</b>							
Mobility Revenue for the year	B	16.98	23.03	34.75	42.98	52.39	170.13
Difference	C=B-A	-	-	-	-	-	-



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9.2.100 The Authority directed YIAPL to submit the contracts pertaining to the unawarded mobility services, to the extent such contracts have been concessioned, during the consultation process.

**K. In-Flight Kitchen (IFK) – Rs. 5.85 crores**

9.2.101 The Authority noted that YIAPL has awarded the concession for In-Flight Kitchen (IFK) Facility for a period co-terminus with the Airport Concession on a DBFOT basis. According to the Concession Agreement for IFK, the Concessionaire is required to pay YIAPL the following:

**Table 205: Revenue Entitlement of YIAPL as per the Concession Agreement for In-Flight Kitchen**

Nature of Revenue	Details
Revenue Share and MAG	Clause 1.2 (a) of Schedule H – On and from the Commencement Date and until the expiry of the calendar month in which the second anniversary of the Commencement Date falls (“QMAG Moratorium”), the IFK Concessionaire shall be liable to pay YIAPL, on a monthly basis, at the end of each month, Revenue Share Amount calculated on the basis of the actual Gross Revenue for each month. Clause 1.2 (b) of Schedule H – On and from expiry of QMAG Moratorium, the IFK Concessionaire shall be liable to pay YIAPL for each Financial Year, the MAG, based on the Projected Gross Revenue for each such Financial Year as submitted by the Successful Bidder in its response to RFP.
License Fee	Clause 2 of Schedule H – In consideration of YIAPL granting the IFK Concessionaire license to use and access to the In-Flight Kitchen Facility Area, the IFK Concessionaire shall pay to YIAPL an annual consideration throughout the Concession Period at a rate sq. ft. of In-Flight Kitchen Facility Area for the First Financial Year and shall be subject to escalation by, higher of: (a) 5%; (b) change in Price Index Clause 2.5 of Schedule H, - the License Fee shall be escalated with respect to every 5 <sup>th</sup> Financial Year from the Airport COD by 10% or such number as may be mutually agreed between IFK Concessionaire and YIAPL, whichever is higher.

9.2.102 The Authority noted that the Revenue Share for first 10 years of the concession period and the Minimum Annual Guarantee (MAG) are provided in the IFK Concession Agreement.

9.2.103 The Authority also noted that the Concessionaire is required to pay the Utility Charges and CAM Charges. However, YIAPL had not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority’s proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.104 It was noted that YIAPL has estimated the revenue only from FY 2027-28 and not from Airport COD. In this regard, YIAPL, vide its response dated 25<sup>th</sup> November 2024, informed that “...*There is moratorium period of two years from COD.*”

9.2.105 However, the Authority noted that according to Clause 1.2 (a) of Schedule H of the Concession Agreement, the moratorium applies only to the payment of MAG. The Concessionaire is still required to pay both the Revenue Share calculated on the actual gross revenue and the License Fee to YIAPL. The Authority discussed the same with YIAPL and noted that while the License Fee needs to be considered for the first two years, the Revenue Share shall be accounted for based on the actual gross revenue at the time of the tariff determination for the next Control Period. Accordingly, the Authority proposed to consider only the License Fee for the first two tariff years, as presented in Table 205.

9.2.106 The In-Flight Kitchen (IFK) Revenue proposed by the Authority for the First Control Period is detailed below:



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**Table 206: In-Flight Kitchen (IFK) Revenue proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL - redrawn submission</u>							
IFK Revenue for the year	A	-	-	1.37	1.93	2.55	5.85
<u>As per the Authority</u>							
Calculation Basis/ Methodology Applied		<b>MAG + License Fee as per the signed concession agreement</b>					
IFK Revenue for the year	B	1.44	1.51	2.96	3.60	4.30	13.81
Difference*	C=B-A	1.44	1.51	1.59	1.67	1.75	7.96

\* On account of rationalizing based on the agreement.

**L. IT – Rs. 11.07 crores**

9.2.107 The Authority noted that the IT revenue pertains to the concession of Neutral Host Services (NHS) at the Airport. YIAPL has computed the IT revenue based on the estimated IPP during the First Control Period.

9.2.108 The Authority noted that the AO has concessioned the construction, installation and commissioning of the NHS Facility on DBFOT basis for a period of 10 years starting from Airport COD, extendable by an additional 2 years. According to the Concession Agreement, the Service Provider is expected to pay YIAPL the following:

**Table 207: Revenue Entitlement of YIAPL as per the Concession Agreement for Neutral Host Services**

Nature of Revenue	Details
Service Fee	Clause 12.2.1 – With effect from the Airport COD until expiry of the Term, the Service Provider shall be liable to pay the Actual Revenue Share Amount as Service Fee.
License Fee	Clause 12.3 – Commencing from the handover of the land, the Service Provider shall pay a monthly license fee for space/area including area allotted by YIAPL to the Service Provider for the NHS Facility. The License Fee is subject to an annual escalation of 5% for the 1 <sup>st</sup> 3 years and thereafter shall be recalculated and notified by YIAPL.

9.2.109 The Authority noted that the Concessionaire is required to pay, in addition to the above, Utility Charges and CAM Charges. However, YIAPL had not projected any income towards these charges in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.110 YIAPL, in its response dated 9th January 2025, had informed that the site is yet to be handed over to the Service Provider. YIAPL has also provided the basis for the IPP used in estimating the IT revenue as follows:

**Table 208: Basis for estimation of IPP for IT as submitted by YIAPL**

(Rs. in crores)

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Gross Revenue	-	3.16	12.97	13.62	14.30
Revenue share (%)	0.00%	12.50%	15.10%	18.80%	20.00%
<b>Revenue share</b>	-	<b>0.40</b>	<b>1.96</b>	<b>2.56</b>	<b>2.86</b>
Pax traffic (MPPA)	5.94	9.01	11.98	15.41	18.65
<b>IPP (Rs.)</b>	-	<b>0.44</b>	<b>1.64</b>	<b>1.66</b>	<b>1.53</b>



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9.2.111 The Authority had reviewed the above submission and notes that YIAPL had projected the Gross Revenue with a year-on-year increase of 5%, starting from FY 2026-27 (revenue projected for approx. 3 months) and not from the Airport COD. On enquiry with YIAPL on the same, it was noted that the projections submitted in the MYTP were based on assumptions at the time of pre-bid. However, as per the License Agreement signed in January 2024 the revenue is payable from Airport COD. Hence, the Authority proposed to consider the service fee and other revenue as payable from Airport COD, i.e. 1st April 2026.

9.2.112 The Authority also noted that the Revenue Share percentage considered by YIAPL in their projection (refer Table 208) is not in line with the signed License Agreement.

9.2.113 Based on the above analysis, the Authority proposed to estimate the IT Revenue for the First Control Period based on the following assumptions:

- In the absence of revenue share figures in the License Agreement, the Gross Revenue for FY 2026-27 has been back-calculated based on the FY 2027-28 revenue figures submitted by YIAPL, assuming a constant annual growth rate of 5% as indicated in YIAPL's response to the Independent Consultant's query.

**Table 209: Estimation of Gross Revenue for IT for FY 2026-27 based on FY 2027-28 revenue submitted by YIAPL**

*(Rs. in crores)*

Particulars	Ref	FY 27	FY 28
Gross Revenue	A=Next FY A/(1+B)	12.35	12.97
Escalation %	B	5%	5%

9.2.114 The IT Revenue proposed by the Authority for the First Control Period is detailed below:

**Table 210: IT Revenue proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL - redrawn submission</b>							
<b>IT Revenue for the year</b>	<b>A</b>	<b>0.38</b>	<b>2.27</b>	<b>2.56</b>	<b>2.86</b>	<b>3.00</b>	<b>11.07</b>
<b>As per the Authority</b>							
<b>Service Fee</b>							
Gross Revenue (refer Table 208 and Table 209)	B	12.35	12.97	13.62	14.30	15.02	<b>68.26</b>
Revenue Share %	C	12.50%	17.50%	20.00%	20.00%	20.00%	
<b>Service Fee for the year</b>	<b>D=B×C</b>	<b>1.54</b>	<b>2.27</b>	<b>2.72</b>	<b>2.86</b>	<b>3.00</b>	<b>12.40</b>
<b>License Fee</b>							
Min. area as per Concession Agreement in sqm	E	179.15	179.15	179.15	179.15	179.15	
Min. area in sq. ft.	F=E×10.76	1,928.35	1,928.35	1,928.35	1,928.35	1,928.35	
Monthly rate per sq. ft. in Rs.	G=Prev. FY G×(1+H)	31.50	33.08	34.73	36.47	38.29	
Escalation %	H		5.00%	5.00%	5.00%	5.00%	
<b>Min. License Fee for the year</b>	<b>I=F×G×12</b>	<b>0.07</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.09</b>	<b>0.40</b>
<b>IT Revenue for the year</b>	<b>J=D+I</b>	<b>1.62</b>	<b>2.35</b>	<b>2.80</b>	<b>2.94</b>	<b>3.09</b>	<b>12.80</b>
<i>Difference</i>	<i>K=J-A</i>	<i>1.24</i>	<i>0.08</i>	<i>0.25</i>	<i>0.08</i>	<i>0.09</i>	<i>1.73</i>

\* On account of rationalizing based on the agreement.



NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

**M. Maintenance, Repair and Overhaul (MRO) – Rs. 407.99 crores**

9.2.115 The Authority noted that YIAPL has not entered into an agreement for concessioning of MRO service at NIA. Additionally, the Authority noted that in their response dated 25th November 2024, YIAPL provided the following basis for the IPP submitted in the MYTP:

**Table 211: Basis of estimation of IPP pertaining to MRO as submitted by YIAPL**

Particulars	Ref.	Year 1	Year 2	Year 3	Year 4	Year 5
Area in acres	A	12.00	20.00	40.00	40.00	40.00
Area in sq. ft.	B=A×43,560	5,22,720	8,71,200	17,42,400	17,42,400	17,42,400
Monthly Rate per sq. ft. in Rs.	C	35.00	36.75	38.59	40.52	46.59
Escalation (%)	D		5.00%	5.00%	5.00%	15.00%
Annual Revenue in Rs. crores	E=B×C×12	20.12*	38.42	80.68	84.72	97.42
Passenger traffic in MPPA	F	5.94	9.01	11.98	15.41	18.65
IPP in Rs.	G=E×10÷F	33.88	42.64	67.35	54.97	52.24

\*Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30<sup>th</sup> April 2025

9.2.116 On enquiring with YIAPL on the basis for arriving at rate per sq. ft. in the projections submitted, YIAPL in their response dated 9th January 2025, stated that the rate as given in the table “is based on internal and market assessment of NIA”.

9.2.117 The Authority noted that MRO service is for providing maintenance and repair of aircraft to facilitate Aeronautical Services. Therefore, the Authority proposed to consider the revenues from MRO service as Aeronautical. Further, the Authority directed YIAPL to submit the contracts pertaining to MRO, to the extent such contracts have been concessioned, during the consultation process.

**N. Real Estate Revenues – Rs. 44.26 crores**

9.2.118 The Authority noted that the Real Estate Revenues pertain to revenue from the development of two land parcels on the landside of the Airport, measuring 24 Ha and 46 Ha respectively. Additionally, the Authority noted that YIAPL had projected revenue from 46 Ha land parcel only in the last tariff year of the First Control Period.

9.2.119 The Authority also noted that YIAPL had excluded the real estate revenue from 24 Ha land parcel from the total NAR used for cross-subsidization as indicated in Table 176. This is in accordance with Clause 28.1.3 of the Master Concession Agreement, the relevant extract of which is reproduced below:

*“The revenue generated from City Side Development on 24 hec land as stated in clause 1.3 of Annex 1 Schedule A shall not be considered for the purpose of cross-subsidization of Aeronautical Tariff determination by AERA.”*

9.2.120 Based on the above, the Authority proposed to consider only the real estate revenue from the 46 Ha land parcel as part of NAR used for cross-subsidization during the First Control Period.

9.2.121 On enquiry with YIAPL on the reason for projecting the revenue from 46 Ha land parcel only from the last tariff year, YIAPL in their response dated 25<sup>th</sup> November 2024, provided the following reason for the delay in generating revenue from 46 Ha land parcel:

*“The decision to delay real estate revenue generation at Noida International Airport (NIA) is justified by the current uncertainty surrounding demand in this greenfield airport context. A market assessment of the 46 hectares allocated for real estate development revealed a lack of encouraging responses from potential*



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investors at this stage. Further, NIA in its earlier submission (refer para 8.1.4 of the previous MYTP) has already submitted that the revenue estimates for Non-Aeronautical activities were aggressive and sensitive to various assumptions, raising the risk of downward revisions.”

9.2.122 The Authority noted that YIAPL has estimated that this real estate block would be developed into a full-fledged office complex with space being let out to various tenants by area. Upon enquiry, YIAPL provided the basis for estimation of revenue from 46 Ha land parcel as follows:

**Table 212: Basis of estimation submitted by YIAPL for the Real Estate Revenues generated from 46 Ha land parcel on the landside of Noida International Airport**

Particulars	Ref.	FY 30
Projected Areas for Office Space in sq. ft.	A	1,66,667
Rate (annual) per sq. ft.	B	590.98
<b>Revenue Share in Rs. crores</b>	<b>C=A×B</b>	<b>9.85</b>
Less: 10% operating expenses in Rs. crores	D=C×10%	0.98
<b>Net Revenue to Concessionaire in Rs. crores</b>	<b>E=C-D</b>	<b>8.86</b>
Revenue Share with NIA (%)	F	10.00%
<b>Anticipated revenue for NIA in Rs. crores</b>	<b>G=E×F</b>	<b>0.89</b>

9.2.123 The Authority noted that the rate per sq. ft. projected by YIAPL is lower compared to the rate for office space rental in OBW (refer Table 195). However, the Authority noted that the office rental market in Jewar is still in the nascent stage and not comparable to more established markets in other cities. Therefore, the Authority proposed to consider the rent projections as submitted by YIAPL for the 46 hectares land parcel and proposed to true up the Real Estate Revenue at the time of tariff determination for the next Control Period.

**Table 213: Real Estate Revenues proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL - redrawn submission</b>							
24 Ha*	A	2.19	1.88	9.39	12.37	14.52	40.35
46 Ha	B	-	-	-	0.89	3.03	3.91
<b>Real Estate Revenues</b>	<b>C=A+B</b>	<b>2.19</b>	<b>1.88</b>	<b>9.39</b>	<b>13.25</b>	<b>17.55</b>	<b>44.26</b>
<b>As per the Authority</b>							
24 Ha	D	-	-	-	-	-	-
46 Ha	E	-	-	-	0.89	3.03	3.91
<b>Real Estate Revenues</b>	<b>F=D+E</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.89</b>	<b>3.03</b>	<b>3.91</b>
<i>Difference*</i>	<i>G=F-C</i>	<i>(2.19)</i>	<i>(1.88)</i>	<i>(9.39)</i>	<i>(12.37)</i>	<i>-14.52</i>	<i>-40.35</i>

\*Not considered for cross subsidization

**O. Public Transportation Centre (PTC) – Rs. 97.71 crores**

9.2.124 The Authority noted that the revenue from the Public Transportation Centre (PTC) pertains to the retail and F&B outlets in the PTC, which is proposed to be developed near the main entrance of the airport and becomes operational only in FY 2029-30.

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9.2.125 In its response dated 25<sup>th</sup> November 2024, YIAPL stated, “Additional retail, F&B and services are planned at Public Transportation Centre (PTC) will contribute to the IPP. This has been estimated based on market research and the available benchmarks of executed contracts.”

9.2.126 Further, in response dated 12<sup>th</sup> December 2024, YIAPL provided a detailed breakdown of the revenue. The basis for estimation is summarized as follows:

**Table 214: Summary of the basis of estimation of Revenue from Public Transportation Centre as submitted by YIAPL for the First Control Period**

Outlet	F&B	Retail
No of outlets	6	14
Expected Footfall (Nos)	5,000 to 9,000	2,000 to 10,000
Average Conversion Rate (%)	0.47	0.35
Average Transaction Value (Rs.)	60 to 450	200 to 2,000
Revenue Share (%)	10% to 25%	4% to 20%
Minimum Monthly Guarantee (MMG)	80% of Revenue Share	80% of Revenue Share

9.2.127 The Income Per Passenger computation submitted by YIAPL in its response is summarized as follows:

**Table 215: Computation of Income Per Passenger (IPP) pertaining to PTC as submitted by YIAPL**

Particulars	FY 30
Total Monthly Income to NIA in Year 5 (Rs. Lakh)	39.06
<b>Total Annual Income to NIA in Year 5 (Rs. Lakh)</b>	<b>468.70</b>
Annual passenger in year 5	1,86,50,000
<b>IPP in Rs.</b>	<b>25.13</b>

9.2.128 The Authority also noted that the process of executing the concession/license agreements for licensing the Retail and F&B outlets at PTC has not yet been initiated. In view of the above, the Authority proposed to consider revenue from the PTC as being generated only from FY 2029-30 onwards. The Authority further proposed to undertake true up based on actuals at the time of tariff determination for the next Control Period.

9.2.129 The Authority had made the following modifications to the estimates submitted by YIAPL.

- IPP of Rs. 25.13 for FY 2029-30, as per Table 215, with escalation at 5% per annum thereafter.
- Traffic as proposed by the Authority for the First Control Period (refer Table 33).

9.2.130 The estimated revenue from the PTC for the First Control Period is as follows:

**Table 216: Revenue from Public Transportation Centre (PTC) proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)							
Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL - redrawn submission</b>							
Revenue from PTC	A	-	-	-	46.63	51.08	97.71
<b>As per the Authority</b>							
Revenue from PTC	B	-	-	-	45.56	52.89	98.45
Difference*	C=B-A	-	-	-	(1.06)	1.81	0.75

\*On account of changes as given in para 9.2.129.

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9.2.131 The Authority directed YIAPL to submit the contracts pertaining to the unawarded Retail & F&B outlets in the Public Transportation Centre, to the extent such contracts have been concessioned, during the consultation process.

**P. Real State (Admin Block) – Rs. 31.13 crores**

9.2.132 The Authority noted that this revenue relates to the revenue generated from renting out space in the Admin Block to third parties. The construction of the same is estimated to be completed only in FY 2028-29.

9.2.133 On enquiry of the nature of concessionaires occupying this Admin Block, YIAPL in its response dated 25<sup>th</sup> November 2024 has clarified that “These are revenues from admin block constructed in the airport premises for the airline offices. This has been estimated based on market research.”

9.2.134 In further responses dated 27<sup>th</sup> December 2024, YIAPL provided the following information regarding the basis for estimating this revenue:

*“There is currently uncertainty surrounding demand in the greenfield airport context considering the location of the airport. In response to these challenges, NIA has deferred the plan for revenue from real estate (admin block) and revenue from the same will start from FY 29 onwards.*

*Further, NIA states that we have submitted the revenue basis the estimates for concession model and same are aggressive and sensitive to various assumptions, raising the risk of downward revisions.”*

9.2.135 Considering that the building will be occupied by Airline offices, the Authority proposed to classify the revenue from Admin block as Aeronautical in nature in accordance with the Authority’s decision in the recent tariff orders for other airports. Further, the Authority directed YIAPL to submit the agreements pertaining to the Real Estate (Admin Block), to the extent such agreements have been concessioned, during the consultation process.

**Q. Cargo Fuel Station – Rs. 3.30 crores**

9.2.136 The Authority noted that YIAPL has awarded the license for designing, setting up, developing, testing, commissioning, financing, operating, maintaining and managing the fuel stations at different locations within the Airport including Cargo Landside for a period of 30 (thirty) years. According to the draft License Agreement, the Licensee is required to pay YIAPL the following:

**Table 217: Revenue Entitlement of YIAPL as per the License Agreement for Fuel Station**

Nature of Revenue	Details
Annual Rental Charges and Revenue Share Amount	Clause 5.1.1.– The Licensee shall pay to YIAPL, a license fee, which shall be the aggregate of the following: Annual Rental Charges and Actual Revenue Share Amount

9.2.137 The Authority also noted that the Licensee is required to pay, in addition to above, Utility Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL had not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority’s proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.138 There are three locations of fuel stations within YIAPL premises. It is noted that while the revenue from two of the locations are classified under the head “Services”, the revenue from Cargo side Location is classified under the head “Cargo Fuel Station”.



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9.2.139 The Authority also noted that, according to the draft License Agreement, the fuel station in the cargo side location will be operational 24 months from Airport COD which is FY 2028-29. As per the agreement, the License is required to pay YIAPL annual rental charges from the date of commencement of the fuel station. The annual rental charge for the first year of operation is Rs. 2.20 crores. Thereafter, the annual rental charges will increase by the higher of 3% or the change in the price index. On enquiry about the reasons for difference between the projections of YIAPL and the agreement rental amounts, YIAPL had informed that the estimates provided by them in their MYTP were based on the assumptions available with them at the time of submission which had subsequently changed.

9.2.140 The Authority also noted that, in addition to the annual rental charges, a revenue share is also payable to YIAPL from the date of commencement of the fuel station. However, the Authority noted that YIAPL had not projected any revenue share from the Fuel Station. On enquiry, YIAPL via email dated 11<sup>th</sup> March 2025, provided the basis for the revenue share as given below.

**Table 218: Revenue share pertaining to Fuel Station as submitted by YIAPL**

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30
Petrol in litres per day	A	1,683	2,331	3,076	3,924	4,730
Diesel in litres per day	B	442	605	795	1,013	1,220
Petrol licensee fee per litres in Rs.	C=Prev. FY C×(1+E)	0.37	0.38	0.38	0.39	0.40
Diesel licensee fee per litres in Rs.	D=Prev. FY D×(1+E)	0.31	0.31	0.32	0.33	0.33
% Increase in licensee fee	E		2.00%	2.00%	2.00%	2.00%
Licensee fee in a day in Rs.	F=A×C+B×D	757	1,067	1,435	1,867	2,295
<b>Annual License Fee in Rs.</b>	<b>G=F×365</b>	<b>2,76,203</b>	<b>3,89,379</b>	<b>5,23,711</b>	<b>6,81,312</b>	<b>8,37,550</b>

9.2.141 The Authority had reviewed the assumptions and finds them to be in order. Accordingly, the Authority proposed to consider the revenue from the Cargo Fuel Station from FY 2028-29 onwards, in accordance with the draft License Agreement. The revenue is estimated based on:

- annual rental charges, escalated at 3% per annum; and
- revenue share as detailed in Table 218, after shifting forward by one year to correspond with the revised COD of 1<sup>st</sup> April 2026.

9.2.142 Based on the above analysis, the Authority proposed to consider the following revenue from the Cargo Fuel Station for the First Control Period:

**Table 219: Revenue from Cargo Fuel Station proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL - redrawn submission</b>							
Revenue from Cargo Fuel Station	A	-	-	1.00	1.10	1.20	3.30
<b>As per the Authority</b>							
Annual Rental Charges	B=Prev. FY B×(1+C)	-	-	2.20	2.27	2.33	6.80
Inflation %	C	-	-	-	3.00%	3.00%	
Revenue Share (refer Table 218)	D	-	-	0.05	0.07	0.08	0.20
Revenue from Cargo Fuel Station	E=B+D	-	-	2.25	2.33	2.42	7.00



NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Difference*	F=E-A	-	-	1.25	1.23	1.22	3.70

\* On account of rationalizing based on the agreement.

**R. Other Income incl. Interest Income – Rs. 183.39 crores**

9.2.143 The Authority noted that YIAPL has included the following in its estimation of Other Income:

- **Interest on Cash Balance:** Estimated at an interest rate of 6% on the opening cash balance, net of minimum cash required.
- **Interest on Debt Servicing Reserve Account (DSRA):** Estimated at an interest rate of 5% on the average balance of DSRA during the year.

9.2.144 It is pertinent to note that Interest Income falls under the category of Non-Aeronautical Revenues. The calculation of Interest Income estimates depends on cash flows and surpluses, which are determined based on the projected revenue collection.

9.2.145 The Authority noted that Other Income is dependent on many factors including aeronautical revenue which is in turn dependent on the tariff rate card. However, since the tariff rate card would be submitted by the AO only after the issue of this consultation paper, the Authority proposed to consider the Other Income as submitted by YIAPL in their MYTP submission/ financial model for FY 2030-31.

9.2.146 The Authority further proposed to recompute the Other Income at the time of Tariff Order, considering any changes to the building blocks and changes in Aeronautical Revenue based on the tariff decided by the Authority for NIA for the First Control Period.

9.2.147 The Other Income proposed by the Authority for the First Control Period is as given below.

**Table 220: Other Income proposed by the Authority for the First Control Period at Consultation Stage**  
(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<b>As per YIAPL - redrawn submission</b>							
Interest on DSRA	A	16.45	18.91	19.00	18.49	17.45	90.30
Interest on Cash Balance	B	0.00	0.00	7.85	29.75	55.50	93.10
<b>Other Income</b>	<b>C=A+B</b>	<b>16.45</b>	<b>18.91</b>	<b>26.85</b>	<b>48.24</b>	<b>72.95</b>	<b>183.39</b>
<b>As per the Authority</b>							
Interest on DSRA	D	16.45	18.91	19.00	18.49	17.45	90.30
Interest on Cash Balance	E	0.00	0.00	7.85	29.75	55.50	93.10
<b>Other Income</b>	<b>F=D+E</b>	<b>16.45</b>	<b>18.91</b>	<b>26.85</b>	<b>48.24</b>	<b>72.95</b>	<b>183.39</b>
Difference	G=F-C	-	-	-	-	-	-

**S. Landside Plaza – Rs. 12.66 crores**

9.2.148 The Authority noted that the revenue from the Landside Plaza pertains to the retail and F&B outlets in the Landside Plaza, which is proposed to become operational in FY 2030-31.

9.2.149 The Authority also noted that the process of executing the concession/license agreements for licensing the Retail and F&B outlets at Landside Plaza had not yet been initiated. In view of the above, the Authority proposed to consider revenue from the Landside Plaza as being generated only from FY 2030-31 onwards and at the values as submitted by YIAPL in the financial model. The Authority further proposed to undertake true up based on actuals at the time of tariff determination for the next Control Period.



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9.2.150 The estimated revenue from the Landside Plaza for the First Control Period is as follows:

**Table 221: Revenue from Landside Plaza proposed by the Authority for the First Control Period**

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL - redrawn submission</u>							
Revenue from Landside Plaza	A	-	-	-	-	12.66	12.66
<u>As per the Authority</u>							
Revenue from Landside Plaza	B	-	-	-	-	12.66	12.66
Difference	C=B-A	-	-	-	-	-	-

9.2.151 The Authority directed YIAPL to submit the contracts pertaining to the unawarded Retail & F&B outlets in the Landside Plaza, to the extent such contracts have been concessioned, during the consultation process.

9.2.152 The Authority had also benchmarked the NAR submitted by YIAPL with the NAR of DIAL as per the latest Order No. 20/2024-25 dated 28<sup>th</sup> March 2025 to ensure that airports within the same vicinity are in the reasonable range of IPP as compared to DIAL. Except for 3 categories of NAR, in the other categories, the IPP submitted by YIAPL was in line with the IPP of DIAL. The 3 categories where the IPP of YIAPL was lower than that of DIAL were IFK, Advertising and Duty Free. With respect to these three, the Authority noted the following:

- In Flight Kitchen – International traffic accounts for only 5% of the total traffic at YIAPL during the First Control Period. Given that a significant share of domestic aircraft consists of low-cost carriers, the IPP at YIAPL is expected to be lower in the First Control Period compared to DIAL
- Advertising – This is contract-driven and depends on the area and type of advertising space. Hence a direct IPP comparison might not be justified. The revenue share in YIAPL is higher than that of DIAL.
- Duty Free – International traffic accounts for only 5% of the total traffic at YIAPL during the First Control Period. While Delhi attracts premium travelers, NIA had a smaller base of high-spending international travelers, which might reduce the demand for premium / luxury goods. Consequently, IPP in NIA would be lower. Hence the Authority finds the IPP of NIA justified.

9.2.153 The Authority noted that YIAPL had indicated that Data & Voice port charges and other miscellaneous charges are expected to be minimal and had requested consideration of this at the time of true up. Therefore, the Authority proposed to consider 1% of the total Non-Aeronautical Revenue towards these charges.

9.2.154 Based on the analysis as detailed above, the Authority proposed the following estimates for Non-Aeronautical Revenue for the First Control Period:

**Table 222: Non-Aeronautical Revenue proposed by the Authority for the First Control Period at Consultation Stage**

(Rs. in crores)

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Integrated Warehousing and Logistics Zone (IWLZ)	Table 182	3.73	3.81	3.91	4.01	4.11	19.57
B	Advertising & Promotion	Table 184	14.20	15.68	17.31	20.84	25.10	93.12

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Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
C	Duty Free	Table 186	4.59	14.46	22.35	28.35	33.14	102.89
D	Food & Beverage (F&B)	Table 188	22.90	37.46	57.84	78.22	88.40	284.82
E	Lounges	Table 190	16.59	27.29	44.92	56.07	65.37	210.24
F	Hotel	Table 192	2.60	2.90	7.75	10.81	12.00	36.06
G	Space Rentals	Table 195	2.43	2.80	3.13	3.77	3.96	16.10
H	Retail	Table 197	28.06	35.18	47.71	67.36	96.12	274.42
I	Services	Table 201	6.31	9.89	14.95	18.54	21.11	70.80
J	Mobility	Table 204	16.98	23.03	34.75	42.98	52.39	170.13
K	In-Flight Kitchen (IFK)	Table 206	1.44	1.51	2.96	3.60	4.30	13.81
L	IT	Table 210	1.62	2.35	2.80	2.94	3.09	12.80
M	Maintenance, Repair & Overhaul (MRO)	Para 9.2.117	-	-	-	-	-	-
N	Real Estate Revenues	Table 213	-	-	-	0.89	3.03	3.91
O	Public Transportation Centre (PTC)	Table 216	-	-	-	45.56	52.89	98.45
P	Real State (Admin Block)	Para 9.2.135	-	-	-	-	-	-
Q	Cargo Fuel Station	Table 219	-	-	2.25	2.33	2.42	7.00
S	Landside Plaza	Table 221	-	-	-	-	12.66	12.66
	<b>Total NAR before other income and miscellaneous income</b>		<b>121.44</b>	<b>176.35</b>	<b>262.63</b>	<b>386.27</b>	<b>480.10</b>	<b>1,426.79</b>
R	Add: Other Income incl. Interest Income	Table 220	16.45	18.91	26.85	48.24	72.95	183.39
T	Add: Data & Voice Port Charges and Miscellaneous Charges	Para 9.2.153	1.21	1.76	2.63	3.86	4.80	14.27
	<b>Total NAR</b>		<b>139.10</b>	<b>197.02</b>	<b>292.10</b>	<b>438.37</b>	<b>557.85</b>	<b>1,624.44</b>

9.2.155 The adjustments made by the Authority in Non-Aeronautical Revenue for the First Control Period of Noida International Airport, Jewar at Consultation Stage are as follows:

- Revenue from Integrated Warehousing and Logistics Zone (IWLZ) is treated as 25% Non-Aeronautical in nature and 75% Aeronautical in nature. MRO and Real State (Admin Block) are classified as



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aeronautical services and, hence, excluded from the Non-Aeronautical Revenue. This adjustment had led to a reduction of Rs. 494.58 crores in the estimated NAR for the period.

- Revenues from Advertising & Promotion, Duty Free, F&B, Lounges, Services, IFK, IT and Cargo Fuel Station were estimated in accordance with the terms of the respective Concession Agreement, License Agreement or LOIA, resulting in an upward revision of Rs. 120.98 crores in NAR.
- Revenue from Space Rental had been computed based on YIAPL's submission, after excluding areas leased to airlines and ground handling concessionaires providing aeronautical services. This has led to a reduction of Rs. 28.37 crores in the overall NAR.
- Retail Revenue has been estimated considering a 25% increase over YIAPL's submissions for the first tariff year, while YIAPL's figures have been retained for the subsequent years. However, considering the revised date for COD of 1<sup>st</sup> April 2026, there is an effective decrease of Rs. 5.61 crores in NAR.
- Revenue from PTC has been estimated based on the IPP submitted by YIAPL and the revised passenger traffic as given in Table 33, contributing an additional Rs. 0.75 crores to NAR.
- An additional 1% of the above Non-Aeronautical Revenue, amounting to Rs. 14.27 crores has been included towards Data & Voice port charges and other miscellaneous charges.

9.2.156 The Authority emphasizes the importance for YIAPL to generate and receive adequate amount of Non-Aeronautical Revenue comparable to other PPP airports in this aspect. This is necessary to effectively cross-subsidize the charges imposed on users and ensure efficient operations.

9.2.157 The Authority noted YIAPL's comments on the sensitivity of NAR and risks associated with the greenfield airport projects. Hence the Authority proposed to true up based on actuals at the time of determination of tariff for next Control Period, subject to minimum threshold as proposed by the Authority in Table 222.

### 9.3 Stakeholders' comments regarding Non-Aeronautical Revenue (NAR) for the First Control Period

9.3.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26 with respect to Non-Aeronautical Revenue (NAR) for the First Control Period. The comments by stakeholders are presented below:

#### YIAPL's comments regarding Non-Aeronautical Revenue (NAR) for the First Control Period

9.3.2 YIAPL's comments on classification of MRO services as aeronautical by the Authority are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide Para 9.2.117 the Authority has proposed the classification of MRO services as aeronautical.*

*YIAPL Response:*

*In YIAPL's careful consideration and submission, the proposal of the Authority to classify MRO services as aeronautical amounts to a "regulatory shock" and an abrupt u turn. Needless to state, an investor or potential investor seeks policy clarity and stability to create robust business plans and outlook for future. To put it mildly, the instant proposal of the Authority is disruptive with all its negative connotations. Conscious of the wide-reaching ramifications of the instant proposal for the airport operators in general and NIA in particular, YIAPL engaged with Hon'ble Dr. Justice D Y Chandrachud, former Chief Justice of India seeking an independent opinion on the issue arising out of the instant proposal of the Authority. YIAPL places on*



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record the extract of legal opinion in the expectation that the Authority will give due consideration and respect to the opinion expressed therein.

It is abundantly clear from the aforesaid legal opinion that the present proposal of the Authority is devoid of any legal basis or ground whatsoever and stands out as a departure from the known and articulated stand of the Authority on the issue. For the sake of brevity, the Authority may take note of the following broad conclusions on this issue:

- The definition of "aeronautical services" under section 2(a) of AERA act is specific and exhaustive and MRO facilities do not sit within the services enlisted in any of the clauses of section 2(a).
- The present proposal deviates from the stand of the Authority in earlier tariff orders where rentals from MRO facilities assigned to third party service providers have been classified as "non aeronautical" revenues.
- The proposal is at variance with the guidance of ICAO, itself invoked by the Authority as principles influencing the determination of tariff.
- The proposal is in stark variance with the judicial precedents in terms whereof the Authority must ensure regulatory consistency in adherence with the statutory framework. The colour of revenue from aeronautical service can not get changed to that of revenue from non aeronautical service by an act of delegation or leasing out by the Concessionaire.
- Granting of rights to third party MRO service providers and thus receipts therefrom are passive undertakings. The consideration so received by YIAPL is a consideration for the said rights and not to be equated with a "service" rendered.

The conclusion derived from the aforesaid legal opinion, notwithstanding, the present proposal of the Authority is beyond YIAPL's comprehension for the following twin reasons:

(a) The practice of treating MRO as a Non-Aeronautical activity is well entrenched globally across various airports including Zurich Airport, managed and operated by ZAIA.

(b) AERA itself has on a previous occasion categorically mentioned MRO as non aeronautical. In this regard, reliance is placed on the minutes of meeting held on 11.12.2025 and convened by Ministry of Civil Aviation (ER Division). The said minutes are placed on record hereby vide Annexure D.

In light of the aforesaid submissions, grounded on facts and law, YIAPL strongly urges the Authority to withdraw the proposal in the interest of Airport operators in general and NIA in particular. This would be a much-needed step in the interest of regulatory clarity, stability and investor confidence in the aviation ecosystem already facing strong challenges in the face of global and local headwinds."

9.3.3 YIAPL's comments on determination of revenue from MRO for the First Control Period are as follows:

"The Authority's consideration and proposal put forth in Consultation Paper:

Vide Para 9.2.115, the Authority has proposed the revenue for MRO by applying IPP with the Authority proposed traffic without consideration of area wise revenue computation submitted by YIAPL.

YIAPL Response and Submission:

Without prejudice to YIAPL contentions and legal position vis a vis MRO as elaborated in the preceding para, YIAPL submits that revenue from MRO was projected at INR 321 crore in the MYTP submission, which was arrived at basis the land monetization plan after considering the area and projected rates. Subsequently,



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based on market outreach, discussions, and responses received from prospective partners, YIAPL revised the MRO monetization plan and accordingly revised the revenue projections to INR 222 crore for the First Control Period. The revised projections were duly shared with the Authority as part of the interim submission.

YIAPL strongly contests the methodology adopted by AERA for determination of MRO revenue based on IPP, as MRO is an independent activity and the projected income constitutes passive income arising from land monetization. Such income has no linkage to airport traffic or aeronautical activities at NIA. Further, Basis the updated discussions and ongoing market outreach, YIAPL hereby submits the revised revenue for MRO as INR 115 Crores for the First Control Period as tabulated below:

Financial Year	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
MRO Revenue (Rs. Cr)	NIL	NIL	27	43	45

In view of the above, YIAPL respectfully requests the Authority to consider MRO revenue in line with YIAPL's updated submissions."

### 9.3.4 YIAPL's comments on classification of IWLZ by the Authority are as follows:

"Authority's consideration and proposal put forth in Consultation Paper:

Vide Para 9.2.16 the Authority has proposed to consider 75% of IWLZ services as aeronautical services.

YIAPL Response :

YIAPL notes that the Authority's proposal is based on the premise that 75% of IWLZ facility will be functionally linked to the operations of the Cargo terminal and hence classified as aeronautical in nature while balance 25% is expected to be independently utilized by third parties, not dependent on the cargo facility. YIAPL is afraid that this proposal of the Authority lacks appreciation of the facts and nature of proposed IWLZ facility. The Authority has failed to take cognizance of wide divergence between the key terms of ICT Concession Agreement and IWLZ Concession Agreement as also the fact that as of the date of this response, the construction works on IWLZ facility is yet to commence. YIAPL seeks indulgence of the Authority to peruse the legal opinion referred to in the earlier para wherein specific query related to IWLZ facility has been opined. YIAPL is hopeful that the Authority would find it crystal clear that:

- ICT & IWLZ Concession Agreements are independent agreements where the latter scope is confined to developing the warehousing zone, logistics park and trucking zone and integrating it with the Cargo terminal as opposed to undertaking cargo handling functions itself. (also see Note 1 below)
- IWLZ facility is merely in aid of the cargo ecosystem, cargo facilities being specifically categorized as aeronautical services under section 2(a) of AERA Act and ICT services being mandatory for handling cargo operations at the airport.
- The aeronautical service within the ambit of "cargo facilities" is undertaken by ICT Concessionaire only.
- The use of 75:25 ratio in making the allocation is a random basis without any stated logic or reasoning.
- The proposal of the Authority contradicts the judicial precedent on the subject more specifically the TDSAT case of GMR Goa International Airport Limited vs Airports Economic Regulatory Authority of India.
- Upfront fee, License fee, CAM charges and Utility charges to be earned from the IWLZ facility can not be characterized as "aeronautical revenue"



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•The proposal of the Authority to allocate 75% of revenues under the head “aeronautical revenues” disregards the fact that YIAPL is merely receiving passive income in the nature of rental income from IWLZ Concessionaire.

•YIAPL strongly requests the Authority to take note of the above submissions, appreciate the unique nature of IWLZ facility and withdraw the proposal in its entirety.

Note 1: YIAPL also notes that the Authority has attempted to include revenues under the IWLZ Concession Agreement on the premise that :

(a) “Cargo Facility” as defined in the Master Concession Agreement along with obligation of YIAPL contained in Articles 21.1.1 and 21.1.2 includes “short term warehousing”.

(b) The scope of services of IWLZ Concession Agreement includes warehousing.

In YIAPL’s view this approach of the Authority is selective reliance on provisions of Master Concession Agreement ignoring the simple practical reality that ICT facility, by its very nature, is designed to provide short term warehousing. Even otherwise, under Schedule A of ICT Concession Agreement, the ICT Concessionaire is obligated to provide storage facilities, the extract whereof is reproduced below:

Quote

“The ICT Project Concessionaire shall ensure that adequate storage facilities (including special facilities such as temperature control, dangerous goods storage, strong room for valuables, dedicated space for oversized cargo and other special facilities) are always made available in the ICT Facility as detailed in Schedule B. However, the ICT Project Concessionaire should appropriately supplement the capacities as needed. “

Unquote”

9.3.5 YIAPL’s comments on determination of revenue from IWLZ for First Control Period are as follows:

The Authority’s consideration and proposal put forth in Consultation Paper:

Vide Para 9.2.17 the Authority has proposed to consider upfront fee payments as commencing from Airport COD and accruing evenly over the concession period irrespective of the actual payment dates.

YIAPL Response:

YIAPL has awarded the concession for the Integrated Warehousing & Logistics Zone (IWLZ) at NIA to AISATS Noida Logistics Park Private Limited (IWLZ Concessionaire) through a competitive bidding process on a DGFOMT basis. In consideration of the rights granted to the IWLZ Concessionaire under the Concession Agreement for Integrated Warehousing & Logistics Zone dated 30 May 2023, executed among YIAPL, AISATS Noida Logistics Park Private Limited, and Air India SATS Airport Services Private Limited (IWLZ Concession Agreement), to undertake the construction, operation, maintenance, and management of the IWLZ facility for the duration of the concession, YIAPL received an upfront fee from the IWLZ Concessionaire.

The extract of concession agreement (IWLZ) has been reproduced below:



**ARTICLE 24  
PAYMENTS TO YIAPL**

**24.1. PAYMENTS**

**24.1.1. In consideration of the IWLZ Project Concessionaire being granted the right to undertake construction, operations, maintenance and management of the IWLZ Facility on a design, build, finance, operate, transfer basis, forming part of the IWLZ Concession Rights, subject to and in accordance with the Agreement, the IWLZ Project Concessionaire agrees to pay Upfront Fee to YIAPL in accordance with Paragraph 1 of Schedule L of this Agreement.**

*Without prejudice to YIAPL's contentions in the preceding para and as evident, YIAPL has granted rights to the IWLZ Concessionaire over the entire tenure of the concession agreement encompassing all phases from pre-construction to operation and maintenance of the concerned facility.*

*This upfront fee has been recognized as revenue by YIAPL on a straight-line basis over the tenure of the IWLZ Concession Agreement, in accordance with the terms of the agreement and applicable accounting standards.*

*However, the Authority has not taken cognizance of the above facts, including the fact that construction of the IWLZ facility has not yet commenced and the requisite infrastructure will not exist as of the airport's COD. As the facility/infrastructure will not be available on Airport COD, linking revenue recognition to the airport COD is wholly inappropriate and contrary to the terms of the IWLZ Concession Agreement as well as the governing accounting standards.*

*In view of above, YIAPL requests the Authority to consider the revenue from IWLZ as submitted by YIAPL.*

9.3.6 YIAPL's comments on Other Incomes are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide Para 9.2.146 , the Authority has proposed to consider other income at the time of tariff order after considering the submissions made by YIAPL.*

*YIAPL Response and submission:*

*During MYTP submission, YIAPL submitted the other income from two sources i.e. Interest on cash balance and Interest on Debt Servicing Reserve Account (DSRA).*

*With the evolved financial planning, YIAPL hereby submits the following vis a vis other income:*

A) *Interest on Cash Balance:*

*As mandated by the YIAPL's internal policy and financing agreement, the YIAPL invests only in AAA portfolio debt instruments in the market namely, overnight and liquid mutual funds. The historical return on these investments is around the repo rate which is in the range of 4.5-5% at present. In view of this, YIAPL requests the Authority to consider projected Interest Income at the rate of 4.5%.*

B) *Interest on Debt Servicing Reserve Account (DSRA):*

*In pursuance of financing agreement, YIAPL is required to maintain a DSRA in relation to debt servicing obligations from COD. The DSRA requirement was originally proposed to be maintained as a cash deposit with State Bank of India.*

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*To improve liquidity and financial planning, YIAPL now intends to replace the cash backed DSRA with a bank guarantee/standby letter of credit, which will eliminate interest income on the DSRA balance. In view of this, there will not be any interest income from DSRA in the First Control Period*

*YIAPL requests the Authority to consider the above while issuing final tariff order for First Control Period for NIA."*

- 9.3.7 YIAPL's comments on Non-Aeronautical Revenue for First control Period from Miscellaneous Segments are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide Para 9.2.24, 9.2.43, 9.2.50, 9.2.62, 9.2.73 & 9.2.2 the Authority has made revisions to YIAPL's submissions of non- aero revenue from few segments for First Control Period.*

*YIAPL response:*

*It is pertinent to note that since the operations are yet to start and YIAPL is yet to establish a catchment, there is limited visibility on the revenue streams from Non-Aeronautical sources. Considering the volatility and uncertainty for a greenfield airport, It is requested that the Authority considers the non-aero revenue basis the submissions made to the Authority, and which will be further trued up in second control period basis the actuals."*

- 9.3.8 YIAPL's comments on Data & Voice Port Charges are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper*

*Vide para 9.2.2, the Authority has included Data & Voice port charges as 1% of NAR in the NAR projections.*

*YIAPL response:*

*It is respectfully submitted that the Authority's assumption of 1% is significantly higher than the revenue likely to be realised under this head. The income from these charges is expected to be minimal.*

*Given the limited visibility at this stage regarding the actual revenue that may accrue from such charges, it is requested that the Authority consider the same on an actual basis at the time of true-up for the First Control Period."*

- 9.3.9 YIAPL's comments on Minimum Threshold proposed by the Authority for NAR are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper*

*As noted in para 9.2.157, the Authority has acknowledged YIAPL's submission regarding the sensitivity of Non-Aeronautical Revenue (NAR) and the inherent risks associated with greenfield airport projects. However, the Authority has proposed to carry out a true-up based on actuals at the time of tariff determination for the next control period, subject to the minimum threshold specified in Table 208 (in Consultation Paper)*

*YIAPL Response*

*We appreciate that the Authority has duly considered YIAPL's submission on the sensitivity of NAR and risk associated thereto with the greenfield airport projects. However, notwithstanding the acknowledgment of these risks by the Authority, also emphasized by NIA, the Authority has proposed a minimum threshold for NAR revenues, deeming it applicable in the case of NIA*

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*In this context, YIAPL respectfully requests the Authority to consider the rationale for not imposing any minimum threshold during the first control period of Noida International Airport, as outlined below:*

*High Volatility in Non-Aero revenue for a Greenfield Airport:*

*YIAPL has submitted projections for non-aero revenue based on the awarded concession; however, a degree of volatility remains intact. The performance of non-aero concessions is influenced by various underlying factors such as traffic, customer preferences, and choices, which are difficult to reliably estimate for a greenfield airport during the First Control Period due to the absence of historical data and established trends.*

*Below are the key risks posing significant challenges for Non-Aeronautical revenue at Greenfield Airport:*

*Traffic Ramp-Up and Unpredictability: For a greenfield airport, passenger traffic typically develops gradually over several years, while airline route expansion remains dynamic and demand-driven. Additionally, external factors such as geopolitical disruptions, aircraft delivery delays, and global events can materially influence traffic patterns. Consequently, traffic forecasts carry a higher degree of uncertainty, which in turn directly affects the reliability of non-aero revenue projections.*

*Limited Historical Data and Consumer Insights : DXN is yet to commence operations, and therefore no airport-level consumption data is available. Unlike established airports, where category performance is well understood, greenfield airports must progressively discover and adapt to evolving customer behavior over time.*

*Passenger Demographics and Behavioral Constraints: Given the airport's hinterland location and its proximity to cities such as Palwal, Jewar, Mathura, and Vrindavan, a higher share of first-time flyers and rural consumers is expected to use Noida International Airport. In comparison to urban centers like New Delhi, Noida, and Gurugram, a relatively smaller proportion of the population in Western Uttar Pradesh is employed in the private sector, which may influence spending patterns.*

*Initial traffic is anticipated to be predominantly domestic and point-to-point in nature, resulting in lower dwell times. The passenger base is also likely to be relatively price-sensitive, particularly in emerging catchment areas. Additionally, international traffic, which is a key driver of higher non-aero revenue, will take time to develop and scale up. In view of above, for greenfield airports like NIA with limited diversification, such risks are more pronounced, further reinforcing the need for conservative and flexible projections rather than front-loading aggressive revenue expectations or thresholds.*

*All concessions are awarded through transparent, competitive bidding with no related-party contracts, demonstrating strong governance and transparency*

*Transparency and governance are core to YIAPL's approach, on same pattern all non-aero concessions awarded through a competitive bidding process. All Non-Aeronautical concessions at YIAPL have been awarded exclusively through open and competitive bidding processes, and no non aeronautical concession or agreement has been entered into with any related party. This approach distinctly differentiates YIAPL from prevailing practices in other airports, where non aeronautical concessions are executed with related parties.*

*In line with this transparent framework, YIAPL has made comprehensive submissions to AERA detailing non aeronautical revenue projections based solely on competitively awarded concessions, along with all supporting documents and assumptions. At the same time, YIAPL has transparently highlighted that,*



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*notwithstanding best efforts to achieve projected revenues, nonaeronautical revenue outcomes remain sensitive and subject to inherent risks, particularly during the First Control Period of a greenfield airport with a volatile catchment. Further, as set out in the MYTP submissions and subsequent communications, it has been clarified that the revenue assumptions under the concession model are aggressive and sensitive to multiple variables, and therefore carry a potential risk of downward revision.*

*In view of the above, it is submitted that the imposition of minimum thresholds may not be appropriate under the given circumstances.*

*C) Risk of aggressive non aeronautical Projections highlighted in MYTP and Subsequent submissions:*

*In Paragraph 8.1 of the MYTP submission, YIAPL stated that it has been actively exploring a range of opportunities in the Non-Aeronautical segment to enhance offerings for airport users. YIAPL submitted that the Non-Aeronautical revenue estimates are aggressive, based on expectations of a growing middle class, increasing passenger disposable income, continued market trends favoring premium products, and the ability of concessionaires to attract passengers to these services.*

*However, on account of the sensitivity of the Non-Aeronautical revenues with respect to these assumptions and challenges of a greenfield airport, there is a risk of downward revision of these forecasts.*

*Vide subsequent submissions, YIAPL has again reiterated that the risk of downward revision exist due to multiple reasons including but not limited to risk covered in para (i) above.*

*D) Reference to Hon'ble TDSATs Judgement:*

*Reference is drawn to Hon'ble TDSATS judgement pronounced on 11th September 2025 in the matter of MOPA, Goa, wherein it was held that the Authority should not impose the minimum threshold for the Non-Aeronautical revenue.*

*In view of above and considering the volatility and above-mentioned factors, YIAPL requests the Authority to true-up Non-Aeronautical revenues based on actuals in the second control period”*

9.3.10 YIAPL's comments on contract pertaining to Space Rentals are as follows:

*“The Authority has directed YIAPL to submit the contracts pertaining to the unawarded space rentals, to the extent such contracts have been concessioned, during the consultation process.*

*In this regard, YIAPL submits that the major space rentals have been awarded.”*

9.3.11 YIAPL's comments on Real Estate (Admin Block) are as follows:

*“The Authority has directed YIAPL to submit the agreements pertaining to the Real Estate (Admin Block), to the extent such agreements have been concessioned, during the consultation process.*

*YIAPL has not entered into any agreement for Real Estate (Admin Block) at this stage. There is currently no visibility of the construction or the revenue from the Real Estate (Admin Block) in the First Control Period.”*

**Other Stakeholders' comments regarding Non-Aeronautical Revenue (NAR) for the First Control Period**

9.3.12 Mr. Sumedh Bhagwat's comments on treatment of Security Deposits and Lease Income (Ind AS 109 & 116) are as follows:

*"For Non-Aeronautical Revenues (NAR), the concessionaire will inevitably enter into extensive leasing arrangements for retail, F&B, and MRO spaces. The Authority must ensure that the notional interest/finance income on interest-free or low-interest security deposits received from these sub-concessionaires—measured at fair value under Ind AS 109—is accurately captured and factored into the 30% cross-subsidy pool under the Hybrid Till. Additionally, straight-lining of lease rentals under Ind AS 116 should be critically reviewed so that early-stage rent concessions or escalations are normalized, preventing an artificial depression of NAR in the initial years of the Control Period."*

9.3.13 Mr. Sumedh Bhagwat's comments on maximizing Non-Aeronautical Revenue (NAR) Yields are as follows:

*"The upward adjustments to Income Per Passenger (IPP) metrics for retail and F&B are welcome. However, under the 30% Hybrid Till mechanism, the cross-subsidization impact relies entirely on aggressive NAR realization. Given the premium positioning of the DXN project, retail revenue estimates should not just be inflated by 50% for the first year, but actively benchmarked against the mature yields of IGIA (adjusted for passenger volume). Tighter enforcement and higher baseline expectations for commercial space rentals, advertising, and MRO land monetization will directly offset the aeronautical ARR."*

9.3.14 Adani Airports Holding Limited's comments on treatment of MRO Revenue as Aeronautical Revenue are as follows:

*"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 the 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 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-*



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*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."*

9.3.15 Adani Airports Holding Limited's comments on proposed revenue apportionment in IWLZ are as follows:

*"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 where as 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*

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*incidental nexus to aeronautical services as defined under the AERA Act. Its revenue model, customer base, and risk profile are 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.”*

9.3.16 Association of Private Airport Operators’ comments regarding classification of MRO facility as Aeronautical Service are as follows:

*“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.*

*We respectfully draw the 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.*

*Further, with the evolution of airport infrastructure with upcoming greenfield airports and expansions of brownfield 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.”*



## 9.3.17 BIAL's comments on treatment of MRO Revenue is as follows:

*"BIAL notes that the AERA Act, 2008 sets out a clear and specific framework defining what constitutes "aeronautical services." In this context, BIAL is of the considered view that the definition is unambiguous and has been arrived at after a deliberation in the parliament. In view of the specific and the exhaustive definition already provided under the AERA Act, expanding it any further defeats the policy objectives and the contrary to the statute itself. BIAL believes that the Authority's proposal to classify MRO services as aeronautical based on facilitating aeronautical services is devoid of statutory merit, as the concept of facilitation does not appear to be an express element of the statutory definition under the AERA Act 2008 ("AERA Act")."*

*The definition of Aeronautical Service under Section 2(a) of the AERA Act provides for an exhaustive list, which does not include MRO. In the absence of any direction / policy by the Central Government under Section 2(a)(vii) or under Section 42 (1) of the AERA Act to that effect, the Authority ought not to consider MRO as an aeronautical service. An altered definition can only be considered if the definition of "aeronautical service" as presently given under the AERA Act, does not fit the context or situation in which the word is used. The phrase "Unless the context otherwise requires" is meant to prevent a person from falling into the whirlpool of "definitions" and not to look to other provisions of the Act which, necessarily, has to be done as the meaning ascribed to a "definition" can be adopted only if the context does not otherwise require.<sup>1</sup>*

*Further, the Authority's understanding that MRO facilitates Aeronautical Services is without statutory backing and hence not permissible under law. This results in an interpretation broader than what the statute provides for and is beyond the legislative intent. It is a well-settled law that words which do not exist within a statutory definition ought not to be read into the said statutory definition<sup>2</sup>. As such, the Authority ought not to be expanding the statutory definition of aeronautical service by attributing a facilitation element to aircraft operations. Furthermore, MRO activity is independent of and unconnected with aircraft operations and which may be performed outside the precincts of an airport.*

*Classifying MRO as an aeronautical service merely on the basis that such activity is being carried out within the precincts of an airport disincentivizes airport operators from seeking more participation for MRO businesses which can also be free and independent businesses. Treatment of MRO services as a Non-Aeronautical service is in itself disincentivizing to the airport operator from promoting major airports as MRO hubs.*

*Tantamount to amending the AERA Act, 2008*

*It is well settled that an the Authority's powers are derived from, and circumscribed by, the parent Act (in this case the AERA Act), and any expansion of the scope of a statutory definition would ordinarily be addressed through a policy or legislative clarification by the competent the authority. The Authority's proposal to consider MRO as an aeronautical service expands the scope of the definition of "aeronautical service".*

*Differential Treatment*

*No policy or directive has been issued to consider MRO services as aeronautical services, given that, MRO services have been treated as Non-Aeronautical historically by AERA. A differential treatment such as this is beyond the framework of the AERA Act and inconsistent with the Authority's own approach in earlier tariff orders of other airports.*



*Policy Interventions on MRO*

*(i) National Civil Aviation Policy, 2016 (NCAP)*

*NCAP which recognizes the Government's intent to develop India as an MRO hub in Asia and to attract business from foreign airlines. To that effect, certain relaxations and steps for ease of doing business were proposed. However, the NCAP does not attempt to classify MRO as an aeronautical service.*

*(ii) Vision 2040 (Ministry of Civil Aviation, 2019)*

*In the Global Aviation Summit 2019 organised by the Ministry of Civil Aviation, Airports Authority of India and Federation of Indian Chamber of Commerce and Industry, the Vision 2040 for the Civil Aviation Industry in India envisioned the growth trajectory of MRO industry in India as follows:*

- a) India shall be a global MRO hub, handling nearly 90% of the MRO requirements of Indian carriers.*
- b) At least 20% of the Indian MRO industry's revenue shall come from foreign-registered aircraft.*
- c) Nearly 90% of redelivery maintenance shall be done within India.*

*In light of the above, if the Authority were to treat MRO as an aeronautical service and the revenue therefrom as aeronautical revenues, they would then be subject to tariff regulation which in turn would reduce commercial flexibility, discourage private investment in MRO facilities and undermine the pro-growth objective of the Government of India of making India a competitive global MRO hub.*

*The Authority's position on MRO services*

*BIAL believes that it is pertinent and critical to bring to the Authority's notice that, in a meeting held by the Ministry of Civil Aviation dated 11/12/2025 (Refer para 3 of Annexure 2) to discuss issues related to royalty charges being levied by Airport Operators on MRO services, the Authority categorically confirmed that, "as MRO activities fall under the Non-Aeronautical category, they do not currently fall within the Authority's regulatory ambit". As the Authority has expressed its position and view in the form of a confirmation to the Ministry of Civil Aviation on the categorisation of MRO activity, stating that MRO activities do not fall within the Authority's regulatory ambit, it would not be appropriate and prudent for the Authority to now treat MRO services as aeronautical services and revenues therefrom as aeronautical revenues. This would be a complete shift in the regulatory framework and does not auger well with growth of the MRO sector."*

9.3.18 Lufthansa Group's comments on Integrated Warehousing and Logistics Zone (IWLZ) Revenue is as follows:

*"In Para 9.2.16, the Authority has observed that while a significant portion of IWLZ is functionally linked to cargo terminal operations, approximately 25% of its capacity is expected to be independently utilized by third parties for distribution, fulfilment centers and other logistics activities not dependent on the cargo facility. In Para 9.3.2, the Authority proposes to allocate 75% of IWLZ revenue as Aeronautical and 25% as Non Aeronautical, subject to truing up in the next control period.*

*We respectfully disagree with this approach and submit that 100% of IWLZ revenue should be treated as Aeronautical.*

*There is no provision in the AERA Act or the Concession Agreement that allows for the "unbundling" of a cargo facility based on whether the end-user is an e-commerce fulfillment center or a traditional freight forwarder. As long as the facility is part of the earmarked cargo land use, it remains an aeronautical asset.*



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*As per Clause 32.3.2 of the CA, only 30% of Non-Aeronautical Revenue is used to cross-subsidize aeronautical charges. By classifying 25% of IWLZ revenue as Non Aero, the Authority reduces the benefit of this revenue to airlines by 70% for that portion. Treating 100% of IWLZ revenue as Aeronautical will have direct impact on the landing and parking fees for airlines.*

*We do not agree with Authority's rationale in Para 9.2.16 that distribution centers are "independent" of the cargo facility. Any logistics activity located within the airport's is inherently dependent on airport infrastructure. Segregating this revenue sets a negative precedent for picking up certain aeronautical assets to reduce the cross subsidy available to the airlines."*

### **9.4 YIAPL's Response to stakeholders' comments on Non-Aeronautical Revenue for the First Control Period of Noida International Airport**

#### **9.4.1 YIAPL's response to Mr. Sumedh Bhagwat's comment on treatment of Security Deposits and Lease Income (Ind AS 109 & 116) is as follows:**

*"YIAPL respectfully submits that all Non-Aeronautical income has been disclosed to the Authority in a transparent and comprehensive manner, in line with applicable regulatory requirements. With respect to any notional income arising from accounting standards such as Ind AS 109 and Ind AS 116, it is submitted that AERA determines aeronautical tariffs strictly in accordance with the AERA Tariff Guidelines and the established regulatory framework and not based on accounting-driven notional/fair value adjustments. It is further submitted that AERA does not recognise or allow notional income or notional expenses while determining tariffs, as such items do not represent actual, prudently incurred revenues or costs. This position has been consistently upheld by AERA in its earlier tariff orders, thereby reinforcing regulatory certainty and adherence to the cost-based tariff determination principles."*

#### **9.4.2 YIAPL's response to Mr. Sumedh Bhagwat's comments on maximizing Non-Aeronautical Revenue (NAR) yields is as follows:**

*"In paragraph 8.1 of its MYTP, YIAPL submitted that it has been proactively pursuing various opportunities in the Non-Aeronautical segment to enhance passenger services and user experience. The projected Non-Aeronautical revenues were stated to be optimistic yet reasonable, based on factors such as an expanding middle class, rising disposable incomes, favorable market trends toward premium offerings, and the ability of concessionaires to attract passenger spending. However, YIAPL also highlighted that these revenue projections are highly sensitive to underlying assumptions. Given the inherent challenges and uncertainties associated with a greenfield airport, there exists a material risk of downward revision of the Non-Aeronautical revenue forecasts during the initial years of operations.*

*Further, a direct comparison of Non-Aeronautical revenue between a mature airport and a greenfield or early-stage airport is not appropriate due to fundamental differences in their stage of development. Non-Aeronautical revenues are highly traffic-driven and dependent on passenger volume, dwell time, and spending behaviour, which are well established only at mature airports. Established airports benefit from stabilised traffic, developed catchment areas, and long-standing commercial ecosystems, including mature retail, F&B, and concession arrangements. In contrast, greenfield airports typically operate with phased commercial development, evolving airline networks, and lower initial footfalls, constraining early revenue potential. Accordingly, any such comparison without adjusting for airport maturity will not be appropriate.*



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*Further, YIAPL has also highlighted that YIAPL has awarded all non-Aero concessions awarded through transparent, competitive bidding with no related-party contracts, demonstrating strong governance and transparency.*

*In addition to above, we request the authority to kindly consider the detailed submissions made in paragraph 7.6 and 7.8 of YIAPL's comments on the Consultation Paper."*

- 9.4.3 YIAPL's response to Adani Airports Holding Limited's comments on treatment of MRO Revenue as Aeronautical Revenue is as follows:

*"YIAPL concurs with the comments made by Adani Airport Holdings Ltd on the treatment of revenues from MRO. YIAPL has also submitted its detailed comments on the treatment of revenue from MRO in Section 7.1 (refer para 9.3.2 of this Tariff Order) of YIAPL's comments on the Consultation Paper."*

- 9.4.4 YIAPL's response to Adani Airports Holding Limited comments on proposed revenue apportionment in IWLZ is as follows:

*"YIAPL submits that the points raised by Adani Airport Holdings Ltd are pertinent and merit due consideration, and YIAPL concurs with the comments. YIAPL strongly believes that the nature of services rendered in IWLZ do not constitute a cargo facility as envisaged in the AERA Act and treating any percent of revenue as aeronautical would not be in consonance with the provisions of the AERA Act. YIAPL has also submitted its detailed comments on the treatment of revenue from IWLZ in Section 7.3 (refer para 9.3.4 of this Tariff Order) of YIAPL's comments on the Consultation Paper."*

- 9.4.5 YIAPL's response to Association of Private Airport Operators' comments on classification of MRO facility as Aeronautical Service is as follows:

*"YIAPL concurs with the comments made by APAO on the classification of MRO. YIAPL has also submitted its detailed comments on the classification of MRO in Section 7.1 (refer para 9.3.2 of this Tariff Order) of YIAPL's comments on the Consultation Paper."*

- 9.4.6 YIAPL's response to BIAL's comments on treatment of MRO Revenue is as follows:

*"YIAPL submits that the points raised by BIAL are pertinent and merit due consideration, and YIAPL concurs with the comments made by BIAL on the treatment of revenue from MRO. Treating revenue from MRO as aeronautical would not be in consonance with the provisions of the AERA Act. Such an approach could also discourage private investment and be detrimental to the growth-oriented objectives of the Government of India. Detailed comments on the classification of MRO have been submitted by YIAPL in Section 7.1 (refer para 9.3.2 of this Tariff Order) of its comments on the Consultation Paper."*

- 9.4.7 YIAPL's response to Lufthansa Group's comments on Integrated Warehousing and Logistics Zone (IWLZ) Revenue is as follows:

*"It is submitted that Lufthansa's contention proceeds on an incorrect understanding of the nature, purpose, and contractual structure of the proposed Integrated Warehousing and Logistics Zone (IWLZ). The IWLZ is not the cargo terminal itself, nor does it undertake the aeronautical service of cargo handling. Rather, it is a separately concessioned commercial development intended for warehousing, logistics park, trucking-related uses, distribution, fulfilment, and other allied activities, which will support the logistics movement through all modes of transportation.*



*It is pertinent to note that the ICT (Cargo Terminal) Concession Agreement and the IWLZ Concession Agreement are distinct and independent arrangements. The aeronautical service falling within the ambit of cargo facilities is undertaken by the ICT concessionaire, whereas the IWLZ concessionaire is only responsible for development and operation of the warehousing and logistics zone.*

*Further, we request authority to kindly refer to the YIAPL submission in para 7.3 (refer para 9.3.4 of this Tariff Order) of YIAPL's comments on consultation paper."*

## **9.5 Authority's analysis on Stakeholders' comments regarding Non-Aeronautical Revenue for the First Control Period**

### **Treatment of Revenue from MRO Services**

9.5.1 The Authority notes the comments of YIAPL and other stakeholders including AAHL, APAO and BIAL regarding the treatment of revenues from MRO services. In this regard, inference is drawn from Para 9.2.117 of Consultation Paper No. 07/2025-26, wherein the Authority proposed to classify revenues earned by the Airport Operator from Maintenance, Repair and Overhaul (MRO) activities as aeronautical revenue for the purpose of tariff determination. In this context, the Authority has undertaken a detailed examination of the submissions made by YIAPL during the stakeholder consultation process, including the legal opinion furnished in support of its position on the classification of MRO related revenues. In this regard, the following is submitted:

### **Key Submissions in the Legal Opinion of YIAPL**

- Section 2(a) is specific and exhaustive. The AERA Act defines "aeronautical service" using the word "means", making the list of seven items (navigation, landing/parking, ground safety, ground handling, cargo, fuel, notified services) exhaustive. AERA Act cannot be expansively interpreted to include MRO facilities by applying a "facilitation" test, when such services are not explicitly enumerated therein.
- The residual phrase in Section 2(a)(ii) which states "any other ground facility offered in connection with aircraft operations at an airport" belong to a similar genus and cover the landing, housing or parking of an aircraft. The general words which follow must be confined to the same genus constituted by the phrase 'landing, housing and parking' of aircraft. The general words cannot be read so broadly as to cover distinct specialized activities of an entirely different character.

### **AERA's Position**

#### **1. MRO falls within the definition of Aeronautical Service**

The Authority's proposal to classify MRO services as aeronautical is based on the statutory framework of the AERA Act, 2008. Section 2(a)(ii) defines "aeronautical services" to include "any other ground facility offered in connection with aircraft operations." MRO facilities, by their nature, constitute ground facilities located within the airport and are intrinsically linked to aircraft operations, as they support the continued operational readiness and airworthiness of aircraft operating from the airport.

Further, Section 2(b) of the Act explicitly includes "aircraft maintenance" within the definition of an "airport", indicating clear legislative intent to recognise maintenance activities as an integral component of airport operations.

Hence the revenues accruing to the airport operator in the form of lease rentals / license fees for providing such ground facilities for MRO services at the airport are rightly considered under the aeronautical revenue head.

2. Rationale for treating MRO facilities as Aeronautical Services

AERA's rationale in para 9.2.117 of the Consultation Paper is that "MRO is a service for providing maintenance and repair of aircraft to facilitate Aeronautical Services. Therefore, the Authority proposes to consider the revenues from MRO service as Aeronautical."

An aircraft cannot land, take off or carry passengers unless it is airworthy, which is a regulatory pre-condition. MRO is therefore not a stand-alone commercial venture that happens to be located at an airport; it is the activity that keeps aircraft operations possible.

Further, the provision of land and airside connectivity for MRO activities is integral to the safe, efficient, and continuous operation of the airport ecosystem and directly linked to aircraft operations. Accordingly, such facilities constitute an essential airport function and form an inseparable part of core airport operations, and hence their treatment falls within the aeronautical regulatory framework for tariff determination purposes.

3. Rationale for Treatment of Lease Rentals from MRO service providers as Aeronautical

Reading Section 2(a)(ii) and 2(b) of the Act together, these two provisions provide a sound basis for treating ground facilities provided by the airport operator for MRO services as aeronautical in nature wherever they are functionally connected with aircraft operations.

Even though the consideration of MRO as Aeronautical revenue is not explicitly stated in the AERA Act, the proposed treatment of lease rentals received from MRO service providers is justified as the nature of revenue is determined by the use of airport operational infrastructure and its link with aeronautical operations.

Further, AERA is not regulating the MRO operator's rate/pricing that stays outside the regulatory framework to encourage investment in the MRO sector. AERA only intends to regulate the airport operator's revenue from providing the airside ecosystem (land, hangar location, utilities, clearances) to the MRO to ensure that there is no abuse of the monopolistic status of the concerned airport and these are fixed in a fair manner by the Airport Operators complying with the extant corporate norms & regulations.

Section 13(1)(a) of the AERA Act expressly empowers the Authority, in determining tariff, to consider the "service provided, its quality and other relevant factors" and "any other factor which may be relevant for the purposes of this Act", both of which support this interpretation.

4. MIAL/DIAL position not applicable to Noida International Airport

It has been pointed out that as per the provisions under the Concession Agreements of DIAL and MIAL, MRO has been treated as non-aeronautical (or kept outside Regulated Charges).

Regarding the MoCA meeting on 11 December 2025, it is important to clarify that the discussion pertained to MIAL and DIAL, wherein the respective Concession Agreements ("OMDA") specifically categorize "Heavy maintenance service for aircrafts" as non-aeronautical services under Schedule 6. This context does not apply to Noida International Airport.



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It may also be noted that Article 21 (refer Annexure 2 of this Tariff Order) of the Noida International Airport Concession Agreement places MRO and Cargo Facilities in the same category, indicating that the Concession Agreement views both under a common framework rather than as separate regulatory classifications.

Classifying MRO as aeronautical at Noida International Airport ensures that the full revenue from such services is accounted for in tariff calculations, thereby reducing the burden on airport users (airlines and passengers) and aligning with the public-interest objectives of AERA.

In conclusion, MRO is an essential aeronautical function that directly enables aircraft operations. Treating the airport operator's MRO-related revenues as aeronautical is sound, appropriate, and fully aligned with AERA's statutory mandate. Since the Airport provides ground facilities connected with aircraft operations, the ground services/facilities made available to MRO operators constitute aeronautical services and should be subject to economic regulation under the AERA framework. This approach safeguards service providers from monopoly pricing, ensures fair tariff outcomes and advances the public-interest objectives of the AERA Act. Accordingly, notwithstanding the legal interpretation advanced by the Airport Operator, the Authority, based on its independent assessment and established regulatory principles, maintains its position to treat revenues from MRO activities as aeronautical revenue for the purpose of tariff determination, for the reasons as elucidated above.

With respect to APAO's comments that MRO arrangements are generally in the nature of real estate transactions for the airport operator, the Authority notes that the Clause 28.1 of the Master Concession Agreement of YIAPL clearly defines the boundary and extent of real estate/commercial development that is ring-fenced and excluded from the tariff determination process. Accordingly, any development undertaken outside such demarcated area falls within the Authority's regulatory purview.

### **Determination of Revenue from MRO Services**

- 9.5.2 The Authority has examined the submissions of YIAPL relating to the projection of revenue from MRO activities and notes that the projected MRO revenues have been revised multiple times during the tariff determination process, from Rs. 321 crores at the MYTP stage to Rs. 222 crores and thereafter to Rs. 115 crores.

The Authority observes that the revised projections are not supported by firm contractual arrangements, executed agreements, or other binding commitments demonstrating monetization of the MRO area during the First Control Period.

The Authority further notes that while YIAPL has contested the application of an Income Per Passenger (IPP) based approach. YIAPL's original revenue model was itself formulated with reference to projected passenger traffic, with underlying assumptions linked to area-based lease rentals. Accordingly, the Authority has estimated MRO revenues based on the area allotted and benchmarked lease rates per square foot, rather than passenger linked metrics.

Further, as per YIAPL's latest submissions, no MRO revenue has been projected for FY 2026-27 and FY 2027-28, notwithstanding the initiation of RFP processes for MRO development. The Authority has assumed commencement of revenues from FY 2027-28, on the basis that revenue streams such as lease rentals, upfront charges, or execution linked payments—may arise prior to completion of the full MRO facility for instance, upon handing over of land, which could be independent of completion of construction.



While the rate per square foot has been adopted from YIAPL's MYTP submission (with shift in base year), the area considered has been phased, with 20 acres assumed in the first year and 40 acres (in line with the area earmarked in the Concession Agreement) considered for the remaining years of the Control Period. Based on the above, the Authority decides to consider MRO Revenues as proposed during the Consultation Stage. However, the Authority notes that MRO revenues shall be trued up in the Second Control Period based on actual developments and executed arrangements subject to review of reasonableness and efficiency.

The Authority notes that while MRO services are not presently included within the definition of Aeronautical Services, the matter under consideration pertains only to the revenues accruing to the airport operator in the form of space rentals/license fees for ground facilities provided to MRO service providers. Such revenues have been considered for inclusion under aeronautical revenue. The Authority further notes that a similar approach has been followed in the case of cargo, ground handling and fuel services.

**Treatment of Revenue from IWLZ**

- 9.5.3 The Authority notes the comments of YIAPL and other stakeholders including AAHL and Lufthansa Group regarding the treatment of revenues from IWLZ. The Authority notes that as per the Master Concession Agreement for YIAPL and the IWLZ Concession Agreement, the scope of the IWLZ project includes warehousing facilities as well as a logistics park and a trucking centre, together comprising a mix of infrastructure intended to support cargo-related activities at the airport as well as broader logistics requirements. Further, the AERA Act, 2008 classifies services relating to cargo facilities at an airport as aeronautical services. Accordingly, a portion of the activities undertaken within IWLZ are inherently linked to cargo operations and airport infrastructure.

At the same time, the Authority also observes that certain components of the IWLZ, such as logistics and distribution-oriented facilities, may cater to users and activities that are not exclusively dependent on the cargo terminal. Stakeholders have expressed differing views on the extent to which such activities should be considered aeronautical in nature. In this context, the Authority notes that YIAPL has not provided any disaggregated land-use data, operational metrics or revenue-wise segregation to conclusively establish the pattern of usage and revenues from IWLZ.

In view of the mixed nature of activities envisaged under the IWLZ and in the absence of comprehensive information, the Authority decides to adopt a reasonable and proportionate allocation of revenues. Based on the current assessment that a substantial portion of the IWLZ capacity is functionally linked to cargo facilities at the airport, the Authority decides to allocate 75% of the revenues from the IWLZ as aeronautical and the balance as non-aeronautical for the First Control Period.

**Determination of Revenue from IWLZ**

- 9.5.4 The Authority has examined the submissions of YIAPL regarding determination of revenue from the Integrated Warehousing & Logistics Zone (IWLZ).

The Authority notes that, as per the terms of the IWLZ concession agreement, the revenue structure comprises of two components, namely (i) an upfront fee and (ii) an annual license fee.

With respect to the upfront fee, the Authority notes that the same is contractually payable in defined instalments, including one instalment payable prior to execution of the concession agreement, with subsequent instalments linked to specified milestones. The Authority further notes that YIAPL has itself treated the upfront fee as revenue to be recognized over the tenure of the concession agreement, with the payment milestones linked to COD serving only as cash flow triggers. The Authority's views on the



regulatory treatment and amortization of upfront fees have already been detailed separately in para 3.5.2 which is again reiterated.

With respect to the license fee, the Authority clarified that it has retained the same approach as set out in the Consultation Paper, The Authority notes that the license fee represents an annual contractual consideration payable from the execution date of the Concession Agreement, and accrues on a time-based basis, independent of whether physical access to the IWLZ area has been granted or commercial utilisation has commenced. Accordingly, the license fee is not contingent upon COD of the airport or commencement of operations by the concessionaire. The Authority finds no reason to change the stand taken at the Consultation Stage.

**Other Income including interest on cash balance and DSRA**

- 9.5.5 The Authority has examined the submissions of YIAPL regarding revision of other income projections, including interest on cash balances and interest on the Debt Servicing Reserve Account (DSRA).

With respect to interest on cash balances, the Authority notes YIAPL's request to revise the assumed interest rate from 6% to 4.5% based on its stated investment policy. However, the Authority observes that YIAPL has not furnished adequate supporting information regarding the specific investment instruments, tenure, deployment methodology or binding constraints that would justify deviation from the assumptions adopted earlier. In the absence of such substantiation, the Authority considers it appropriate to continue with the interest rate assumption of 6% for determination of tariffs for the First Control Period.

With regard to interest on DSRA, the Authority notes YIAPL's submission that the proposed cash backed DSRA is intended to be substituted with a bank guarantee or standby letter of credit, resulting in no interest income on DSRA balances. The Authority observes that such substitution would correspondingly free up cash balances, which may be deployed for investment and are expected to earn reasonable returns. Accordingly, the Authority considers it appropriate to continue with the treatment of interest income on DSRA as considered earlier for tariff determination purposes for the First Control Period.

**Revenue from Miscellaneous Segments**

- 9.5.6 The Authority has examined the submissions of YIAPL regarding Non-Aeronautical Revenue projections for the First Control Period. The Authority notes YIAPL's submission highlighting uncertainty and limited visibility associated with Non-Aeronautical Revenues in the initial years of operations of a greenfield airport. However, the Authority observes that the submissions do not provide specific justification supported by changes in contractual arrangements or commencement timelines warranting deviation from the projections considered at the Consultation Stage.

The Authority has independently reviewed the status of executed agreements and proposed contract commencement, for the respective non aeronautical revenue contracts, to the extent commissioned, and has appropriately factored the same in its assessment during Consultation Stage.

**Data and Voice Port Charges**

- 9.5.7 The Authority has examined the submissions of YIAPL regarding Data and Voice Port Charges and notes YIAPL's contention that revenue under this head is expected to be minimal. However, the Authority observes that YIAPL has not furnished any alternative estimate or supporting basis to warrant deviation from the assumption adopted in the Consultation Paper. In the absence of a substantiated estimate, the Authority



considers it appropriate to retain Data and Voice port charges at 1% of Non-Aeronautical Revenue for the First Control Period.

**Minimum Threshold for NAR**

- 9.5.8 The Authority has examined the submissions of YIAPL seeking non-application of the minimum threshold for true up of Non-Aeronautical Revenues for the First Control Period, on account of the greenfield nature of the Airport and the associated risks and volatility in the initial years of operation. While the Authority acknowledges that Non-Aeronautical Revenue streams for a greenfield airport are subject to a degree of uncertainty during the initial years, it reiterates that a key objective of the regulatory framework is to utilise Non-Aeronautical Revenues for cross-subsidization of aeronautical charges, thereby safeguarding the interests of airport users.

As set out in the Consultation Paper, the Authority has adopted a balanced approach by proposing that Non-Aeronautical Revenues be reviewed at the time of tariff determination for the Second Control Period, wherein projected revenues approved by the Authority shall be retained in cases of under realisation, while actual revenues shall be considered only in cases of over performance relative to projections, subject to the minimum threshold. The Authority notes that permitting unrestricted downward true up of Non-Aeronautical Revenues would result in the transfer of commercial risk entirely to airport users, which would be inconsistent with prudent tariff determination principles.

Accordingly, while recognising the sensitivity and evolving nature of Non-Aeronautical Revenue streams in the initial years of operation of a greenfield airport, the Authority considers it appropriate to retain the minimum threshold for true up of Non-Aeronautical Revenues for the First Control Period, as proposed in the Consultation Paper.

**Space Rentals**

- 9.5.9 The Authority notes YIAPL's comment on revenue from space rentals. In this regard, the Authority notes that while YIAPL has submitted that a substantial portion of space rentals has been awarded, in the case of a greenfield airport, non-aeronautical development is inherently dynamic, with additional spaces being planned, configured and commercialized over time. Consequently, contract-wise break-up of currently awarded spaces may not fully represent the eventual non-aeronautical revenue potential of the airport. In view thereof, and in the interest of maintaining a consistent and prudent regulatory approach, the Authority considered it appropriate to rely on the estimates for non-aeronautical space deployment and revenues as set out in the Consultation Paper.

**Real Estate (Admin Block)**

- 9.5.10 The Authority notes YIAPL's submissions regarding revenue from Real Estate (Admin Block). As noted in the Consultation Paper, the proposed Admin Block is intended to house airline offices, and its construction is estimated to be completed only in FY 2028-29. The Authority also notes YIAPL's submissions regarding uncertainty of demand in the greenfield airport context, that YIAPL has not entered into any agreements pertaining to the Real Estate (Admin Block) at this stage and that the revised revenue projections submitted during the course of review are minimal in nature. Considering that the Admin Block is proposed to be occupied by airline offices, the Authority has decided to continue classifying the revenue from the Real Estate (Admin Block) as Aeronautical in nature, in line with recent tariff orders for other airports. Accordingly, the Authority decides to continue with the approach adopted in the Consultation Paper (refer para 9.2.135) for the First Control Period.



NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

**Treatment of Security Deposit and Lease Income**

9.5.11 The Authority notes Mr. Sumedh Bhagwat's comments regarding the treatment Ind AS adjustments income for the purpose of estimation of Non-Aeronautical Revenues (NAR) and YIAPL's response to the same.

On the submission relating to notional interest on interest free or low interest security deposits, the Authority clarifies that the actual interest income earned from such deposits to the extent earned by the Airport Operator during the relevant period is considered as part of the Aggregate Revenue Requirement (ARR).

It is also clarified that certain notional accounting entries arising solely due to Ind AS requirements are not considered by the Authority for tariff determination purposes, since these are accounting adjustments made for book purposes and do not involve any past, present, or future cash flows.

The Authority further clarifies that the projected revenues have been considered based on the contractual terms and conditions as provided in the agreements executed with sub-concessionaires and licensees, to the extent concessionated.

**Maximizing Non-Aeronautical Revenue (NAR) Yields**

9.5.12 The Authority notes Mr. Sumedh Bhagwat's submission regarding the reliance on Non-Aeronautical Revenue (NAR) realization under the 30% Hybrid Till framework and the suggestion for more aggressive retail and commercial revenue assumptions. In this regard, the Authority clarifies that, as detailed in paragraph 9.2.152, the projected NAR of YIAPL has been benchmarked with that of IGI Airport operated by DIAL, after making appropriate adjustments for size, scale of operations, traffic profile/volume, and development phase of the airport. The benchmarking exercise indicates that the proposed NAR projections of YIAPL are broadly in line with DIAL across major revenue streams, barring three specific categories, where deviations have been explained with justifiable reasons.

The Authority further reiterates that the NAR projections have not been adopted mechanically but are subject to true up against actual performance, including compliance with the minimum threshold mechanism, as stipulated in the regulatory framework. Given the premium positioning of the DXN project, the Authority expects the Concessionaire to generate sufficient Non-Aeronautical Revenues through efficient commercialization of retail, F&B, advertising, rentals, and land-based opportunities, so as to enable effective cross subsidization of aeronautical tariffs.

9.5.13 Considering the foregoing, the Authority has decided the Non-Aeronautical Revenue for the First Control Period as presented below. The projections have been updated to reflect changes in passenger traffic for revenue streams linked to traffic volumes as per Table 34, application of the relevant inflation rates as indicated in Table 121, change in USD/INR conversion rate and pro-rating of the revenues for the first tariff year of the Control Period in accordance with para 1.2.6, consequent to the revision of the Commercial Operations Date (COD) to 15<sup>th</sup> June 2026.

**Table 223: Non-Aeronautical Revenue decided by the Authority for the First Control Period**

(Rs. in crores)

Sl. No.	Particulars	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
A	Integrated Warehousing and Logistics Zone (IWLZ)	3.44	3.83	3.92	4.02	4.13	19.33
B	Advertising & Promotion	11.28	15.68	17.31	20.84	25.10	90.20
C	Duty Free	3.57	15.05	23.78	29.25	35.29	106.93



NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

Sl. No.	Particulars	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
D	Food & Beverage (F&B)	18.35	36.14	55.71	75.07	85.12	270.39
E	Lounges	13.29	26.33	43.26	53.82	62.95	199.64
F	Hotel	2.07	2.90	7.75	10.81	12.00	35.52
G	Space Rentals	1.93	2.80	3.13	3.77	3.96	15.60
H	Retail	22.29	35.18	47.71	67.36	96.12	268.65
I	Services	5.68	10.79	16.37	20.35	23.39	76.59
J	Mobility	16.98	23.03	34.75	42.98	52.39	170.13
K	In-Flight Kitchen (IFK)	1.14	1.51	2.96	3.60	4.30	13.52
L	IT	1.28	2.35	2.80	2.94	3.09	12.47
M	Maintenance, Repair & Overhaul (MRO)	-	-	-	-	-	-
N	Real Estate Revenues	-	-	-	0.89	3.03	3.91
O	Public Transportation Centre (PTC)	-	-	-	43.73	50.93	94.66
P	Real State (Admin Block)	-	-	-	-	-	-
Q	Cargo Fuel Station	-	-	2.25	2.33	2.42	7.00
S	Landside Plaza	-	-	-	-	12.66	12.66
	<b>Total NAR before other income and miscellaneous income</b>	<b>101.30</b>	<b>175.57</b>	<b>261.70</b>	<b>381.77</b>	<b>476.86</b>	<b>1,397.21</b>
R	Add: Other Income incl. Interest Income	13.07	18.91	26.85	48.24	72.95	180.01
T	Add: Data & Voice Port Charges and Miscellaneous Charges	1.01	1.76	2.62	3.82	4.77	13.97
	<b>Total NAR</b>	<b>115.38</b>	<b>196.24</b>	<b>291.16</b>	<b>433.82</b>	<b>554.58</b>	<b>1,591.19</b>

\* Pro-rated for the period commencing 15<sup>th</sup> June 2026

9.5.14 The reason for difference between the Aeronautical Revenue as decided by the Authority as Order and as proposed by the Authority at Consultation Stage is as follows:

**Table 224: Reasons for difference in Non-Aeronautical Revenue considered in Consultation Stage and Order for the First Control Period**

Sl. No	Revenue Stream	As at Consultation Stage (A)	As at Order Stage (B)	Difference (C=B-A)	Basis for Change in Revenue
A	Integrated Warehousing and Logistics Zone (IWLZ)	19.57	19.33	-0.24	Change in upfront revenue due to revised Commercial Operation Date (COD) of 15 <sup>th</sup> June 2026, calculated over the remaining concession agreement period together with Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
B	Advertising & Promotion	93.12	90.20	-2.92	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
C	Duty Free	102.89	106.93	4.04	Updated inflation rate used for USD/INR exchange rate estimation; Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026



**NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD**

Sl. No	Revenue Stream	As at Consultation Stage (A)	As at Order Stage (B)	Difference (C=B-A)	Basis for Change in Revenue
D	Food & Beverage (F&B)	284.82	270.39	-14.43	Lower traffic projections compared to Control Period (CP) stage, with Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
E	Lounges	210.24	199.64	-10.60	Lower traffic projections compared to Control Period (CP) stage, with Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
F	Hotel	36.06	35.52	-0.54	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
G	Space Rentals	16.10	15.60	-0.50	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
H	Retail	274.42	268.65	-5.77	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
I	Services	70.80	76.59	5.79	Marginal increase in IPP (with change in traffic)
J	Mobility	170.13	170.13	-	No change in numbers
K	In-Flight Kitchen (IFK)	13.81	13.52	-0.29	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
L	IT	12.80	12.47	-0.33	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
M	Maintenance, Repair & Overhaul (MRO)	-	-	-	Treated as Aero revenue
N	Real Estate Revenues	3.91	3.91	-	No change as revenue begins from Year 3
O	Public Transportation Centre (PTC)	98.45	94.66	-3.79	Lower traffic projections compared to Control Period (CP) stage
P	Real State (Admin Block)	-	-	-	-
Q	Cargo Fuel Station	7.00	7.00	-	No change as revenue begins from Year 3
R	Other Income incl. Interest Income	183.39	180.01	-3.38	Year 1 revenue pro-rated for the operational period based on COD of 15 <sup>th</sup> June 2026
S	Landside Plaza	12.66	12.66	-	No change as revenue begins in the final year
T	Data & Voice Port Charges	14.27	13.97	-0.30	Since this is dependent on other non-aeronautical revenues; there has been a consequential change.
	<b>Total</b>	<b>1,624.44</b>	<b>1,591.19</b>	<b>-33.25</b>	

**9.6 Authority's decision regarding Non-Aeronautical Revenue for the First Control Period**

Based on the material before it and its analysis, the Authority decides the following with regard to Non-Aeronautical Revenue for the First Control Period:



NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

- 9.6.1 To consider Non-Aeronautical Revenue for the First Control Period for Noida International Airport, Jewar as per Table 223.
- 9.6.2 To consider true up of Non-Aeronautical Revenue at the time of determination of tariff for the Second Control Period, if it is higher than that decided by the Authority in Table 223.



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**10. TAXATION FOR THE FIRST CONTROL PERIOD****10.1 YIAPL's submission regarding Aeronautical Taxation for the First Control Period of Noida International Airport**

10.1.1 YIAPL had submitted the computation of income tax based on the PBT which is arrived at after considering the following:

- Aeronautical revenues
- 30% of Non-Aeronautical revenues
- O&M expenses
- Interest on debt
- Interest on working capital and
- Depreciation computed separately for the purpose of tax.

10.1.2 The computation of income tax submitted by YIAPL is as follows:

**Table 225: Aeronautical Taxation for the First Control Period submitted by YIAPL***(Rs. in crores)*

Particulars	Ref	FY 26	FY 27	FY 28	FY 29	FY 30	Total
<b>Revenue</b>							
Aeronautical Revenue		507.1	792.8	1,093.5	1,427.5	1,765.2	<b>5,586.1</b>
30% Non-Aeronautical Revenue		29.2	59.5	88.7	116.5	161.0	<b>454.9</b>
<b>Total Revenue</b>	<b>A</b>	<b>536.30</b>	<b>852.31</b>	<b>1,182.18</b>	<b>1,543.92</b>	<b>1,926.25</b>	<b>6,041.0</b>
<b>Expenses</b>							
Operation & Maintenance Expenses		473.91	537.24	575.54	602.99	647.60	<b>2,837.3</b>
Depreciation (As per IT Act, 1961)		306.4	332.8	337.3	340.0	344.3	<b>1,660.8</b>
Interest on Debt		374.5	398.8	381.0	351.9	314.6	<b>1,820.8</b>
Interest on working capital		-	0.5	1.5	2.8	4.3	<b>9.1</b>
<b>Total Expenses</b>	<b>B</b>	<b>1,154.80</b>	<b>1,269.23</b>	<b>1,295.29</b>	<b>1,297.73</b>	<b>1,310.83</b>	<b>6,327.9</b>
<b>Profit/Loss</b>	<b>C=A-B</b>	<b>(618.50)</b>	<b>(416.90)</b>	<b>(113.10)</b>	<b>246.2</b>	<b>615.4</b>	<b>-286.9</b>
Tax Rate		25.17%	25.17%	25.17%	25.17%	25.17%	
<b>Aeronautical Tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**10.2 Authority's examination regarding Aeronautical Taxation for the First Control Period at Consultation Stage**

10.2.1 The Authority noted that Noida International Airport has calculated income tax based on the projected Aeronautical revenues and considering 30% of Non-Aeronautical Revenues used for cross-subsidization of ARR.

10.2.2 The Authority also noted that as per the Income Tax computation submitted by YIAPL, there was no tax liability for any of the 5 years of the First Control Period because of losses / carry forward losses.

10.2.3 Further, the Authority takes cognizance of the fact that Aeronautical Taxation is dependent upon the tariff rate card to be approved by the Authority for Noida International Airport for the current Control Period. Therefore, the Authority proposed to determine the Aeronautical taxes for the current Control Period after its examination of the Tariff Rate Card to be submitted by YIAPL for the current Control Period (which is within



7 days from the issuance of this consultation paper), post the completion of stakeholders' consultation process.

10.2.4 For the purposes of this consultation paper, the Authority proposed to consider the Aeronautical taxation as NIL for the First Control period for reasons stated in para 10.2.3.

10.2.5 Additionally, the Authority proposed to compute the Tax for the First Control Period, at the Order Stage, considering the following approach:

- **Aeronautical Revenue:** The Authority noted that YIAPL has considered Aeronautical Revenue comprising income from Landing, Parking, Housing, and User Development Fee (UDF), along with revenue from Cargo, Ground Handling and Fuel Concession, CUTE/CUSS/BRS systems, and Fuel Pipeline, as reflected in the financial model. The Authority proposed to consider these components, updated based on the tariff rate card to be submitted post issuance of this Consultation Paper and review of the related concession/license agreements for Cargo, Ground Handling, Fuel, and CUTE/CUSS/BRS. Additionally, 75% of IWLZ Revenue (refer para 9.2.16), MRO Revenue (refer para 9.2.117), and lease rentals from Aeronautical activities (refer para 9.2.62), revenue from EV Charging works and utility provisions for APHOs, revenues from GPU/PCA etc, will also be included for determining Aeronautical Revenue during the First Control Period.
- **30% Non-Aeronautical Revenue:** The Authority proposed not to consider Non-Aeronautical Revenue for tax computation, in line with its approach adopted in recent tariff orders for other airports.
- **Operation & Maintenance (O&M) Expenses:** The Authority proposed to consider Aeronautical O&M Expenses as provided in Table 170, subject to revision, if any, post receipt of the tariff rate card and stakeholder comments.
- **Depreciation:** Depreciation will be determined as per the provisions of the Income Tax Act, 1961, based on Aeronautical Assets outlined in Table 100.
- **Interest on Debt:** Interest expense will be computed considering the borrowing schedule submitted by YIAPL, updated for the proposed Aeronautical Asset additions during the First Control Period.
- **Interest on Working Capital:** The Authority proposed to update the interest on working capital post receipt of the tariff rate card from YIAPL and in light of any modifications to other building blocks, if any (refer para 8.2.167).
- **Tax Rate:** The Authority proposed to consider a applicable corporate tax rate for calculation of Aeronautical tax.

### 10.3 Stakeholders' comments on Taxation for the First Control Period

10.3.1 Subsequent to the stakeholders' consultation process, the Authority has received comments/views from various stakeholders in response to the proposals of the Authority in the Consultation Paper No. 07/2025-26 with respect to Taxation for the First Control Period. The comments by stakeholders are presented below:

#### YIAPL's comments on Taxation for the First Control Period

10.3.2 YIAPL's comments on Determination of Taxation are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 10.3.1, the Authority has proposed the methodology for determination of taxation for calculating the ARR for First Control Period.*

*YIAPL response & submission:*



*YIAPL hereby requests the Authority to consider that, while determining taxation for the purpose of computing the Aeronautical Revenue Requirement (ARR) in accordance with AERA Guidelines, taxation eligibility should be correspondingly enhanced to the extent of Non-Aeronautical Revenue (NAR) utilized for cross-subsidization. In line with Clause 5.5.1 of the AERA Guidelines, taxation is required to be computed after taking into consideration all incomes deployed for ARR determination. Since NAR is also used in the computation of ARR, the same ought to have been included while determining taxation.*

*Further, YIAPL requests the Authority to consider, for taxation purposes, not only the revenue from NAR concessions but also other income, including interest income, that has been offered for cross-subsidisation and used in the determination of ARR, in addition to taxation from other NAR streams.*

*In this regard, attention is invited to the judgment dated 15.11.2018 of Hon'ble TDSAT in the matter of Mumbai International Airport Limited (MIAL) and the judgment dated 14.02.2024 in the matter of Hyderabad International Airport Limited (HIAL)."*

#### **10.4 Authority's analysis on Stakeholders' comments regarding Aeronautical Taxation for the First Control Period**

10.4.1 The Authority has examined the submissions of YIAPL on the treatment of taxation for the purpose of computation of Aggregate Revenue Requirement (ARR) for the First Control Period.

With regard to YIAPL's request to include Non-Aeronautical Revenue, including interest income, for the purpose of computation of taxation, the Authority observes that, as per the AERA Guidelines and NCAP 2016, only 30% of Non-Aeronautical Revenue is considered for cross subsidization while computing the ARR. The Guidelines do not provide for recovery of corporate taxes on such Non-Aeronautical Revenues through aeronautical charges.

The Authority reiterates that the consideration of 30% of Non-Aeronautical Revenue for ARR determination is intended to provide tariff moderation benefits to aeronautical users. Inclusion of taxation on such Non-Aeronautical Revenues as part of the aeronautical profit and loss account would effectively reduce the intended level of cross subsidy available to users, which is not in line with the intent of the AERA Guidelines or NCAP 2016. Further, such inclusion would lead to an unintended dilution of cross-subsidy benefits.

The Authority has adopted this consistent approach in previous tariff determinations, wherein the share of Non-Aeronautical Revenue considered for ARR determination has not been treated as part of the Aeronautical P&L for the purpose of computing corporate taxes.

In view of the above, the Authority proposed to compute taxation, if any, for the First Control Period in accordance with the approved methodology, excluding Non-Aeronautical Revenues from the tax base. The same shall be subject to true up based on actual financial performance and traffic realization, taking into account overall reasonableness and efficiency.

10.4.2 Based on the above factors, taking into consideration the Aeronautical Revenue determined by the Authority, the Aeronautical O&M Expenses as per Table 174 after computing depreciation under the IT Act, the Authority has recomputed the Aeronautical Taxation, which it decides to consider for the First Control Period. The Aeronautical Taxation for the First Control Period as decided by the Authority is as follows:



**Table 226: Aeronautical Taxation decided by the Authority for the First Control Period***(Rs. in crores)*

Financial Year	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Revenue (refer Table 230)	A	404.15	804.63	1,287.31	1,673.80	1,951.24	<b>6,121.13</b>
Aeronautical Opex (refer Table 174)	B	355.92	460.58	467.12	484.21	494.12	<b>2,261.94</b>
Interest*	C	398.76	380.96	351.90	314.64	275.32	<b>1,721.58</b>
Aeronautical IT Depreciation	D	721.82	610.22	523.10	453.00	395.22	<b>2,703.36</b>
<b>Profit Before Tax</b>	<b>E=A-B- C-D</b>	<b>-1,072.35</b>	<b>-647.13</b>	<b>-54.81</b>	<b>421.95</b>	<b>786.59</b>	<b>-565.75</b>
Losses brought forward	F	-	-1,072.35	-1,719.48	-1,774.29	-1,352.34	
Add: loss for the period	G=E (if negative)	-1,072.35	-647.13	-54.81	-	-	
Brought forward loss set off	H=E (if positive)	-	-	-	421.95	786.59	
Losses carried forward	I=F+G+H	-1,072.35	-1,719.48	-1,774.29	-1,352.34	-565.75	
Taxable Income	J=E(if positive)- H	-	-	-	-	-	-
Tax Rate	K	25.17%	25.17%	25.17%	25.17%	25.17%	
<b>Aeronautical Tax</b>	<b>L=J*K</b>	-	-	-	-	-	-

\* To be considered as submitted by YIAPL in the MYTP

It is noted that the brought forward losses for FY 2026-27 have been considered as Nil due to the absence of adequate supporting information. Further, since Aeronautical Taxation is subject to true-up at the time of tariff determination for the Second Control Period, the impact of such carry forward losses, if any, shall be examined and incorporated at that stage based on actuals.

### 10.5 Authority's decision regarding Aeronautical Taxation for the First Control Period

Based on the material before it and its analysis, the Authority decides the following with regard to Aeronautical Taxation for the First Control Period:

- 10.5.1 To consider the Aeronautical Taxation for the First Control Period for Noida International Airport, Jewar as per Table 226.
- 10.5.2 To true up the Aeronautical Tax amount, taking into consideration all the relevant facts, at the time of tariff determination for the Second Control Period.



## 11. QUALITY OF SERVICE FOR THE FIRST CONTROL PERIOD

### 11.1 YIAPL's submission regarding Quality of Service for the First Control Period of Noida International Airport

YIAPL had submitted that Clause 26.7.1 of CA states that – *"The Concessionaire shall participate in the passenger survey of Airport Service Quality (the "ASQ") undertaken by Airports Council International (the "ACI") or any equivalent substitute thereof, conducted every quarter and shall ensure that the Airport achieves and maintains a rating of at least 4.2 (four point two) out of 5.0 (five) in such survey (the "Target Rating") and maintain the same throughout the rest of the Concession Period"*

11.1.1 YIAPL had also stated that Annex – I to Schedule L of the Concession Agreement mentions that *"The Concessionaire shall at all times procure and ensure that the services provided at the Airport conform to the minimum performance standards (the "Service Quality Requirements") specified in Annex – I of Schedule – L".* YIAPL had listed in the MYTP the excerpt of this Schedule- L indicating the performance indicators, performance measures and the minimum performance standards for each indicator.

11.1.2 YIAPL in their MYTP had also stated that NIA would adhere to and maintain these standards and had considered the cost implications suitably while preparing future projections as provided in the MYTP submission.

### 11.2 Authority's examination regarding Quality of Service for the First Control Period at Consultation Stage

11.2.1 The Authority noted that:

- As per section 13 (1) (d) of the AERA Act, 2008, the Authority shall *"monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any the Authority authorized by it in this behalf."*
- As per section 13(1)(a) (ii), the Authority is required to determine the tariff for Aeronautical services taking into consideration *"the service provided, its quality and other relevant factors."*

11.2.2 The Authority noted that Annex- I of Schedule - L of the Concession Agreement for Noida International Airport lays down the following:

*"The subjective quality of service shall be measured on the parameter of "Overall satisfaction with the airport" on the ACI ASQ survey to be conducted every quarter. The benchmark score for the parameter "Overall satisfaction with the airport" shall be at least equivalent to such score that the Airport is identified within top 20 (twenty) per centile of all airports in its category in the world. The Concessionaire shall also provide performance on all measured parameters of the ACI ASQ survey as part of the Statements being submitted as per the provisions of the Agreement."*

11.2.3 The Authority also noted the clause of the concession agreement that mandates the Airport Operator to maintain a rating of at least 4.2 out of 5 in the ACI ASQ survey or any equivalent substitute thereof, and to maintain the same throughout the concession period.

11.2.4 The Authority had also issued Consultation Paper No. 03/2025-26 dated 18<sup>th</sup> August 2025 on the "Formulation of Performance Standards for Major Airports relating to Quality, Continuity, and Reliability of Service and Associated Activities." The final order will be issued in due course and shall be applicable to YIAPL as and when the same becomes effective and applicable to major airports.



### 11.3 Stakeholders' comments regarding Quality of Service for the First Control Period

11.3.1 During the stakeholders' consultation process, the Authority has received comments/views from various stakeholders in response to the proposals of the Authority in Consultation Paper No. 07/2025-26 with respect to the Quality of Service for the First Control Period. The comments by the stakeholders are presented below:

#### YIAPL's Comments on Quality of Service for the First Control Period

11.3.2 YIAPL's comments on Quality of Service are as follows:

*"The Authority's consideration and proposal put forth in Consultation Paper:*

*Vide para 11.2.4, the Authority has proposed the applicability of Consultation Paper No. 03/2025-26 dated 18 August 2025, titled "Formulation of Performance Standards for Major Airports relating to Quality, Continuity, and Reliability of Service and Associated Activities," to YIAPL, as and when the same becomes effective.*

*YIAPL Response*

*YIAPL has designed its infrastructure and operational processes in accordance with the Service Level Agreements (SLAs) specified in the Master Concession Agreement. The additional proposal issued by the Authority vide CP-03/25-26 would entail further requirements for a greenfield airport.*

*It is submitted that, in the case of a greenfield airport, infrastructure and operational systems remain in the stabilization phase during the initial years of operations. At present, these systems have been developed based on the parameters prescribed in the Master Concession Agreement. Consequently, it would be challenging for a greenfield airport to fully meet the proposed performance evaluation parameters immediately upon commencement of operations and during the initial years.*

*Accordingly, it is requested that the performance evaluation parameters may be relaxed for YIAPL, being a greenfield airport, for the first five years from the start of operations to allow adequate time for system maturity and process stabilization."*

### 11.4 Authority's analysis on Stakeholders' comments regarding Quality of Service for the First Control Period

11.4.1 The Authority has examined the submissions of YIAPL seeking relaxation from applicability of the performance standards proposed under Consultation Paper No. 03/2025 26 during the initial years of operation, citing the greenfield nature of the Airport and stabilisation requirements. The Authority notes that Noida International Airport has experienced a delayed Commercial Operations Date (COD) and has undergone an extended period of Operational Readiness and Airport Transfer (ORAT), which is intended to ensure preparedness of systems, processes and service delivery standards prior to commencement of operations. In view of the above, the Authority considers that YIAPL is expected to be adequately prepared to meet the prescribed quality, continuity and reliability standards upon commencement of operations.

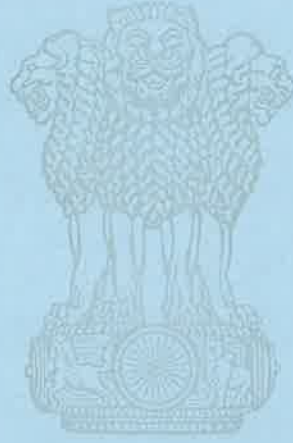
Hence the Authority does not find merit in YIAPL's request for relaxation of performance evaluation parameters for the initial five-year period. In this context, the Authority reiterates its proposal that the performance standards as formulated for all Airports uniformly including YIAPL as proposed under Consultation Paper No. 03/2025 26 shall be applicable to YIAPL, in the form and nature as approved by MoCA, as and when the same comes into effect.



**11.5 Authority's decision regarding Quality of Service for the First Control Period**

Based on the material before it and its analysis, the Authority decides the following regarding Quality of service for the First Control Period:

- 11.5.1 YIAPL should ensure that service quality at Noida International Airport adheres to the performance standards outlined in the Concession Agreement and shall additionally comply with such performance standards as may be notified pursuant to the final order referred to in para 11.2.4, once the same become applicable to major airports, during the First Control Period.



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AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

**12. AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD**

**12.1 YIAPL's submission regarding Aggregate Revenue Requirement (ARR) for the First Control Period of Noida International Airport**

- 12.1.1 YIAPL submitted the Aggregate Revenue Requirement (ARR) and Yield per Passenger (YPP) for the First Control Period based on the regulatory building blocks forming part of its MYTP submission. Subsequent to the MYTP submission, YIAPL furnished additional information and revised submissions in respect of certain building blocks, including intimation of change in COD and related revisions to capital expenditure and traffic projections vide its communication dated 3<sup>rd</sup> February 2026, along with other interim updates.
- 12.1.2 The Authority examined these revised and updated submissions and, after taking into account the change in COD and the consequent revision and extension of the Control Period, has redrawn the ARR and YPP after giving due consideration to the information furnished by YIAPL in the interim. In respect of those building blocks where revised submissions were either not fully provided or were not supported with sufficient details, especially for FY 2030-31, the Authority has relied on the original MYTP submission/financial model submitted by YIAPL, suitably aligned to the revised Control Period, for the purpose of re-drawing the ARR table. The assumptions underlying the re-drawn submission are set out in the respective chapters.
- 12.1.3 The table below summarises the ARR and YPP of YIAPL as redrawn by the Authority in accordance with the approach detailed above.

**Table 227: Aggregate Revenue Requirement drawn up by the Authority, as YIAPL submission, for the First Control Period**

*(Rs. in crores)*

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Average RAB (refer Table 106) <sup>#</sup>	A	6,615.45	6,255.35	5,904.50	5,561.50	5,215.00	
FRoR* (refer Table 115)	B	14.77%	14.77%	14.77%	14.77%	14.77%	
<b>Return on RAB</b>	<b>C=A×B</b>	<b>977.00</b>	<b>923.82</b>	<b>872.00</b>	<b>821.34</b>	<b>770.17</b>	<b>4,364.33</b>
Depreciation <sup>#</sup> (refer Table 102)	D	360.10	360.10	364.60	367.40	371.60	<b>1,823.80</b>
O&M Expenses <sup>#</sup> (refer Table 128)	E	566.62	589.57	621.17	662.17	676.52	<b>3,116.05</b>
Taxation (refer Table 225)	F	-	-	-	-	-	-
NAR (refer Table 179) <sup>#</sup>	G	163.61	281.66	367.06	522.01	671.44	<b>2,005.78</b>
Less: 30% of NAR	H=30%*G	49.10	84.50	110.10	156.60	201.40	<b>601.70</b>
<b>ARR</b>	<b>I=Sum(C:F) -H</b>	<b>1,854.61</b>	<b>1,788.99</b>	<b>1,747.67</b>	<b>1,694.32</b>	<b>1,616.89</b>	<b>8,702.48</b>
Discount Factor @ 14.77%	J	1.00	0.88	0.77	0.67	0.58	
<b>PV of Forecasted ARR</b>	<b>K=I×J</b>	<b>1,854.61</b>	<b>1,574.31</b>	<b>1,345.71</b>	<b>1,135.19</b>	<b>937.80</b>	<b>6,847.62</b>
Total Traffic in MPPA <sup>#</sup> (refer Table 16)	L	6.35	9.01	11.98	15.41	18.65	<b>61.40</b>
<b>Yield per passenger (YPP) (Rs.)</b>	<b>M=K÷L×10</b>						<b>1,115.25</b>

\*Based on the MYTP submitted by YIAPL

# Re-drawn based on revised information submitted by YIAPL



AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

**12.2 Authority's examination regarding Aggregate Revenue Requirement (ARR) for the First Control Period at Consultation Stage**

12.2.1 The observations and proposals of the Authority across the regulatory building blocks impact the computation of ARR and Yield. With respect to each element of the regulatory building blocks considered by AO in computation of ARR and Yield in the table above, the Authority proposed as follows:

- i. To consider the average RAB in accordance with Table 107.
- ii. To consider the FRoR in accordance with Table 118.
- iii. To consider the Depreciation as per Table 104.
- iv. To consider the O&M Expenses as per Table 170
- v. To consider the Aeronautical Taxation as per para 10.2.3.
- vi. To consider the Non-Aeronautical Revenue as per Table 222.
- vii. To consider the Total Traffic in accordance with Table 33.

12.2.2 After considering the above, the Authority proposed to consider the following ARR and YPP as per the below table:

**Table 228: Aggregate Revenue Requirement proposed by the Authority for the First Control Period at Consultation Stage**

*(Rs. in crores)*

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Average RAB (refer Table 107)	A	6,051.02	5,731.45	5,415.02	5,101.25	4,786.56	
FRoR (refer Table 118)	B	12.69%	12.69%	12.69%	12.69%	12.69%	
Return on RAB	C=A×B	768.09	727.53	687.36	647.53	607.59	3,438.10
Depreciation (refer Table 104)	D	319.95	319.18	323.68	323.85	325.53	1,612.20
O&M Expenses (refer Table 170)	E	439.65	450.07	454.63	470.08	478.36	2,292.80
Taxation (refer Para 10.2.4)	F	-	-	-	-	-	-
<b>ARR</b>	<b>J=SUM (C:F)</b>	<b>1,527.70</b>	<b>1,496.78</b>	<b>1,465.67</b>	<b>1,441.47</b>	<b>1,411.48</b>	<b>7,343.09</b>
NAR (refer Table 222)	K	139.10	197.02	292.10	438.37	557.85	1,624.44
Less: 30% of NAR	L=K×30%	41.73	59.11	87.63	131.51	167.35	487.33
<b>Net ARR</b>	<b>M=J-L</b>	<b>1,485.97</b>	<b>1,437.67</b>	<b>1,378.04</b>	<b>1,309.96</b>	<b>1,244.12</b>	<b>6,855.76</b>
PV Factor @ 12.69%	N	1.00	0.89	0.79	0.70	0.62	
<b>PV of Forecasted ARR</b>	<b>O=M×N</b>	<b>1,485.97</b>	<b>1,275.74</b>	<b>1,085.08</b>	<b>915.29</b>	<b>771.38</b>	<b>5,533.45</b>



AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Sum PV of ARR	P						5,533.45
Total Traffic in MPPA (refer Table 33)	Q	6.74	10.26	15.06	18.13	20.04	70.23
Yield per passenger (YPP) (Rs.)	$R=P\div Q$						787.91
Departing passengers in MPPA	S						35.11
Yield per departing passenger (Rs.)	$T=P\div S$						1,575.83

12.2.3 The Authority proposed the ARR of Rs. 6,855.76 crores (Rs. 5,533.45 crores in NPV terms) at Consultation Stage as against the ARR of Rs. 8,702.48 crores (Rs. 6,847.62 crores in NPV terms) as submitted by YIAPL. Major reasons for variance between the ARR proposed by the Authority and the ARR submitted by YIAPL are as follows:

- (i) Rationalization of Capex costs submitted by YIAPL mainly in (a) Contingencies - Rs. 283.75 crores on account of Non-Aeronautical and items for which break up was not submitted by YIAPL and (b) General and Maintenance Capex – Rs. 39 crores (c) Financing Allowance by Rs. 20.06 crores
- (ii) Reduction in FROR from 14.77% as submitted by YIAPL to 12.69% as proposed by the Authority resulting in a decrease in return on RAB combined with capex rationalization.
- (iii) Various adjustments and rationalization in Operating and Maintenance expenses as detailed in paragraph 8.2.177.
- (iv) Adjustments and Rationalizations to Non-Aeronautical revenue as detailed in paragraph 9.2.155 including Revenue from Integrated Warehousing and Logistics Zone (IWLZ), MRO and Real State (Admin Block) being classified as aeronautical services and, hence, excluded from the Non-Aeronautical Revenue.

12.2.4 In this regard, the Authority had drawn reference to the guiding principles issued by the International Civil Aviation Organization (“ICAO”) on charges for Airports and Air Navigation Services (ICAO DoC 9082), which lays down the main purpose of economic oversight which is to achieve a balance between the interest of Airports and the Airport Users. The said policy document also emphasizes balancing the interests of airports on one hand and aircraft operators, end users on the other, in view of the importance of the air transport system to States. Therefore, the policy document recommends that States encourage increased cooperation between airports and aircraft operators to ensure that the economic difficulties facing them all are shared in a reasonable manner.

12.2.5 This may also be read in conjunction with the objectives of the National Civil Aviation Policy (NCAP) 2016, which intends to provide affordable and sustainable air travel for passengers/ masses. As per para 12 (c) of the NCAP, “In case the tariff in one particular year or contractual period turns out to be excessive, the Airport Operator and the Regulator will explore ways to keep the tariff reasonable and spread the excess amount over the future.” *The above has also been conveyed by AERA vide its Order No. 14/2016-17 dated 12th January 2017. Clause 3.6.2 of the MoU between YIAPL and MoCA, mentions that “... the Concessionaire shall have*



## AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

*to work with AERA to explore ways to keep the tariffs comparable with the tariffs of the neighbouring airports”.*

12.2.6 Determination of Aeronautical charges and UDF requires a delicate balance between cost recovery and its potential impact on air traffic demand. This balance is crucial for the financial viability of the airport and its ability to sustain operations while also ensuring that the tariffs remain competitive enough to attract and retain airlines and passengers. Therefore, based on the Tariff Rate Card to be submitted by YIAPL during the Consultation Stage, the Authority would consider on an appropriate balance between cost recovery and its potential impact on air traffic demand.

12.2.7 The Authority noted that, it is necessary to have the individual year-wise Tariff Card laying down the different aeronautical charges and the workings for the aeronautical revenues, in order to have a constructive stakeholder discussion and hence YIAPL was directed to submit the detailed Annual Tariff proposals in line with the ARR and Yield arrived at by the Authority within 7 days of issue of the Consultation Paper.

### **12.3 Stakeholders’ comments regarding Aggregate Revenue Requirement (ARR) for the First Control Period**

12.3.1 Subsequent to the stakeholders consultation process, the Authority has received comments/ views from various stakeholders in response to the proposals of the Authority in the Consultation Paper no 07/2025-26 with respect to Aggregate Revenue Requirement (ARR) First Control Period. The comments by stakeholders are presented below:

#### **Other Stakeholders’ comments on ARR for the First Control Period**

12.3.2 IATAs Comments on Transparency, Monitoring and True Up Discipline are as follows:

*“The CP notes that several elements of the tariff framework, including traffic volumes, aeronautical capitalization, efficiency of expenditure and certain operating costs, will be reviewed or trued-up at the time of determining tariffs for the next Control Period. Given that DXN is a greenfield airport with significant upfront CAPEX and uncertain early years traffic, both AERA and users must have visibility on how these elements will be monitored, validated, and reconciled over time, which is critical for ensuring predictability and safeguarding user interests.*

*In this context, IATA considers it important that the final tariff order set out the principles, methodologies, and evidence requirements that will guide true-up assessments. This would help ensure that:*

- Only efficient and prudently incurred costs are admitted for recovery, with proper justification and benchmarking.*
- Demand-linked capitalization is treated consistently, so that users do not bear the cost of assets that are underutilized or commissioned ahead of requirement.*
- Traffic-related variances are reconciled transparently, with clear rules on how shortfalls or surpluses will be carried forward.*
- Operating-cost variances, particularly items with embedded assumptions (e.g. utilities, contracts, overheads) are subject to documented scrutiny rather than automatic pass-through.*



## AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

• Reporting and disclosure requirements are defined upfront, enabling ongoing monitoring by all stakeholders during the Control Period.

Providing this clarity in the final order would strengthen the transparency and credibility of the tariff framework, ensure consistent treatment across Control Periods, and give both airlines and the airport operator the predictability needed for effective long-term planning.

IATA appreciates the opportunity to contribute to AERA's consultation on tariff determination for DXN's First Control Period. We value the Authority's systematic and consultative approach and look forward to continued engagement as DXN transitions from construction to operations. We welcome the Authority's openness to stakeholder input and encourage continued vigilance in ensuring that the emerging regulatory framework remains cost-disciplined, transparent and aligned with the needs of airlines and passengers. IATA and its member airlines remain committed to supporting a growth-oriented regulatory framework that enables DXN to succeed as a second hub airport for the NCR."

### **12.4 YIAPL's response to Stakeholders' comments on Aggregate Revenue Requirement (ARR) for the First Control Period**

12.4.1 YIAPL has not submitted any response to International Air Transport Association's (IATA) comments on Aggregate Revenue Requirement.

### **12.5 Authority's analysis on Stakeholders' comments regarding Aggregate Revenue Requirement (ARR) for the First Control Period**

12.5.1 The Authority has noted the stakeholder's submissions regarding transparency, monitoring and true up discipline for the First Control Period of DXN, including the importance of providing predictability to users in the context of a greenfield airport with significant upfront capital investment and traffic uncertainty. In this regard, the Authority clarifies that the regulatory framework governing tariff determination already provides for review through the true up process, based on actual traffic, and audited costs and capitalization based on review of reasonableness and efficiency, to ensure appropriate validation of projections approved at the time of tariff determination.

Operating expenditure and efficiency parameters are examined based on audited actuals and supporting evidence, in accordance with the applicable guidelines.

The Authority further notes that the assessment of prudence and efficiency of costs, treatment of demand linked capitalization, reconciliation of traffic variances and scrutiny of operating expenditure are integral to the true up process and are undertaken in a consistent and evidence based manner, having regard to benchmarking, contractual obligations and operational realities after scrutiny of related documents/ reports/ statements/ accounts substantiating the same. The Authority also emphasizes that reporting and disclosure requirements are prescribed under the extant framework, enabling continuous monitoring over the Control Period.

While the Authority acknowledges the stakeholder's suggestion to explicitly set out detailed principles and evidentiary requirements in the final Tariff Order, it considers that the existing statutory provisions, guidelines and established regulatory practice adequately address these aspects. The Authority reiterates that the true up mechanism remains a key safeguard to ensure that only efficient and prudently incurred costs are ultimately admitted for recovery, while maintaining transparency, regulatory certainty and balance between the interests of users and the airport operator.



AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

12.5.2 The Authority, after due consideration of the stakeholders' submissions, has undertaken a detailed review of the Aggregate Revenue Requirement (ARR) for the First Control Period. Based on its decisions across the various regulatory building blocks (including changes in traffic, O&M expenses, Regulatory Asset Base and Non-Aeronautical Revenue), and after incorporating the impact arising from the revision in COD, the recomputed ARR for the First Control Period is presented below:

**Table 229: Aggregate Revenue Requirement decided by the Authority for the First Control Period**

*(Rs. in crores)*

Particulars	Ref	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
Average RAB (refer Table 113)	A	6,092.51	5,805.22	5,487.98	5,173.40	4,857.90	
FRoR (refer Table 118)	B	12.69%	12.69%	12.69%	12.69%	12.69%	
<b>Return on RAB</b>	<b>C=A×B</b>	<b>614.45</b>	<b>736.89</b>	<b>696.62</b>	<b>656.69</b>	<b>616.64</b>	<b>3,321.30</b>
Depreciation (refer Table 112)	D	254.61	319.99	324.49	324.66	326.34	<b>1,550.08</b>
O&M Expenses (refer Table 174)	E	355.92	460.58	467.12	484.21	494.12	<b>2,261.94</b>
Taxation (refer Table 226)	F	-	-	-	-	-	-
<b>ARR</b>	<b>G=SUM (C:F)</b>	<b>1,224.97</b>	<b>1,517.45</b>	<b>1,488.23</b>	<b>1,465.56</b>	<b>1,437.11</b>	<b>7,133.32</b>
NAR (refer Table 223)	H	115.38	196.24	291.16	433.82	554.58	<b>1,591.19</b>
Less: 30% of NAR	I=H×30%	34.62	58.87	87.35	130.15	166.37	<b>477.36</b>
<b>Net ARR</b>	<b>J=G-I</b>	<b>1,190.36</b>	<b>1,458.58</b>	<b>1,400.88</b>	<b>1,335.41</b>	<b>1,270.73</b>	<b>6,655.96</b>
PV Factor @ 12.69%	K	1.00	0.89	0.79	0.70	0.62	
<b>PV of ARR</b>	<b>L=J×K</b>	<b>1,190.36</b>	<b>1,294.29</b>	<b>1,103.07</b>	<b>933.07</b>	<b>787.87</b>	<b>5,308.67</b>
<b>Sum of PV of ARR</b>	<b>M</b>						<b>5,308.67</b>
Total Traffic (MPPA) (refer Table 34)	N	5.40	9.90	14.50	17.40	19.30	<b>66.50</b>
<b>Yield Per Passenger (YPP) (Rs.)</b>	<b>O=M÷N</b>						<b>798.30</b>
Departing passengers (MPPA)	P						33.25
<b>Yield Per Departing Passenger (Rs.)</b>	<b>Q=M÷P</b>						<b>1,596.59</b>
<b>PV of ARR allowed during First Control Period after carry forward of Rs. 797.56 crores (i.e. 15.02% of PV of ARR)</b>							<b>4,511.11</b> <i>(84.98% of Rs. 5,308.67 crores)</i>
<b>Subject to above, the Aeronautical Revenue is as follows:</b>							



AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

Particulars	Ref	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Revenue (refer Table 230)	R	404.15	804.63	1,287.31	1,673.80	1,951.24	6,121.13
PV of Aero Revenue	S=R×K	404.15	714.00	1,013.64	1,169.51	1,209.80	4,511.11
Sum of PV of Aero Revenue	T						4,511.11
Shortfall	U=M-T						797.56

\*Considering COD as 15<sup>th</sup> June 2026

12.5.3 As shown in the above table, there is a variance of Rs. 224.78 crores between the NPV of ARR computed by the Authority i.e. Rs. 5,308.67 crores as compared to Rs. 5,533.45 crores (refer Table 228) proposed at Consultation Stage. The variance primarily is on account of the following:

- i. Reduction in Return on RAB by Rs. 98.77 crores due to the application of a pro-rata period of 9.5 months considering COD as 15<sup>th</sup> June 2026 as compared to 1<sup>st</sup> April 2026 considered at the Consultation Stage.
- ii. Reduction in Depreciation by Rs. 52.79 crores due to application of a pro-rata period of 9.5 months considering COD as 15<sup>th</sup> June 2026 as compared to 1<sup>st</sup> April 2026 considered at the Consultation Stage.
- iii. Reduction in Aeronautical O&M Expenses by Rs. 30.84 crores majorly due to change in aeronautical ratio applied on Outsourced Manpower Expenses, change in inflation and due to application of a pro-rata period of 9.5 months considering COD as 15<sup>th</sup> June 2026 as compared to 1<sup>st</sup> April 2026 considered at the Consultation Stage as discussed in Table 175.
- iv. Decrease in total Non-Aeronautical Revenue by Rs. 33.25 crores as explained in Table 224

12.5.4 The Authority, based on the deliberations held during the Stakeholder Consultation Meeting on 23<sup>rd</sup> March 2026, and the written submissions received from various stakeholders, has undertaken a comprehensive assessment of the proposed ARR alongside the prevailing traffic base at the airport. Upon such evaluation, the Authority observes that the current revenue base is insufficient to enable full recovery of the Aggregate Revenue Requirement (ARR) within the present Control Period as determined in Table 229. The Authority notes that this position arises due to the inherent nature of greenfield airports, given the high initial CAPEX and cost required to be incurred upfront to enable commencement of commercial operations at the Airport in compliance with all statutory requirements such as safety, security etc. (including the associated depreciation and return on RAB), coupled with a relatively low passenger base during the traffic ramp-up phase and O&M costs which are yet to achieve economies of scale.

12.5.5 In this regard, it is submitted that any attempt to achieve complete recovery of the ARR during this control period would result in a significant increase in airport charges including UDF for passengers and Landing Parking for airlines. In the Authority's considered view as well as views of few stakeholders during the Stakeholder Consultation Meeting, such an increase may adversely impact passenger traffic growth, demand elasticity, and the overall competitiveness of the airport.

12.5.6 Further, upon detailed examination and rationalization of the ARR components including admissible CAPEX, operating expenditure, and traffic projections, the Authority after comprehensive analysis, due diligence and prudence check has rationalised and moderated the various regulatory building blocks i.e. RAB (Capex), O&M, NAR, Traffic etc. and has worked out an ARR and YPP as per its regulatory guidelines which though



## AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

significantly moderated and fairly justified is still on the higher side when translated to UDF and Landing & Parking Charges.

12.5.7 The Airport Operator (YIAPL), in its Annual Tariff Plan (ATP), has also proposed some portion of the ARR to be carried forward to the Second Control Period. After careful consideration of stakeholder interests and with a view to balancing the financial viability of the Airport Operator with tariff affordability to users, the Authority has decided to consider the carry forward of 15.02% of the ARR to the next Control Period (refer Table 229).

### 12.6 Authority's decision regarding Aggregate Revenue Requirement (ARR) for the First Control Period

Based on the material before it and its analysis, the Authority decides the following with regard to ARR for the First Control Period:

- 12.6.1 To consider ARR for the First Control Period for Noida International Airport as per Table 229.
- 12.6.2 To True-up the ARR and YPP for the First Control Period based on the actuals subject to reasonableness and efficiency at the time of tariff determination for the Second Control Period.

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### 13. AERONAUTICAL REVENUE FOR THE FIRST CONTROL PERIOD

#### 13.1 YIAPL's submission regarding Aeronautical Revenue for the First Control Period

13.1.1 Further to the issuance of Consultation Paper, YIAPL had submitted the Tariff Rate Card to the Authority which was put up for Stakeholders' comments on AERA website vide Public Notice No. 16/2025-26 dated 16<sup>th</sup> March 2026.

#### 13.2 Stakeholders' comments regarding Aeronautical Revenue for the First Control Period

##### YIAPL's comments regarding Aeronautical Revenue for the First Control Period

13.2.1 YIAPL's comments regarding revenue from GPU/ PCA is as follows:

*"Authority has directed YIAPL to include the revenues from GPU/PCA as aeronautical revenues at the time of submission of the rate card during consultation process. YIAPL has submitted the revenue projections from GPU/PCA to the Authority at the time of ATP submission."*

13.2.2 YIAPL's comments regarding revenue from EV Charging is as follows:

*"With reference to Para 5.3.151 of Consultation Paper, the Authority has directed YIAPL to provide details regarding EV charging stations at the airside. In this regard, YIAPL submits that it intends to levy charges on airlines and ground handlers for the usage of airside EV charging infrastructure. However, YIAPL has also clarified that the proposed charges are expected to be nominal. Further, in the absence of any historical data, it is presently difficult to estimate the extent of usage of EV charging stations by airlines and ground handlers during the initial years."*

13.2.3 YIAPL's comments regarding opportunity for revision of Annual Tariff Proposal (ATP) is as follows:

*"YIAPL hereby requests Authority to arrive at the ARR for YIAPL after considering the YIAPL comments and submission. Further, Vide Para 12.3.2 Authority has directed YIAPL to share annual tariff proposal (ATP) within 7 days of release of stakeholder consultation paper. In pursuance of the same, YIAPL has submitted ATP with Authority considering the ARR proposed by the Authority. In view of our submission and comments here, we request Authority to grant YIAPL an opportunity to revise/refine the Annual Tariff Proposal (ATP) along with VTP, based on the final decision of the Authority, prior to the issuance of tariff order."*

*Regarding the finalization of tariff structure /mix, we request Authority to kindly consider that as a greenfield airport, Noida International Airport faces inherent challenges in developing its catchment area within a dual-airport ecosystem. Achieving an appropriate balance between the User Development Fee and landing and parking charges is critical to stimulating traffic growth while optimizing revenue potential. In view of these challenges, NIA has submitted its proposed tariff mix comprising UDF and landing/parking charges and respectfully requests the Authority to consider the proposed mix for Issuance of tariff order for NIA.*

*To support catchment development, NIA has also proposed a Variable Tariff Proposal (VTP) with the objective of attracting passengers, incentivising airline entry, encouraging the launch of new domestic and international routes, and supporting sustainable traffic growth during the initial years of operations. These measures are proposed to support sustainable traffic build-up and effective catchment development at Noida International Airport.*



**Other Stakeholders' comments on Aeronautical Revenue for the First Control Period**

13.2.4 IATA's comment regarding Greenfield Ramp up and Early Years Cost Recovery is as follows:

*"As a greenfield airport, DXN will incur significant CAPEX and OPEX from COD onward, regardless of the pace at which traffic materializes. In the early years of operation, particularly within a dual-airport system, traffic is expected to stabilize gradually, and utilization of terminal, airside and support facilities may remain below design capacity. Under such conditions, the Aggregate Revenue Requirement (ARR), which appears high at entry and remains broadly steady across the First Control Period, risks translating into disproportionately high per-passenger charges for early users.*

*From an airline and IATA perspective, cost recovery in the initial years must be carefully aligned with actual operational use and demand conditions. When capacity, assets, or services are not fully utilized at COD, it is neither efficient nor economically justified to impose full cost recovery immediately. A phased and prudent approach is essential to avoid front-loading costs onto a small initial traffic base, which would undermine route viability, dampen demand, and ultimately delay the airport's ramp-up.*

*IATA therefore requests the Authority to closely examine both the timing and pace of early-year cost recovery, ensuring that:*

- *Tariffs reflect the realistic utilization profile of DXN during the ramp-up phase.*
- *Cost recovery for under-utilized assets is phased in gradually, avoiding unnecessary early-year burdens on airlines and passengers.*
- *The overall tariff structure remains affordable, demand-responsive, and conducive to long-term traffic development.*

*Such an approach is critical to ensuring that DXN can establish itself as a competitive and market-stimulating second airport for the NCR, rather than risk suppressing early traffic with high unit costs driven by premature full cost recovery."*

13.2.5 IATA's comments regarding Tariff Structure, Annual Escalations and Variable Tariff Plan (VTP) are as follows:

*"The ATP proposes year-on-year increases across all major aeronautical charges. For example, landing charges for domestic aircraft below 100 MT increase from INR 760 per MT in FY27 to INR 889 per MT in FY31, while UDF rises more sharply for both domestic and international passengers over the Control Period. The ATP also introduces a 10-times penalty multiplier on parking charges for aircraft exceeding authorized parking duration, a measure that may prove overly punitive during DXN's early operational stabilization phase.*

*The ATP additionally sets out a Variable Tariff Plan (VTP) for both domestic and international services, with eligibility dependent on minimum operational thresholds:*

- *For domestic flights, the VTP applies solely to landing charges, with benefits provided retrospectively through year-end credit notes.*
- *For international flights, the VTP includes more restrictive conditions such as minimum weekly departures on routes up to 4,500 km and offers upfront UDF discounts where airlines meet the criteria. However, the proposed ATP does not specify how VTP discounts will be funded. Given the Hybrid Till framework, where 30% of NAR offsets aeronautical charges, clarity is essential to ensure that VTP incentives do not result in*



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*unintended cross-subsidisation between user groups, nor dilute the limited NAR cross-subsidy available in the early years. Greater transparency on the funding source, financial impact, and accounting treatment of these incentives would help ensure that tariff design remains equitable, efficient, and consistent with AERA's regulatory principles."*

13.2.6 Indigo's comments regarding parking charges are as follows:

*"a. The base parking rate at DXN is higher when compared to NMI (Greenfield Airport) and DEL (Twin Airport).*

Hour Slab	Comparison of Charges per MT per Hour (In INR)		
	NMI	DEL	DXN
0-2 Hrs	Nil	Nil	Nil
2-4 Hrs	19	18	25
4-6 Hrs	23	18	50

*b. The parking cost of a 97MT A321 parked for 6Hrs at NMI would be ~INR 8000, at DEL would be ~INR 6900 and at DXN would be ~INR 14500.*

*c. This high parking cost at DXN when scaled up for planned operations by Indian airlines would only get higher and become commercially discouraging.*

*d. Additionally, with reference to Note (4) under the proposed Parking Charges, it is suggested that parking charges be calculated based on the nearest 15-minute interval and applied on a pro rata basis.*

*e. Apart from the already high parking charges, an overstay with a multiplicative of 10x is being levied by DXN, which is quite high, as longer parking can occur due to multiple reasons such as- airport-related issues, traffic congestion, or bad weather. Airlines have very little control over these types of situations and should not be required to pay such very high amount. Levying overstay charge with multiplicative of 10x is too exorbitant and unfair. We therefore request AERA to kindly waive off the overstay charges, considering that the parking tariff beyond four (4) hours is already levied at twice the normal rate. Since the increased rate inherently covers the intent of discouraging prolonged parking, the additional overstay penalty becomes duplicative and may please be reconsidered.*

*f. The eligibility criteria for availing one night parking bay, as per Note (9) to Parking charges for all aircraft, is a minimum of 6 departures. It is clarified that it is not possible on a single aircraft given the block hours required to fly domestic medium to long hauls, therefore, \*\*it is requested that point no. 9 should be omitted/reduced to 2 departures per day per aircraft parked.\*\**

*g. If airlines have to consider DXN as a hub, airlines will need to factor in availability of, or conversely lack of, flexibility required to ensure successful hub operations, including the ability to hold aircraft on ground at short notice, which in the proposed CP will qualify as unauthorized parking. Levy of exponential charges will discourage airlines from planning operations at large scale."*

13.2.7 Indigo's comments regarding structure of Variable Tariff Plan is as follows:

*"The proposed VTP for domestic passenger flight offers discounts on only landing charges and is valid only for 2.5 years. It is requested that it should also incorporate UDF (both embarking and disembarking) along with Landing.*



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While the offer of VTP is noted and much appreciated, its core objective is to stimulate demand during the start-up phase. Accordingly, VTP should be attractive enough to enable airlines to offer competitive fares, thereby stimulating traffic growth and supporting the achievement of stable and sustainable passenger volumes. Therefore, it is **\*\*recommended\*\*** that validity of VTP should be extended for the whole first control period i.e. 5 years as follows:

Particulars		Year 1	Year 2	Year 3	Year 4	Year 5	
Landing	No. of departures per day	0-10	RR	RR	RR	RR	
		11-20	50%*RR	70%*RR	90%*RR	RR	RR
		21-34	40%*RR	60%*RR	80%*RR	RR	RR
		35-50	30%*RR	50%*RR	70%*RR	90%*RR	RR
		50 and above	20%*RR	40%*RR	60%*RR	80%*RR	90%*RR
UDF	No. of departures per day	0-10	RR	RR	RR	RR	
		11-20	80%*RR	90%*RR	RR	RR	RR
		21-34	70%*RR	80%*RR	90%*RR	RR	RR
		35-50	60%*RR	70%*RR	80%*RR	90%*RR	RR
		50 and above	50%*RR	60%*RR	70%*RR	80%*RR	90%*RR

**\*RR = Rack Rate**

b. Point 3 under terms and conditions of proposed VTP mentions that if frequencies are reduced year on year, then VTP will not be applicable. It is pertinent to mention that airlines adjust their network basis to prevalent market conditions or any other external factors. Therefore, this condition is very stringent and unfairly penalizes airlines and could lead to a more conservative approach which may result in slow build-up of capacity and consequentially low passenger volumes.

c. Point 6 under terms and conditions of proposed VTP mentions night parking as a requirement for VTP. It is recommended that the same should be omitted.”

13.2.8 IATA’s comments regarding Affordability and Role of Second Hub Airport is as follows:

“The Annual Tariff Proposal (ATP) submitted under the Concession Agreement acknowledges the inherent challenges of operating a greenfield airport alongside an established primary hub. YIAPL notes that developing DXN’s catchment and attracting sustainable traffic will require striking an appropriate balance between User Development Fees (UDF) and landing/parking charges to support its early-stage growth.

While recognising these challenges, IATA notes that the overall level of aeronautical charges proposed for DXN appears high for a new secondary airport (doubled of DEL based on the projected yield per passenger (YPP)) seeking to establish itself in a competitive market. Annual escalation in landing and parking charges and steep penalty multipliers for overstay may not reflect the operational realities during DXN’s initial commissioning phase. Such charge levels risk undermining DXN’s ability to position itself as an affordable, market-stimulating alternative for price-sensitive operations.

From a competitive-market perspective, a new entrant typically adopts a pricing strategy that lowers barriers to entry and incentivizes early uptake by airlines, particularly in markets where capacity and traffic will take time to mature. This would normally include:



- *Moderated aeronautical charges in the initial years to attract carriers, foster network development, and accelerate market growth. This can also be supported by deferring or tempering expectations on capital returns in the early phase to stimulate early traffic.*
- *Predictable and stable pricing structures that minimise commercial uncertainty and support long-term planning and commitment by airlines.*
- *Proportionate and pragmatic penalty regimes, recognising operational realities during the transition to a new airport environment, where processes and systems are still stabilizing.*
- *Targeted incentives or transitional support measures aligned with global industry practice for new market entrants, ensuring that early adopters are encouraged and rewarded as the airport builds its catchment and competitive position.*

*International experience consistently shows that secondary airports succeed when pricing strategies are aligned with long-term traffic growth objectives, allowing aeronautical charges to scale gradually with actual utilization rather than being front-loaded to secure early cost recovery.*

*IATA therefore requests that the Authority give strong weight to affordability and early-phase market-development considerations, to ensure that tariffs at DXN do not become a barrier to traffic growth and remain aligned with its intended role as the NCR's second hub airport."*

13.2.9 Air India's comment regarding Common UDF for all classes of travel is as follows:

*"However, we would also like to commend and support that NIA has a common UDF, rather than one that segregates by cabin class (i.e., First/Business vs Economy). Such class-based UDF's at IGIA do not provide significant improvements in the First/Business class experience and in such priority queues, it is not uncommon to see Economy passengers (eg Fast track services provided by the Airport operator) using these queues. Since the introduction of higher UDF's for First/Business International passenger, there has not been any increase in the facilities provided, nor in the basic manning of such dedicated facilities.*

*We sincerely hope that the AERA will consider our feedback and requests and take appropriate steps toward addressing these concerns. Such a decision by AERA would have positive and far-reaching impact, not just benefitting the aviation sector, but passengers and the Indian economy."*

13.2.10 Air India's comment regarding moderation of aeronautical tariffs is as follows:

*"We note that the proposed charges at NIA remain on the high side. Since airlines pass these charges directly to passengers through ticket prices, travelers from NCR will inevitably find this airport more expensive compared to IGIA. When tolls, cab fares, and longer travel times are factored in, the overall cost burden makes this airport significantly less attractive for NCR passengers. Hence it is recommended that UDF should be charged on lower side and costs could be spread over a longer period. In the other scenario, IGIA could become uncompetitive and overall growth of the airport may be impacted.*

*- Aircraft parking fees – the attractiveness of NIA is reduced by a tenfold parking fee after the free period (2 hours), as compared to charges at IGIA*

*- UDF charges – at 5x that of IGIA, the catchment will be limited to only those nearby to NIA"*

13.2.11 Air India's comments regarding the need for a sustained, multi-year VTP (Variable Tariff Plan) is as follows:

*"We strongly welcome & support YIAPL's VTP. This will be immensely critical for development & viability/sustainability of airlines' routes at NIA.*



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Numerous factors that have to be considered include:

- Current geopolitical crisis – this is affecting the ability of airlines to serve various routes, caused by

i. Increase in fuel & other prices,

ii. Restrictions on airspace, adding to flying times & costs,

iii. Increased restrictions & complexities to meet regulatory requirements, adding to crew requirements & costs, as airlines are likely to focus operations from current key hubs.

- Global delays to delivery of new aircraft – the supply chain issues have led to manufacturer delays of at least 2 years. This has impacted addition of new routes, since airlines will focus on higher yield routes, rather than expanding destinations.

- Many global airports offer multi-year incentives, such as Incheon, Kansai, Hong Kong & Kuala Lumpur (3 years). Note that these are for well-established and mature airports. Such a period is required for viability of routes at a greenfield airport like NIA by the airlines, especially in the absence of a base carrier.

We also note that the Government has recognized the need for longer market development, with the modified-UDAN scheme extending VGF support to airline operators over 10 years now. Similarly, traffic at greenfield and dual-airport cities, as is the case with NIA, will need more time for VTP schemes to have its effect.”

13.2.12 Air Asia Group’s comments regarding Incentive Scheme is as follows:

“As a greenfield airport with no current demand, the commercial risk resides with the airlines rather than the airport. To mitigate this risk and attract new carriers, a robust 5 Year incentive framework is vital. This should include:

- Waivers or discounts on aeronautical charges, including but not limited to, landing, parking, aerobridge and UDF

- Fuel subsidies

A balanced and pragmatic approach to these tariffs is critical to the long-term success of Noida International Airport. We look forward to further engagement on these matters.”

13.2.13 Air Asia Group’s comments regarding High Airport Charges is as follows:

“The proposed charges, including UDF and landing fees, are among the highest in India and are not justified. This high-cost structure poses a significant challenge to maintaining competitive pricing and sustaining demand in a price-sensitive market.”

13.2.14 Air Asia Group’s comments regarding Bilateral Rights is as follows:

“At present, Delhi and Noida are treated as a single point under bilateral air service agreements. This restriction limits the ability of AirAsia Group to serve both airports. We recommend that Noida International Airport be designated as a separate point of call from Indira Gandhi International Airport. This separation is essential to enable AirAsia Group to operate from both airports simultaneously, supporting regional growth and network expansion.”

13.2.15 BAOA’s comments regarding Optional Long-Term Parking Tariff Framework is as follows:

“In exercise of its statutory mandate to determine aeronautical tariffs at PPP airports, AERA may consider introducing an approved optional framework for long-term aircraft parking based on upfront payment. Such



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*a model would enable operators, particularly those with usual base of operations in the NCR, to opt for prepaid multi-year parking entitlements (e.g., 3–5 years), structured on transparent and non-discriminatory terms within the control period. Comparable long-term user fee mechanisms have been successfully implemented in the surface transport sector by the National Highways Authority of India, demonstrating the viability of upfront payment models in infrastructure financing. Adoption of a similar approach in the aviation context would support revenue visibility and capital planning for the airport operator, while ensuring predictability and assured access for users, consistent with AERA's principles of fairness, transparency, and efficient user-pay frameworks."*

13.2.16 BAOA's comments regarding Proportionate and Competitive Tariff Structure is as follows:

*"Given AERA's mandate to ensure fair, reasonable, and non-discriminatory tariffs, it is important that:*

- Aeronautical charges for GA/BA operations remain proportionate to asset utilization*
- Weight-based landing and parking charges are structured competitively relative to comparable airports in the NCR region*
- Cross-subsidisation from GA/BA users toward large-scale commercial infrastructure is avoided*

*A balanced tariff framework will ensure that business aviation traffic is not inadvertently disincentivised, particularly in a multi-airport regional system."*

13.2.17 Indigo's comments regarding Aeronautical charges Comparison between DXN and DEL is as follows:

*"Aeronautical charges Comparison between DXN and DEL*

*a. DXN airport and DEL airport will both primarily cater to National Capital Region with substantial overlapping catchment*

*b. However, it is noted that aeronautical charges at DXN are considerably higher as compared to DEL.*

Charges (FY27)			DXN	DEL	Difference	% Difference
Landing (<100MT)	INR/MT	Dom	760	347	413	119%
		Int	870	570	300	53%
Embarking UDF	INR/Pax	Dom	653	129	524	406%
		Int	1200	650	550	85%
Disembarking UDF	INR/Pax	Dom	282	56	226	404%
		Int	520	275	245	89%

*c. Considering one round trip operation (domestic) on an A321 aircraft assuming MTOW of 97 MT, 232 seats and 85% Load Factor, this translates to INR 1,88,000 additional cost as compared to DEL (Rs. 475 per passenger).*

*d. If an airline was to operate a modest scale of ~15 daily round trips at DXN, the impact would be multiplicative and would amount to ~INR 103 Crore in additional costs as compared to DEL annually*

*e. Also, the aeronautical charges for subsequent years keep getting higher for DXN resulting in further increase when compared to corresponding years for DEL.*

*f. Airlines in India already operate in a high-cost and competitive environment with razor thin margins, hence, to offer lucrative airfares in comparison to DEL, airlines would not be able to absorb additional costs*



to carry the same passenger from DXN instead of DEL. Further, escalating aviation fuel costs amid the prevailing geopolitical scenario have led to a steep surge in expenditures, severely straining airline finances.

g. This would require carriers to pass on the additional costs to passengers, thereby making overall fares paid by passengers travelling to/from DXN higher than DEL. This will, consequentially, discourage passengers from shifting to using DXN. As a result, the project's vision of effectively catering the NCR catchment is significantly diluted due to the proposed rates.

h. In our view, Indian carriers would need to keep the all-inclusive airfares on par with DEL if not lower to attract traffic in DXN, given our experience with Hindon where the yields that airlines were able to generate were much lower than DEL.

i. However, with such high costs leading to reduced demand, DXN will become commercially unattractive for operations at any meaningful scale.

j. Since DEL is very well connected via public transport like metro, buses and connecting highways, such supporting surface infrastructure is currently lacking for DXN, hence, resulting in higher out of pocket expense for airport commute over and above higher fares that are expected to prevail as a result of the costs indicated in the CP.

k. As passengers in India are predominantly price sensitive so a natural preference of DEL over DXN is inevitable due to substantial airfare difference as a resultant of high aeronautical charges in DXN.

l. For customer pricing to be common, overall cost of operation (cost to airline and cost to customers) should be equivalent between DEL and DXN.

m. For airlines to stimulate the demand, cost of operation at DXN should be further lowered at least till such time airlines are able to achieve meaningful scale. Airlines should be provided with incentives, particularly in the form of lower aeronautical charges, to allow them to offer competitive fares and attract passengers, thereby enabling an effective splitting of the catchment area between DEL and DXN.

n. In addition to the above submission, with respect to Note (2) to the proposed Landing Charges, it is requested that the Note be updated as follows:

*Landing Charges shall be calculated on the basis of next nearest rounded off MT (i.e., 1,000 kgs)".*

p. Under Note 1 (Collection Charges) to UDF, the rate of collection of UDF charges has been proposed to be as per the agreement between Airport Operator and Airline, and we hereby request AERA to kindly consider the collection charges to be specified at the rate of Rs. 5.00 per embarking passenger, in line with the existing rate of collection charges being remitted by other similar Airport operators. We would also request an additional rate of collection charges to be specified for disembarking passengers considering the administrative and other costs involved."

### 13.3 YIAPL's response to Stakeholders' comments regarding Aeronautical Revenue for the First Control Period

13.3.1 YIAPL has responded to IATA's comments regarding Greenfield Ramp-up Costs and Early Years Cost Recovery as follows:

*"It is submitted that the tariffs to be determined by the Authority are for the entire First Control Period of five years, whereas the passenger traffic projections indicate that the terminal is expected to reach its*



*designated capacity by around the end of the third year itself. Accordingly, this is not a case where the airport assets are expected to remain materially under utilised throughout the Control Period.*

*Further, AERA's tariff determination principles ensures the financial viability of airport operators by allowing recovery of legitimate costs incurred in providing airport services. Tariffs are determined in a manner that supports the financial sustainability and economic viability of the*

*project. In the case of a greenfield airport, particularly during the initial years of operations, adequate recovery of the approved Aggregate Revenue Requirement (ARR) is critical to maintain operational stability, meet debt servicing obligations, sustain service quality, and ensure overall project viability.*

*It is also respectfully submitted that the AERA tariff determination framework is in line with AERA guidelines-2011, para 5.2 read with para 4 wherein the ARR is required to be determined in accordance with the prescribed methodology and applicable principles and not adjusted based on speculative assumptions regarding the pace of ramp-up."*

13.3.2 YIAPL has responded to IATA's comments regarding Tariff Structure, Annual Escalations and Variable Tariff Plan (VTP) as follows:

*"The VTP proposed by YIAPL is aimed at expanding the DXN catchment area by attracting a consistent flow of passengers and triggering initial volume growth. This will support the stabilization of airline operations during the early stages of the airport's development and aid in achieving the base traffic levels. Over time, this is expected to result in higher overall traffic throughput and corresponding economies of scale, ultimately leading to more efficient airport charges for both passengers and airlines."*

13.3.3 YIAPL has responded to Indigo's comments regarding high parking charges as follows:

*"Aircraft parking stands constitute a finite and high-value airport resource, particularly in high density airspace such as the NCR region. The proposed parking tariff structure has therefore been designed to ensure efficient utilization of available capacity and enable optimal economic realization of airport infrastructure.*

*Given the scarcity of parking bays across Indian airports, including comparable facilities, the pricing philosophy reflects both resource optimization and congestion management principles.*

*Overstay charges have been introduced to discourage unauthorized or inefficient occupation of parking stands beyond the allocated time approved by YIAPL.*

*It is pertinent to note that:*

- *Scheduled commercial operations are tightly regulated and slot-driven, with minimal deviation from approved schedules.*

- *Consequently, instances of unauthorized overstay by scheduled carriers are expected to be exceptional rather than systemic.*

*The provision is therefore intended as a deterrent mechanism, rather than a revenue-generating tool, ensuring discipline in stand utilization without adversely impacting normal airline operations.*

*The methodology to calculate the number of departures per night parked aircraft will be total number of departures of an airline divided by the proposed night parking. This is an aggregate metric and not intended to be interpreted on a per-aircraft basis. It is therefore evident that expecting a single aircraft to achieve the stipulated number of departures is neither practical nor intended. The framework reflects a network-level*



efficiency benchmark, ensuring that parking allocation is aligned with overall airline operational productivity rather than isolated aircraft utilization.

This clarification also addresses industry concerns that unrealistic per-aircraft thresholds could disincentivize hub development and efficient scheduling practices, as highlighted in stakeholder feedback.”

13.3.4 YIAPL’s response regarding structure of Variable Tariff Plan is as follows:

“The proposed Variable Tariff Plan (VTP) is premised on the assumption that latent domestic demand exists within the region and can be effectively stimulated through calibrated tariff incentives. However, given the absence of any historical traffic base at DXN, demand elasticity remains untested and requires a structured, time-bound approach.

Accordingly, the introduction of VTP for an initial period of 2.5 years for domestic is considered appropriate. This duration balances two critical objectives:

- Demand Stimulation: Providing sufficient time for airlines to develop routes, build passenger awareness, and establish sustainable traffic flows.
- Regulatory Prudence: Ensuring that tariff incentives do not become a passive subsidy without delivering measurable traffic outcomes.

It is further emphasized that VTP must not evolve into a mechanism that merely supports incumbent operators without driving incremental demand. Therefore, qualifying conditions such as minimum frequency thresholds, operational commitments, and network development requirements have been incorporated to ensure that tariff benefits are directly linked to meaningful capacity addition and traffic growth.

This approach aligns with industry feedback (including airline submissions) that incentives must be targeted, performance-linked, and time-bound to avoid inefficient market distortions while enabling DXN to achieve a stable traffic base in its formative years.”

13.3.5 YIAPL’s response regarding IATA’s comment regarding affordability and role of a second hub airport is as follows:

“It is important to note that, as a greenfield airport, higher initial tariffs are inherent due to significant upfront capital investment, unlike established airports where a substantial portion of investments has already been recovered over earlier control periods.

At the same time, YIAPL has calibrated its tariff structure to balance affordability with financial sustainability. Key factors supporting DXN’s competitiveness include:

- Potential reduction in VAT on ATF by the state government
- Availability of additional capacity and peak-hour slots in a constrained NCR market
- Implementation of a Variable Tariff Plan to incentivize traffic development and airline participation

These elements, together with a phased traffic build-up, are expected to support DXN’s role as a complementary airport while ensuring tariffs do not act as a barrier to growth.

It is also submitted that YIAPL, in its tariff proposal, has already factored in a degree of under recovery based on its ARR projection and the proposed tariffs have been arrived at after carefully balancing two important considerations: first, that the airport must be able to sustain its operations, meet its obligations,



*and recover costs on the basis of the projected traffic volume; and second, that the tariff structure should be to supportive in catchment development and demand stimulation.”*

13.3.6 YIAPL has not submitted any response to Air India’s comments on common UDF for all classes.

13.3.7 YIAPL’s response to Air India’s comment regarding Moderation of Aero tariffs will allow NIA to grow Parking charges is as follows:

*“YIAPL respectfully submits that the determination of aeronautical tariffs is required to be carried out in accordance with the applicable regulatory framework and prescribed methodology. The tariff-setting exercise cannot be based solely on a preference for lower charges in the abstract, but must appropriately balance the legitimate cost recovery requirements of the airport with the broader objective of ensuring operational sustainability and service provision.*

*In this regard, it is submitted that YIAPL, in its tariff proposal, has already factored in a degree of under-recovery based on its ARR projection and the proposed tariffs have been arrived at after carefully balancing two important considerations: first, that the airport must be able to sustain its operations, meet its obligations, and recover costs on the basis of the projected traffic volume; and second, that the tariff structure should not be such as to adversely affect demand for the airport.*

*It is further submitted that the proposed parking charges are comparable to, and in the case of contact stands, in fact lower than, those applicable at IGIA. Accordingly, the understanding that the proposed parking charges at NIA are ten times those at IGIA is not correct.*

*It is clarified that the 10x rate indicated in the tariff card is applicable only in cases where an aircraft overstays its authorised parking period. Such charges are in the nature of a deterrent measure intended to avoid unnecessary occupation of parking stands and the resulting capacity constraints in airside operations. Similar provisions also exist at other airports.”*

13.3.8 YIAPL’s response regarding need for sustained, multi-year VTP is as follows:

*“YIAPL acknowledges Air India’s support for the YIAPL’s VTP submission. The VTP is designed to support traffic build-up in line with current projections by incentivizing early airline participation and network development.*

*It is expected to improve capacity utilization and operating leverage, thereby contributing to greater affordability for passengers and potential moderation of aeronautical charges over time.”*

13.3.9 YIAPL’s response regarding Incentive scheme is as follows:

*“It is requested to refer YIAPL’s response on Structure of Variable Tariff Plan as submitted in paragraph 3.2 (refer para 13.3.4 of this Tariff Order) of this submission.”*

13.3.10 YIAPL’s response to Air Asia Group’s comments regarding High Airport Charges is as follows:

*“It is requested to refer YIAPL’s response on Affordability and role of second hub airport as submitted in para 1.2 (refer para 13.3.5 of this Tariff Order) of this submission”*

13.3.11 YIAPL’s response to Air Asia Group’s comments regarding Bilateral Rights is as follows:

*“YIAPL acknowledges AirAsia’s comment on the issue of bilateral rights. YIAPL is actively pursuing strategies to build the international segment notwithstanding this challenge, and the proposed VTP is one of the measures being undertaken in that direction.”*



13.3.12 YIAPL has not submitted any response to BAOA's comments regarding Optional Long-Term Parking Tariff Framework.

13.3.13 YIAPL has not submitted any response to BAOA's comments regarding Proportionate and Competitive Tariff Structure.

13.3.14 YIAPL's response on Indigo's comments relating to Aeronautical charges Comparison between DXN and DEL is as follows:

*"It is requested to refer YIAPL's response on Affordability and role of second hub airport as submitted in para 1.2 (refer para 13.3.5) of this submission."*

### **13.4 Authority's analysis on Stakeholders' comments regarding Aeronautical Revenue for the First Control Period**

#### **GPU/PCA Revenue**

13.4.1 The Authority notes YIAPL's submissions regarding submission of revenue projections for Ground Power Unit (GPU) and Pre-Conditioned Air (PCA) services. The Authority notes that, pursuant to the directions issued in the Consultation Paper, YIAPL had submitted the projected revenue from GPU/PCA services along with the Annual Tariff Proposal submissions. The Authority has examined the submissions made by YIAPL and has appropriately considered the projected revenue from GPU/PCA services while determining aeronautical revenues for the First Control Period. The same shall be subject to true-up during the tariff determination of the second control period based on actual data subject to assessment of their reasonableness and efficiency.

#### **Revenue from EV Charging**

13.4.2 The Authority has examined the submission of YIAPL regarding the proposed levy of charges on airlines and ground handlers for usage of airside EV charging infrastructure. While YIAPL has indicated that such charges are expected to be nominal and that usage levels cannot be estimated due to the absence of historical data, the Authority is of the view that the provision of airside EV charging facilities constitutes an essential aeronautical infrastructure enabling ground handling and airline operations. Accordingly, in the absence of estimate from AO, the Authority has estimated a revenue of ₹5 crore per annum towards airside EV charging services. The same has been considered as part of aeronautical revenue for the purpose of the present tariff determination. This will be true up during the tariff determination of the second control period based on actual data subject to assessment of their reasonableness and efficiency.

#### **Opportunity for Revision of Annual Tariff Proposal (ATP) / Tariff Structure**

13.4.3 The Authority notes the submissions made by YIAPL in respect of finalisation of ARR, opportunity to revise the Annual Tariff Proposal (ATP) and Variable Tariff Proposal (VTP), and the proposed tariff structure and mix for Noida International Airport.

With regard to the request for an opportunity to revise or refine the ATP and VTP after issuance of the final decision of the Authority, the Authority notes that the AERA Act, 2008 envisages a transparent and consultative regulatory process. In accordance with such framework, stakeholder comments are invited within the timelines specified in the Consultation Paper issued by the Authority. The comments received within the stipulated consultation period are duly examined and addressed by the Authority while arriving at its final decision. The AERA Act and the applicable regulatory framework do not provide for an iterative or open-ended process for submission of revised tariff proposals beyond the closure of the stakeholder consultation



process. Accordingly, upon conclusion of the stakeholder consultation period, further revisions to the tariff proposals will not be considered for the purpose of issuance of the Tariff Order.

Regarding the proposed tariff structure and mix, the Authority takes note of YIAPL's submissions that Noida International Airport is a greenfield airport operating within a dual airport system and faces inherent challenges in developing its catchment area in the initial years of operations. The Authority also notes YIAPL's submission that an appropriate balance between User Development Fee and landing and parking charges is necessary to encourage traffic growth while ensuring revenue sustainability.

The Authority observes that, in previous tariff orders for greenfield and emerging airports, due consideration has been given to the need for maintaining a balanced tariff structure that supports traffic stimulation, airline participation and long term viability of airport operations. Tariff mix decisions are evaluated by the Authority considering airport specific factors such as stage of development, projected traffic, competitive environment, and overall reasonableness in the interest of airport users after due consideration of stakeholders' comments in accordance with AERA Act and Guidelines.

The Authority further notes YIAPL's proposal for implementation of a Variable Tariff Proposal aimed at incentivising passengers and airlines, encouraging the commencement of new domestic and international routes, and supporting gradual traffic build up in the initial years of operation. The Authority acknowledges that such measures, when appropriately structured, have been considered in earlier determinations as tools to support catchment development and sustainable growth, subject to compliance with the AERA Act and the governing tariff principles.

Accordingly, the Authority shall examine the proposed tariff mix and Variable Tariff Proposal in light of the submissions made, prevailing regulatory principles and the specific circumstances of Noida International Airport, while finalising the tariff for the First Control Period.

#### **Greenfield Ramp-up Costs and Early Years Cost Recovery**

- 13.4.4 The Authority notes the submission of IATA regarding the treatment of ramp up costs and early years cost recovery at Noida International Airport (DXN). In this context, the Authority also notes that the Airport Operator itself has not sought full recovery of costs in the initial years and has proposed to carry forward a certain percentage of entitled revenue to the next control period.

The Authority further notes that the creation of capacity for 12 MPPA has been undertaken in accordance with the mandate of the Concession Agreement, which requires the Airport Operator to develop Phase I facilities upfront to meet prescribed design and service level requirements. Such capacity creation is necessary to ensure operational readiness, safety, and quality of service from the Commercial Operations Date and is not contingent on immediate traffic realisation. The Authority is cognizant that, particularly in a dual airport system, traffic at a greenfield airport is expected to ramp up progressively; however, the Authority also notes that the available capacity is projected to be substantially utilised over the First Control Period, consistent with the traffic forecasts considered for tariff determination.

The Authority is of the view that the adopted tariff framework appropriately reflects the greenfield nature of DXN, avoids undue burden on early users, and provides a measured pathway for cost recovery as utilisation increases. In doing so, the Authority endeavours to balance the interests of all stakeholders and ensure that the tariff rates determined remain reasonable, while also ensuring the economic and viable operation of the major airport, as envisaged under Section 13(1)(a) of the AERA Act, 2008. The effectiveness of this approach, including actual traffic outcomes and capacity utilisation, shall be reviewed at the time of the next control



period, in line with established regulatory practice or even during any review within the Control Period at such interval as deemed fit on the lines provided in Section 13(2) of AERA Act, 2008.

**Variable Tariff Plan (VTP)**

- 13.4.5 The Authority notes the support of the stakeholders Air India and Indigo for the implementation of a Variable Tariff Plan (VTP) and notes that such mechanisms play an important role in providing initial traffic ramp up at greenfield airports, particularly during the early stages of development. In this regard, the Authority notes the comments of stakeholders as well as the responses furnished by YIAPL. The Authority further recognizes that external factors such as geopolitical uncertainties, elevated operating costs for airlines, aircraft delivery delays and the absence of a base carrier can influence the time taken for routes to become viable.

At the same time, the Authority reiterates that while tariff incentives are necessary to stimulate early traffic, the design and duration of VTP schemes must be balanced against the interests of users, long term tariff stability, and the reasonable return expectations of investors and should be devoid of discrimination. In undertaking this assessment, the Authority has endeavored to balance the interests of all stakeholders and ensure that the tariffs determined are reasonable, while maintaining the economic and viable operation of the major airport, in line with the mandate under Section 13(1)(a) of the AERA Act, 2008. Accordingly, the proposed VTP has been examined in the overall context of tariff sustainability, projected traffic ramp up, and the regulatory framework governing multi-year control periods. The Authority is of the view that the approved VTP provides an appropriate level of support for initial airline operations at Noida International Airport, while ensuring that aeronautical tariffs remain economically efficient and do not impose an undue burden on future users. The Authority also directs YIAPL to ensure that the proposed VTP is in line with ICAO principles of non-discrimination.

The Authority further emphasises that the effectiveness of the VTP, including its role in fostering route viability and traffic growth, will be reviewed in subsequent control periods based on actual outcomes, thereby allowing the regulatory framework to respond appropriately as the airport transitions from the initial development phase.

The Authority directs YIAPL to keep a separate financial year-wise record of such incentives granted and revenue generated from increase in ATM and passengers on account of VTP during the First Control Period.

**High tariffs, High Airport Charges, High Parking Charges**

- 13.4.6 The Authority notes the comments of both Air Asia Group and Interglobe Aviation Limited (Indigo) regarding the high tariffs as submitted by YIAPL in their ATP and the need to moderate the same. The Authority endeavours to balance the interest of all stakeholders and ensure that the tariff rates determined are reasonable, while at the same time ensuring the economic and viable operations of airports, as envisaged under Section 13(1)(a) of the AERA Act, 2008. While determining aeronautical tariffs, the Authority has drawn inference from the guiding principles issued by the International Civil Aviation Organization (ICAO) on charges for Airports and Air Navigation Services (ICAO Doc 9082), wherein the primary objective of economic oversight is to achieve a balance between the interests of airports and airport users. The Authority has also drawn reference to the National Civil Aviation Policy (NCAP), 2016, which aims to provide affordable and sustainable air travel for passengers.

The Authority notes that the present airport is a greenfield airport, wherein the Airport Operator has to make the capital expenditure upfront in case of Greenfield Airport to keep the airport ready for its commercial operation in compliance to all the statutory requirements, while the traffic base in the initial phases of the



airport operations is comparatively lower than the brownfield airport. In this context, the Authority, while determining tariffs, endeavours to work out an optimum tariff structure that appropriately balances the requirement of cost recovery with affordability for users. The Authority further notes that the airport is the second airport in the National Capital Region and would operate in proximity to an established airport. Accordingly, the Authority recognizes the need for competitive tariffs and endeavours to maintain tariff levels that are reasonable and competitive, while balancing the interests of all stakeholders. Consequently, the aeronautical tariffs have been determined on an equitable basis.

With respect to high charges in comparison to IGI, New Delhi, the Authority notes that tariff structure at a greenfield airport cannot be directly compared with established brownfield airports with large traffic volumes as greenfield airport has significant upfront investment to enable the airport infrastructure to reach readiness state for commercial operations together with ensuring compliance with all statutory obligations for safety and security.

- 13.4.7 The Authority takes note the comments of Air India with respect to common UDF for all classes and has appropriately addressed the same in the approved tariff card given in Annexure 1.

#### **Unauthorized Overstay Charges**

- 13.4.8 The Authority has examined the comments submitted by IndiGo and Air India, along with the counter-comments submitted by Yamuna International Airport Private Limited (YIAPL), regarding the proposal for levy of unauthorised overstay parking charges at Noida International Airport.

IndiGo has submitted that the proposed overstay charges, levied at a multiple of ten times of the applicable parking charges, are excessive and may unfairly burden airlines in situations arising due to factors beyond their control, such as weather conditions, air traffic congestion, or airport-related delays. IndiGo has further submitted that the existing parking tariff structure already imposes higher parking charges beyond four hours, thereby adequately discouraging prolonged parking, and that any additional penal overstay charges would amount to duplication. On similar lines, Air India has submitted that the proposed overstay charges are significantly higher in comparison to other airports and may adversely impact the competitiveness of Noida International Airport.

In response, YIAPL has submitted that the proposed overstay charges are intended solely as a deterrent mechanism to discourage unauthorised or inefficient occupation of parking stands beyond the approved duration and are not envisaged as a revenue-generating measure. YIAPL has further submitted that scheduled airline operations are generally slot-driven and tightly regulated, and therefore instances of prolonged unauthorised parking are expected to remain exceptional in nature.

The Authority has carefully considered the submissions of all stakeholders. In this regard, the Authority notes that Noida International Airport is a greenfield airport presently in its initial phase of operations, where traffic volumes, airline networks, and operational patterns are in an evolving stage. At this stage, operational flexibility and facilitation of airline growth assume greater importance to support traffic ramp-up and network expansion.

The Authority further observes that aircraft parking charges under the approved tariff framework are based on a time-based structure, wherein parking charges substantially increase for extended parking durations beyond the stipulated free period. Further, parking charges are nearly doubled when an aircraft remains parked beyond four hours, thereby already providing adequate deterrence against prolonged parking occupancy. The Authority also notes that the Noida International airport is not land constrained, unlike few

other Indian airports, and with adequate airside capacity it faces no airside constraint presently that would warrant such an extreme deterrence of 10x parking charges when already the proposed tariff plan sufficiently provides for punitive charges beyond stipulated parking durations.

Accordingly, the Authority does not find any merit in the proposal submitted by YIAPL for levy of unauthorised overstay parking charges. Therefore, the proposed exorbitant overstay charges for unauthorised aircraft parking have not been approved, and excluded from the approved schedule of parking charges.

#### **Incentive Schemes**

- 13.4.9 The Authority notes the comments of Air Asia Group seeking a longer-term incentive framework, including waivers/discounts on aeronautical charges and other operational support measures, as well as YIAPL's counter-comments on the same. The Authority has endeavored to balance the interests of all stakeholders and ensure that the tariffs determined are reasonable, while maintaining the economic and viable operation of the major airport, in line with the mandate under Section 13(1)(a) of the AERA Act, 2008. In this regard, the proposed Variable Tariff Plan (VTP) has been examined in the overall context of tariff sustainability, projected traffic ramp-up, and the regulatory framework governing multi-year control periods. While the Authority acknowledges the need for appropriate incentives to support initial airline operations at a greenfield airport, it is also necessary to ensure that aeronautical tariffs remain economically efficient and do not impose an undue burden on future users. Accordingly, the Authority is of the view that the approved VTP provides an appropriate and balanced level of support during the First Control Period.

#### **Bilateral Rights**

- 13.4.10 The Authority notes the comments of Air Asia Group regarding the treatment of Delhi and Noida as a single point under bilateral air service agreements, as well as the counter-comments of YIAPL on the same. The Authority observes that issues relating to bilateral air service agreements and designation of points of call are governed by policy decisions of the Government of India and fall outside the purview of the Authority under the AERA Act, 2008.

#### **Optional Long-Term Parking Tariff Framework**

- 13.4.11 The Authority notes that the terms and conditions governing the levy and collection of parking charges, including any optional or long-term commercial arrangements with airlines are dependent upon the operational, commercial, and contractual policies of the respective airport operator and the mutually agreed terms between the airport operator and airlines.

#### **Proportionate and Competitive Tariff Structure**

- 13.4.12 The Authority notes that no separate tariff structure has been designed for GA/BA operations by the Airport Operator. With respect to a balanced tariff framework, the Authority's responses are given in para 13.3.4
- 13.4.13 Based on the above analysis, considering the need to balance the interest of all stakeholders including the Airport Operator and all the users of the Airport, the Authority decides to approve the Tariff Rate Card as detailed in Annexure 1 to this Order.
- 13.4.14 The Authority also notes that while a significant portion of recovery is proposed for the First Control Period, this is moderated through a calibrated UDF structure across passenger categories and also a good portion of ARR has been carried forward to the Second Control Period. This approach reduces immediate burden on users while ensuring financial viability of the airport.



AERONAUTICAL REVENUE FOR THE FIRST CONTROL PERIOD

13.4.15 The Authority clarifies that movement-based charges such as landing and parking fees are aligned and are consistent with prevailing regulatory frameworks. At the same time the Authority has ensured that passenger charges remain moderate to mitigate adverse impact on demand particularly in price sensitive segments. The tariff framework has been designed considering expected recovery in passenger traffic including international segments and the need to support sustainable airport operations and infrastructure development. Accordingly, the Authority is of the view that proposed tariff structure achieves an appropriate balance between cost recovery, user affordability, and traffic growth considerations.

13.4.16 In light of the above and as elaborated in Chapter 12, the Authority has determined the ARR for the First Control Period as given at Table 229, which is again reproduced as follows:

(Rs. in crores)

Particulars	Ref	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
Average RAB (refer Table 113)	A	6,092.51	5,805.22	5,487.98	5,173.40	4,857.90	
FRoR (refer Table 118 )	B	12.69%	12.69%	12.69%	12.69%	12.69%	
<b>Return on RAB</b>	<b>C=A×B</b>	<b>614.45</b>	<b>736.89</b>	<b>696.62</b>	<b>656.69</b>	<b>616.64</b>	<b>3,321.30</b>
Depreciation (refer Table 112)	D	254.61	319.99	324.49	324.66	326.34	<b>1,550.08</b>
O&M Expenses (refer Table 174)	E	355.92	460.58	467.12	484.21	494.12	<b>2,261.94</b>
Taxation (refer Table 226)	F	-	-	-	-	-	-
<b>ARR</b>	<b>G=SUM (C:F)</b>	<b>1,224.97</b>	<b>1,517.45</b>	<b>1,488.23</b>	<b>1,465.56</b>	<b>1,437.11</b>	<b>7,133.32</b>
NAR (refer Table 223)	H	115.38	196.24	291.16	433.82	554.58	<b>1,591.19</b>
Less: 30% of NAR	I=H×30%	34.62	58.87	87.35	130.15	166.37	<b>477.36</b>
<b>Net ARR</b>	<b>J=G-I</b>	<b>1,190.36</b>	<b>1,458.58</b>	<b>1,400.88</b>	<b>1,335.41</b>	<b>1,270.73</b>	<b>6,655.96</b>
PV Factor @ 12.69%	K	1.00	0.89	0.79	0.70	0.62	
<b>PV of ARR</b>	<b>L=J×K</b>	<b>1,190.36</b>	<b>1,294.29</b>	<b>1,103.07</b>	<b>933.07</b>	<b>787.87</b>	<b>5,308.67</b>
<b>Sum of PV of ARR</b>	<b>M</b>						<b>5,308.67</b>
Total Traffic (MPPA) (refer Table 34)	N	5.40	9.90	14.50	17.40	19.30	<b>66.50</b>
<b>Yield Per Passenger (YPP) (Rs.)</b>	<b>O=M÷N</b>						<b>798.30</b>
Departing passengers (MPPA)	P						33.25
<b>Yield Per Departing Passenger (Rs.)</b>	<b>Q=M÷P</b>						<b>1,596.59</b>
<b>PV of ARR allowed during First Control Period after carry forward of Rs. 797.56 crores (i.e. 15.02% of PV of ARR)</b>							<b>4,511.11</b> (84.98% of Rs. 5,308.67 crores)



AERONAUTICAL REVENUE FOR THE FIRST CONTROL PERIOD

Particulars	Ref	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
Subject to above, the Aeronautical Revenue is as follows							
Aeronautical Revenue (refer Table 230)	R	404.15	804.63	1,287.31	1,673.80	1,951.24	6,121.13
PV of Aero Revenue	S=R×K	404.15	714.00	1,013.64	1,169.51	1,209.80	4,511.11
Sum of PV of Aero Revenue	T						4,511.11
Shortfall	U=M-T						797.56

\*Considering COD as 15th June 2026

13.4.17 Accordingly, the estimated Aeronautical Revenue for the First Control Period is as follows:

**Table 230: Aeronautical Revenue decided by the Authority for the First Control Period**

(Rs. in crores)

Particulars	FY 27*	FY 28	FY 29	FY 30	FY 31	Total
PV of ARR allowed to be recovered during the First Control Period (as per Table 229)						4,511.11
<b>Aeronautical Revenue</b>						
Landing	113.04	226.12	368.58	501.84	598.40	1,807.98
Parking	8.70	16.18	25.63	34.31	41.50	126.31
UDF	192.50	398.12	644.92	854.36	999.23	3,089.12
BME Charges (GPU / PCA)	2.75	5.77	8.70	9.18	9.80	36.19
Fuel Concession	10.05	12.96	13.40	13.87	14.35	64.63
Into Plane Services	1.69	2.28	2.57	3.01	3.01	12.56
Cargo Concession	42.80	49.32	57.28	61.87	71.56	282.83
Ground Handling Concession	5.41	8.25	10.27	12.16	15.56	51.65
CUTE/ CUSS Services	9.23	23.52	40.97	51.94	59.17	184.82
Fuel Pipeline**	1.18	1.57	1.65	1.73	1.82	7.95
Integrated Warehousing and Logistics Zone (IWLZ)	10.31	11.48	11.76	12.06	12.38	57.99
Maintenance, Repair and Overhaul (MRO)	-	40.34	84.72	97.42	102.29	324.77
Space Rentals	2.50	3.57	3.99	4.94	5.19	20.20
Real Estate (Admin Block)	-	-	7.51	9.55	11.23	28.28
EV Revenue	3.97	5.18	5.37	5.56	5.76	25.84
<b>Total Aeronautical Revenue</b>	<b>404.15</b>	<b>804.63</b>	<b>1,287.31</b>	<b>1,673.80</b>	<b>1,951.24</b>	<b>6,121.13</b>
<b>PV factor</b>	1.00	0.89	0.79	0.70	0.62	
<b>PV of Aero Revenue</b>	<b>404.15</b>	<b>714.00</b>	<b>1,013.64</b>	<b>1,169.51</b>	<b>1,209.80</b>	<b>4,511.11</b>
<b>Sum PV of Aero Revenue</b>						<b>4,511.11</b>
<b>Shortfall to be carried forward to next Control Period as per the Table 229, Chapter 12</b>						<b>797.56</b>

\*Considering COD as 15th June 2026

\*\*Fuel Pipeline revenue pertains to income expected from permitting the development, operation and use of the On-Site Pipeline infrastructure constructed within the pipeline corridor inside the airport boundary walls.

13.4.18 As per Authority's decision and as per the computation of ARR in Table 229, YIAPL is entitled to recover an ARR of Rs. 5,308.67 crores (in NPV terms) in respect of the First Control Period. The present value of total projected Aeronautical Revenues as per the Authority including Landing & Parking, UDF charges and



Other Charges is Rs. 4,511.11 crores (in NPV terms), thus resulting in a net under recovery/shortfall of Rs. 797.56 crores (i.e. 15.02% of ARR), which the Authority decides to carry forward to the next Control Period.

### 13.5 Authority's decisions regarding Aeronautical Revenue for the First Control Period

Based on the material before it and its analysis, the Authority decides the following regarding Aeronautical Revenue for the First Control Period:

- 13.5.1 To consider the Aeronautical Revenue as per Table 230.
- 13.5.2 The Authority directs YIAPL to keep a separate financial year-wise record of such incentives granted and revenue generated from increase in ATM and passengers on account of VTP during the First Control Period.
- 13.5.3 The Authority directs YIAPL to ensure the principles of non-discrimination of ICAO are not violated.
- 13.5.4 To true up Aeronautical Revenue based on the actual revenue for the First Control Period at the time of determination of tariff for the Second Control Period.



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## 14. SUMMARY OF THE AUTHORITY'S DECISIONS

### Chapter 3: PRE-COD LOSSES FOR THE PERIOD FROM 22ND JANUARY 2020 TO COD

- 3.6.1 Not to consider the pre-COD losses as part of tariff for the period from Company inception to COD for Noida International Airport, Jewar.
- 3.6.2 To consider amortization of upfront fee received from fuel farm and cargo concessions as commencing from Airport COD for the purpose of determination of tariff for the First Control Period.

### Chapter 4: TRAFFIC FOR THE FIRST CONTROL PERIOD

- 4.6.1 To consider the Passenger, ATM and Cargo traffic for the First Control Period for Noida International Airport as per Table 34.
- 4.6.2 To true up the traffic volume (Passenger, ATM and Cargo traffic) based on the actual traffic for the First Control Period at the time of determination of the tariff for the next Control Period.

### Chapter 5: CAPITAL EXPENDITURE (CAPEX), DEPRECIATION AND REGULATORY ASSET BASE (RAB) FOR THE FIRST CONTROL PERIOD

- 5.10.1 To consider the Terminal Building Ratio (TBLR) of 88:12 (Aeronautical: Non-Aeronautical) as detailed in para 5.4.4 and 5.9.10.
- 5.10.2 To consider financing allowance during the First Control Period as detailed in Table 93 and to restrict the capitalization of financing allowance only up to 31st March 2026 as explained in Para 5.9.11.
- 5.10.3 To restrict the capitalization of pre-operative expenditures only up to 31st March 2026 as explained in Para 5.9.12.
- 5.10.4 To consider the Capital Expenditure for the First Control Period in accordance with Table 95.
- 5.10.5 To consider the aeronautical additions for the First Control Period in accordance with Table 111.
- 5.10.6 To examine the accounting of input tax credits in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 and make necessary adjustments at the time of determination of tariffs for the next Control Period (as detailed in para 5.3.180).
- 5.10.7 To reduce (adjust) 1% of the uncanceled project cost from the ARR in case any particular capital project is not completed / capitalized as per the approved capitalization schedule, as detailed in para 5.3.245. The same will be examined at the time of determination of tariff for the next Control Period.
- 5.10.8 To true-up the aeronautical capital expenditure based on actuals, cost efficiency and reasonableness, at the time of determination of tariff for Next Control Period.
- 5.10.9 To adopt Aeronautical Depreciation as per Table 112 for the First Control Period.
- 5.10.10 To true up the Depreciation of the First Control Period based on the actual asset additions and actual date of capitalization at the time of tariff determination of the next Control Period.
- 5.10.11 To consider average RAB for the First Control Period for NIA as per Table 113.
- 5.10.12 To true-up the RAB based on actuals at the time of tariff determination for the next Control Period.

### Chapter 6: FAIR RATE OF RETURN FOR THE FIRST CONTROL PERIOD

- 6.6.1 To consider Cost of Debt as 10% as per YIAPL's submission as per para 6.2.7.
- 6.6.2 To true up the Cost of Debt for the First Control Period based on actual (or) SBI average 6-month MCLR plus 150 bps (whichever is lower) at the time of tariff determination for the Second Control Period.
- 6.6.3 To consider Cost of Equity at 15.18%.
- 6.6.4 To consider FRoR of 12.69% for Noida International Airport for the First Control Period as per Table 118.

### Chapter 7: INFLATION FOR THE FIRST CONTROL PERIOD

- 7.5.1 To consider Inflation for the First Control Period for Noida International Airport as per Table 121.

**Chapter 8: OPERATION AND MAINTENANCE EXPENSES FOR THE FIRST CONTROL PERIOD**

8.6.1 To consider Aeronautical O&M expenses for the First Control Period for Noida International Airport as per Table 174.

8.6.2 To consider the O&M expenses incurred by YIAPL during the First Control Period subject to reasonableness and efficiency, at the time of tariff determination for the next Control Period.

**Chapter 9: NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD**

9.6.1 To consider Non-Aeronautical Revenue for the First Control Period for Noida International Airport, Jewar as per Table 223.

9.6.2 To consider true up of Non-Aeronautical Revenue at the time of determination of tariff for the Second Control Period, if it is higher than that decided by the Authority in Table 223.

**Chapter 10: TAXATION FOR THE FIRST CONTROL PERIOD**

10.5.1 To consider the Aeronautical Taxation for the First Control Period for Noida International Airport, Jewar as per Table 226

10.5.2 To true up the Aeronautical Tax amount, taking into consideration all the relevant facts, at the time of tariff determination for the Second Control Period.

**Chapter 11: QUALITY OF SERVICE FOR THE FIRST CONTROL PERIOD**

11.5.1 YIAPL should ensure that service quality at Noida International Airport adheres to the performance standards outlined in the Concession Agreement and shall additionally comply with such performance standards as may be notified pursuant to the final order referred to in para 11.2.4, once the same become applicable to major airports, during the First Control Period.

**Chapter 12: AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD**

12.6.1 To consider ARR for the First Control Period for Noida International Airport as per Table 229.

12.6.2 To True-up the ARR and YPP for the First Control Period based on the actuals subject to reasonableness and efficiency at the time of tariff determination for the Second Control Period.

**Chapter 13: AERONAUTICAL REVENUE FOR THE FIRST CONTROL PERIOD**

13.5.1 To consider the Aeronautical Revenue as per Table 230.

13.5.2 The Authority directs YIAPL to keep a separate financial year-wise record of such incentives granted and revenue generated from increase in ATM and passengers on account of VTP during the First Control Period.

13.5.3 The Authority directs YIAPL to ensure the principles of non-discrimination of ICAO are not violated.

13.5.4 To true up Aeronautical Revenue based on the actual revenue for the First Control Period at the time of determination of tariff for the Second Control Period.

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**15. ORDER**

- 15.1** In exercise of power conferred by section 13(1)(a) of the AERA Act 2008 and based on the above decisions, the Authority hereby determines the aeronautical tariff to be levied at Noida International Airport for the First Control Period as placed in Annexure 1 (1A,1B).
- 15.2** In exercise of power conferred by section 13(1)(b) of the AERA Act, 2008, read with rule 89 of the Aircraft Rules,1937 made under the Aircraft Act,1934, the Authority hereby determines the rate of UDF as indicated in the Rate Card at Annexure 1 (1A,1B) to the Order of the First Control Period.
- 15.3** The tariff determined herein are ceiling rates, exclusive of taxes, if any.
- 15.4** The order shall be made effective from 15<sup>th</sup> June 2026.
- 15.5** Airport Operator shall submit its MYTP to the Authority for the Second Control Period in a timely manner as per the Authority's Guideline, 2011.

By the Order and in the name of the Authority

  
(Suyash Narain)  
Secretary

To,

Ms. Nitu Samra  
Chief Executive Officer  
Yamuna International Airport Private Limited,  
Jewar - 203155

**Copy to:**

- Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi – 110003**
- Directorate General of Civil Aviation: For Issuance of AIC**



**16. ANNEXURES****16.1 Annexure 1: Annual Tariff approved by the Authority for Noida International Airport for the First Control Period – effective from 15<sup>th</sup> June 2026****16.1.1 Annexure 1A – Tariff Rate Card****A. Landing Charges***(Rate in Rs. per MT)*

Flight	FY 27 15.06.2026 to 31.03.2027	FY 28 01.04.2027 to 31.03.2028	FY 29 01.04.2028 to 31.03.2029	FY 30 01.04.2029 to 31.03.2030	FY 31 01.04.2030 to 31.03.2031
Domestic	725	801	885	978	1081
International	1,088	1,202	1,328	1,468	1,622

**Notes:**

- i. Weight of an aircraft means Maximum Take-Off Weight (MTOW) in MT (i.e., 1,000 kgs) as indicated in the Certificate of Airworthiness (CoA) issued by competent authority.
- ii. Landing Charges shall be calculated on the basis of next rounded of MT (i.e., 1,000 kgs).
- iii. All domestic legs of international routes flown by Scheduled Indian Airline Operators will be treated as domestic flights as far as landing charges are concerned, irrespective of the flight numbers assigned to such flights.
- iv. Domestic leg of international routes of foreign carriers shall be treated as international flights.
- v. No landing charges shall be payable in respect of:
  - a. Aircrafts with a maximum certified passenger capacity of less than 80 seats, being operated by domestic scheduled operators at the airport
  - b. Helicopters of all types (not applicable to non-schedule operators)
  - c. Training flights operated by DGCA approved flying schools/ flying training institutes
  - d. Military Aircrafts (Government of India) including para-military forces such as BSF, Coast Guard etc.
- vi. A minimum fee of Rs. 8,000/- shall be charged per single landing for non-scheduled flights.

**B. Parking Charges**

Parking Charges for all Aircraft - Domestic and International (after free parking period of two hours)

*(Rate in Rs. per hour per MT)*

Period	FY 27 15.06.2026 to 31.03.2027	FY 28 01.04.2027 to 31.03.2028	FY 29 01.04.2028 to 31.03.2029	FY 30 01.04.2029 to 31.03.2030	FY 31 01.04.2030 to 31.03.2031
First 2 hours after Free Parking Period	25	28	31	34	37
Beyond 4 Hours	50	55	61	67	75



**Notes:**

- i. Parking time will be calculated based on On-Blocks and Off-Blocks time as recorded by YIAPL.
- ii. No Parking Charges are levied for the first 2 hours. While calculating the free parking time, standard time of 15 minutes is added on account of time taken between touchdown and actual parking time on the parking stand. Another standard time of 15 minutes is added on account of taxiing time of aircraft from parking stand to take off point and collectively referred as free parking.
- iii. The charges set forth herein shall be calculated based on the next rounded off MT.
- iv. For calculating chargeable parking time, any part of an hour shall be rounded off to the next hour.
- v. Weight of an aircraft means MTOW in MT (1000 kg) as indicated in the Certificate of Airworthiness (CoA) filed with DGCA.
- vi. The charges set forth herein shall be calculated based on the nearest rounded off MT.
- vii. Allocation and utilization of night parking bay(s) shall be subject to availability of bays(s) and will be governed by YIAPL's policy.

**C. User Development Fee (UDF)****Applicable rates for travel date from 15<sup>th</sup> June 2026 to 31<sup>st</sup> March 2027***(Rates in Rs. per passenger)*

Type of Passenger	Domestic	International
Embarking passengers	490	980
Disembarking passengers	210	420

**Applicable rates for travel date from 1<sup>st</sup> April 2027 to 31<sup>st</sup> March 2028***(Rates in Rs. per passenger)*

Type of Passenger	Domestic	International
Embarking passengers	541	1,083
Disembarking passengers	232	464

**Applicable rates for travel date from 1<sup>st</sup> April 2028 to 31<sup>st</sup> March 2029***(Rates in Rs. per passenger)*

Type of Passenger	Domestic	International
Embarking passengers	598	1,197
Disembarking passengers	256	516

**Applicable rates for travel date from 1<sup>st</sup> April 2029 to 31<sup>st</sup> March 2030***(Rates in Rs. per passenger)*

Type of Passenger	Domestic	International
Embarking passengers	661	1,322
Disembarking passengers	283	567

**Applicable rates for travel date from 1<sup>st</sup> April 2030 to 31<sup>st</sup> March 2031***(Rates in Rs. per passenger)*

Type of Passenger	Domestic	International
Embarking passengers	693	1,461
Disembarking passengers	297	626



**Notes:**

- i. Collection Charges: Collection charges shall be applicable as per the policy pertaining to such charges between YIAPL and the airline.
- ii. No collection charges are payable to non-scheduled operators.
- iii. For conversion of US\$ to INR, the RBI conversion rate as on the last day of the previous month for tickets issued in the first fortnight and rate as on 15<sup>th</sup> of the month for tickets issued in the second fortnight shall be adopted.

**Exemption from Levy and Collection of UDF at the Airport**

- iv. Exemptions in Payment of User Development Fee (UDF): In terms of DGCA AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019 (decision of Ministry of Civil Aviation, Govt. of India vide order no. AV 29012/39/2018-AD dated 30.10.2019) the following categories of persons are exempted from levy and collection of UDF:
  - a. Children (under the age of 2 years).
  - b. Holders of Diplomatic Passport.
  - c. Airlines crew on duty including sky marshals and airline crew on board for the particular flight only (this would not include Dead Head Crew, or ground personnel).
  - d. Persons travelling on official duty on aircraft operated by Indian Armed Forces.
  - e. Persons travelling on official duty for United Nations Peace Keeping Missions.
  - f. Transit/ transfer passengers (this exemption may be granted to all the passengers transiting up to 24 hours. "A passenger is treated in transit only if onward travel journey is within 24 hours from arrival into airport and is part of the same ticket, in case 2 separate tickets are issued it would not be treated as transit passenger").

**D. CUTE/ CESS Charges**

Passenger	Domestic	International
Per Embarking Passenger	Rs. 75	USD 1

**Notes:**

- i. CUTE/ CUSS charge shall be applicable to the below embarking passengers:
  - a. Passengers on scheduled flights
  - b. Passengers on non-scheduled, charter flights
- ii. For scheduled passenger flights, the charges shall be billed and collected by the Concessionaire.
- iii. For adhoc/ non-scheduled passenger flights, the charges shall be billed and collected by YIAPL.
- iv. For conversion of US\$ to INR, the RBI conversion rate as on the last day of the previous month for tickets issued in the first fortnight and rate as on 15<sup>th</sup> of the month for tickets issued in the second fortnight shall be adopted.
- v. The above CUTE/CUSS charges are applicable on UDF paying passengers.



**E. Bridge Mounted Equipment (BME) Charges***(Rate in Rs. per hours)*

Equipment	Flight	Service	15.06.2026 to 31.03.2031
GPU	Domestic	Code C	2,200
		Code E	3,300
	International	Code C	4,400
		Code E	5,500
PCA	Domestic	Code C	3,300
		Code E	4,000
	International	Code C	4,950
		Code E	5,500

**Note:**

- Bridge Mounted Equipment (BME) will be owned by YIAPL and operated by third party.
- BME Charges will be billed on Airlines by Airport Operator/BME Operator.
- BME shall be utilized at aircraft parking stands where such infrastructure is available.

**General Conditions**

- Aviation Security Fee (ASF) shall be applicable as prescribed by MoCA from time to time.
- Flights operating under Reginal Connectivity Scheme (RCS) will be completely exempted from aeronautical charges as per Order No. 20/2016-17 dated March 31, 2017 of the Authority.
- All the above aeronautical charges are excluding Goods and Service Tax (GST). GST at the applicable tax rates is payable in addition to the above charges.

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## 16.1.2 Annexure 1B – Variable Tariff Plan

**A. Variable Tariff Plan for Scheduled Domestic Passenger Flights****Applicable Domestic Landing Charges**

Year		15.06.26 to 14.06.27	15.06.27 to 14.06.28	15.06.28 to 14.12.28
Departures per annum	0 – 1500	RR	RR	RR
	1501 – 7300	60%*RR	65%*RR	70%*RR
	7301 – 14,600	40%*RR	50%*RR	50%*RR
	14,601– 25,550	25%*RR	40%*RR	45%*RR
	>25,550	20%*RR	30%*RR	30%*RR

\*RR means Rack Rate

**Terms and Conditions:**

- i. The VTP is meant for scheduled domestic passenger flights only and is applicable to all the Carriers operating on domestic routes, eligible under this VTP.
- ii. The VTP slabs will work on the principle of telescopic charges. Below is the example:
  - a. Departures per annum of an airline from 15.06.26 to 14.06.27 is 8000
  - b. VTP calculation:

Departure Slab	Departures applicable for each slab	Tariff
0-1500	1500	1500*RR
1501- 7300	5800	5800*60%*RR
7301-8000	700	700*40%*RR

- iii. During the tenure of VTP, an airline cannot reduce the overall frequency year-on-year. If the yearly departures are reduced, the VTP will not be applicable.
- iv. VTP will be governed by the monthly evaluation of the performance of the airlines and actual annual performance will also be considered for eligibility.
- v. The payment of landing charges will be done by the airlines in full without any deductions, as per invoicing by DXN. The VTP will be offered after completion each year in the form of credit notes.
- vi. An airline should operate a minimum of 6 months of continuous scheduled operations each year to avail VTP. In Year 3, the eligibility criteria will be adjusted proportionate to the number of months.
- vii. No discount over the above VTP is applicable.



**B. Variable Tariff Plan for Scheduled International Passenger Flight**

VTP on International Routes							
Year		Year 1		Year 2		Year 3	
Months		12 months		12 months		12 months	
Distance		>4500km	<=4500km	>4500km	<=4500km	>4500km	<=4500km
Landing Charges for international scheduled passenger flights	MTOW <=100MT	0%*RR	0%*RR	0%*RR	10%*RR	0%*RR	20%*RR
	MTOW >100MT	0%*RR	0%*RR	0%*RR	0%*RR	0%*RR	0%*RR

**Qualification Criteria:**

Min dep/week for landing discount				
		Year 1	Year 2	Year 3
Routes<=4500 km	MTOW<=100MT	3	5	7
	MTOW>100MT		3	
Routes>4500 km		-	-	-

**Terms and Conditions:**

- The benefit would be offered only on scheduled international, non-stop, direct passenger flight operations by Indian and Foreign Carriers.
- The payment of landing charges will be done by the airlines in full without any deductions, as per invoicing by DXN. The VTP will be offered after the completion of each year in the form of credit notes.
- There will be monthly evaluation of the performance for calculating the applicable incentive eligibility on landing charges. Actual annual performance will also be considered as part of incentive eligibility.
- In case the airline is unable to meet the qualification criteria for a continuous period of 6 months on a given route, VTP will be discontinued. Also, an airline should operate a minimum of 6 months of continuous scheduled operations each year to avail VTP.
- In the scenario that the actual performance meets the eligibility criteria in only 1 year, benefit will be passed to the airline for that particular year only.
- The VTP is applicable from the date of commencement of such flights. Accordingly, the calculation of Year 1, Year 2 & Year 3 will vary for each airline, based on the start date of the VTP for each airline. Airlines once enrolled in the incentive schemes will continue benefitting until the expiration of the proposed tenure.
- The distance is as per the stage length of great circle, also the unit of kilometres refers to air kilometres for calculating the qualifying distance as per great circle path.
- No discount over the above VTP is applicable.



## 16.2 Annexure 2: Key Clauses of the Concession Agreement

Zurich Airport International AG (ZAIA) won the bid for development of the new airport at Jewar, Uttar Pradesh and signed the Concession Agreement (CA) on 7<sup>th</sup> October 2020 via a Special Purpose Vehicle (SPV) named "Yamuna International Airport Private Limited (YIAPL)". YIAPL was incorporated on 22<sup>nd</sup> January 2020 and is a 100% owned Subsidiary of ZAIA.

Certain relevant Clauses of the Concession Agreement read as below:

### ARTICLE 3: GRANT OF CONCESSION

#### 3.1 The Concession

3.1.1 Subject to and in accordance with the provisions of this Agreement, Applicable Laws and the Applicable Permits, the Authority hereby grants to the Concessionaire, the concession set forth herein including the exclusive right, licence and the authority to develop, operate and maintain the Airport ("Concession") for an initial period of 40 years commencing from the Appointed Date, and the Concessionaire hereby accepts the Concession and agrees to implement the Project subject to and in accordance with the terms and conditions set forth herein.

Provided further that, at any time not earlier than 35<sup>th</sup> (Thirty fifth) anniversary of the Appointed Date and no later than 37<sup>th</sup> (Thirty seventh) anniversary of the Appointed Date, intimate the Authority about its interest and request for renewing/ extending the term of this Concession by another period of 30 (thirty) years in accordance with the provisions in Clause 42.5. While making such request, the Concessionaire shall submit a confirmation that it is agreeable to participate in the international competitive bidding process for the determination of the Premium for an additional period of 30 (thirty) years, in the form and manner, as may be prescribed by the Authority, at such time, and in any such case of international competitive bidding:

- a. the Concessionaire shall have a right to match the highest bid, if its bid is within 10.00% of the highest bid that may be offered at that time in accordance with the terms and conditions of the bidding documents issued at such time,
- b. the Affiliate(s) of the Concessionaire shall not be qualified, either directly or indirectly, participating in any such bidding process; and
- c. it is clarified the Concessionaire shall be deemed to be qualified to submit the financial bid without being required to participate in the pre- qualification process and shall not be required to submit any documents for pre-qualification.

### ARTICLE 5: OBLIGATIONS OF THE CONCESSIONAIRE

#### 5.1. Obligations of the Concessionaire

5.1.1. Subject to and on the terms and conditions of this Agreement, the Concessionaire shall, at its own cost and expense, procure finance for and undertake the design, engineering, procurement, construction, operation and maintenance of the Airport, in accordance with the provisions of this Agreement and the Master Plan, and observe, fulfil, comply with and perform all its obligations set out in this Agreement or arising hereunder.

5.1.2. The Concessionaire shall comply with all Applicable Laws and Applicable Permits (including renewals as required) in the performance of its obligations under this Agreement.



5.1.3. The Concessionaire shall, at all times during the subsistence of this Agreement, comply with all the conditions stipulated in the Applicable Permits/Approvals including In-Principle Approval or any substitute and/or consequential approvals necessary to fulfil its obligations under this Agreement.

5.1.4. Save and except as otherwise provided in this Agreement or Applicable Laws, as the case may be, the Concessionaire shall, in discharge of all its obligations under this Agreement, conform with and adhere to Good Industry Practice at all times.

## **ARTICLE 12: CONSTRUCTION OF THE AIRPORT**

### 12.2. Master Plan for the Site

12.2.1. The Concessionaire shall at all times procure and ensure that the Airport is constructed and developed in accordance with the Master Plan set forth in Schedule-A.

12.2.2. The Concessionaire may, with prior written consent of the Authority, use any area earmarked for future expansion of the Airport, for other purposes incidental to or associated with the Airport, until the same is required for the expansion specified in the Master Plan, subject to the condition that only temporary structures may be constructed in such area and the use thereof shall at all times be in conformity with Applicable Laws and Good Industry Practice.

12.2.3. The Concessionaire may, at any time during the Concession Period, seek approval of the Authority for modifications in the Master Plan to improve or augment the Aeronautical Services and upon receipt of any request hereunder, the Authority may grant such approval to the extent reasonably required.

## **ARTICLE 18: OPERATION OF AERONAUTICAL ASSETS**

### 18.2. Ground Handling Services

18.2.1. The Concessionaire shall provide or cause to be provided, the infrastructure required for operation of the ground handling services required at the Airport for and in respect of aircrafts, passengers and cargo, which shall include ramp handling, traffic handling, aircraft handling, aircraft cleaning, loading and unloading (the "Ground Handling Services"). Such infrastructure shall include luggage conveyor belts, computer terminals, IT backbone and all other associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice.

18.2.2. The Concessionaire shall provide or cause to be provided Ground Handling Services in accordance with the provisions of this Agreement and Good Industry Practice. Further, Concessionaire shall procure additional 3rd party Ground handling service provider if required as per Applicable Laws.

### 18.3. Aircraft Fueling Services

18.3.1. The Concessionaire shall provide, or cause to be provided, the infrastructure required for operation of fuelling services for aircrafts at the Airport (the "Aircraft Fuelling Services"). Such infrastructure shall include tank farms, common hydrant fuelling systems and associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice.

18.3.2. The Concessionaire shall provide or cause to be provided, Aircraft Fuelling Services in accordance with the provisions of this Agreement and Good Industry Practice. Further, Concessionaire shall procure additional 3rd party Aircraft Fuelling Services provider if required under Applicable Laws.



**ARTICLE 19: RESERVED AREA**

19.4.1 The space for the following entities or purposes, shall constitute the Reserved Area in the Terminal Building:

- (a) the Authority;
- (b) security;
- (c) DGCA;
- (d) VIP lounges
- (e) immigration;
- (f) customs;
- (g) quarantine;
- (h) health; and
- (i) Government of UP, Government of India and any other designated agencies, as required by Applicable Laws.

19.4.2 Control over the Reserved Area shall vest in the Authority and the respective Designated GOI Agencies responsible for carrying out the functions for which the space has been earmarked under Clause 19.4.1 or for any other purpose analogous to the purposes specified in Clause 19.4.1. The obligations of the Concessionaire in respect of Reserved Areas and its access thereto shall be restricted to maintenance of civil works, structures and equipment forming part of the Reserved Area; provided that it shall have unrestricted access thereto in case of Emergency, fire or other similar event.

19.4.3 The Concessionaire shall supply electricity and water, at its own cost and expense, to the Reserved Area within the Terminal Building. For avoidance of doubt, it is clarified that the cost of serving electricity/water to the reserved area for operational requirement only that has been mutually agreed between the Concessionaire and the relevant Government Instrumentality in the Master Plan prepared by the Concessionaire as per Schedule G shall be treated as, aeronautical cost and pass through, provided, the Concessionaire provides electricity & water, free of cost to these Reserved Area. However, the Designated GOI agency or the Concessionaire as per their mutual agreement will have to bear the cost in case of areas allotted for non-operational (other than public places) areas.

19.4.4 To the extent central air conditioning is installed and operated in the Terminal Building, the Concessionaire shall not deny the benefit thereof to the Reserved Area; provided that this obligation shall not extend to the hours when general air conditioning is switched off for passenger lounges and other common areas within the Terminal Building.

19.4.5 Notwithstanding anything to the contrary contained in this Clause 19.4, the Authority may, with consent of the Concessionaire, transfer the Reserved Area or any part thereof to the Concessionaire on such terms and conditions as may be agreed upon. In such an event, the Concessionaire shall make best endeavours to cooperate with the Authority, including the agencies designated by it, for procuring a safe and efficient environment in the Reserved Area.

19.4.6 If and when additional space is required for the purposes specified in Clause 19.4.1, the Concessionaire shall, in consultation with the relevant Designated GOI Agency, provide additional space to form part of the



Reserved Area, on such terms and conditions as may be mutually agreed upon. For the avoidance of doubt, the Parties expressly agree that in the event additional space is required for expansion of the Reserved Area, the Concessionaire shall be entitled to recover from the relevant Designated GOI Agency a monthly rent equivalent to 50% (fifty per cent) of the average monthly rent received by the Concessionaire for all the space rented out by it in the Terminal Building during the preceding Accounting Year, and such rent shall be revised once in every 3 (three) years.....

Provided, however, that in the event the Terminal Building is expanded for handling additional passenger traffic, the Concessionaire shall provide additional space, free of cost, on a proportionate basis for use as Reserved Area and the treatment of such cost for the purpose of aeronautical tariff determination shall be undertaken as specified in clause 19.4.3.

## **ARTICLE 21: OPERATION OF CARGO AND MRO FACILITIES**

### 21.1. Operation and maintenance of Cargo Facilities

21.1.1 Subject to the Applicable Laws and the Applicable Permits, the Concessionaire shall or cause to, develop, operate and maintain, the Cargo Facilities which shall include the buildings, structures and equipment required for handling of incoming and outgoing cargo, including short-term warehousing thereof in accordance with the provisions of this Agreement, Applicable Laws, relevant ICAO Documents and Annexes and Good Industry Practice.

21.1.2. The Concessionaire shall procure that the Cargo Facilities to be provided hereunder include adequate cargo and parcel space, handling equipment, storage and handling of perishable cargo and dangerous goods, space for cargo agents and customers, inspection area, office space, automation systems, screening equipment, storage facilities, and facilities for mail handling and courier shipments in accordance with the provisions of this Agreement and Good Industry Practice.

21.1.3. The Concessionaire shall operate and maintain the Cargo Facilities and provide the associated services to airlines and consignors in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice.

21.1.4. The Concessionaire shall provide, free of charge and in accordance with Good Industry Practice, office space and other facilities to customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions, and for back-office usage, charges shall apply mutually agreed rates to customs, security, quarantine and other facilities to customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions, and for back office usage, charges shall apply mutually agreed rates to customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions.

### 21.3. Operation and maintenance of MRO Facilities

As and when developed, the Concessionaire shall operate and maintain or cause to be operated and maintained the MRO Facilities.

## **ARTICLE 22: RESERVED SERVICES**

### 22.1. Reserved Services

22.1.1. The Concessionaire acknowledges and agrees that only the Designated GOI Agencies are authorised to undertake the following services ("Reserved Services") at the Airport:



- i. CNS/ ATM Services
- ii. security services;
- iii. meteorological services;
- iv. mandatory health services;
- v. customs control;
- vi. immigration services; and
- vii. quarantine services;
- viii. any other services, as may be notified by GOI, GoUP or any other designated Government Instrumentality, from time to time, in accordance with the Applicable Laws;

Provided that nothing in this Agreement shall restrict the Authority from requiring the Concessionaire to undertake any or all of the Reserved Services on such terms and conditions as may be mutually agreed between the Parties.

#### 22.2. CNS/ATM Services

22.2.1. The Authority shall, upon fulfilment of the applicable terms and conditions by the Concessionaire, procure the execution of an agreement between AAI and the Concessionaire, substantially in the form set forth in Schedule-Y (the "CNS/ATM Agreement"), which shall ensure the provision of the CNS/ATM Services at the Airport, at all times during the Concession Period, in accordance with the practices established or recommended from time to time pursuant to the Chicago Convention and on the same terms as applicable to similar services at other airports in India, and in compliance with the directions of DGCA.

22.2.2. In the event the Authority or any Designated GOI Agency, as the case may be, deems it necessary, it may at its own cost, install at the Airport, any radars, equipment, buildings, works or facilities necessary for the provision of en-route air navigation services and the Concessionaire hereby undertakes that it shall provide all necessary support and assistance in respect thereof.

22.2.3. In the event that the Concessionaire shall require the Designated GOI Agency to upgrade the equipment deployed by it for the provision of Reserved Services, including the CNS/ATM Equipment, to a level which may be in excess of or higher than the requirements set forth in ICAO Documents and Annexes, then all costs incurred on such incremental upgradation of the equipment and the additional costs of operation thereof shall be borne by the Concessionaire and paid in advance annually to the Designated GOI Agency.

#### **ARTICLE 53: DEFINITIONS**

“**Cargo Facilities**” means the real estate, buildings, structures and equipment, as the case may be, required for handling of incoming and outgoing cargo, including short-term warehousing thereof in accordance with the provisions of Article 2 1 of this Agreement;

#### Schedule B - Development of the Airport

#### 2. Airport

2.1 Development of Airport shall include:

- i. Construction and procurement of the Aeronautical Assets including runways, taxiways, apron, aircraft parking bays, and associated facilities with the following requirements –



a. ICAO Aerodrome Reference Code: Geometrical layout of the facilities should conform to the Code F operation in all the phases. Airport to be constructed for Code 4E operations and upgraded to Code F, as and when any user demands.

b. Location of Runway:

Details of Noida International Airport	
Aerodrome Elevation	199 m AMSL
	Co-ordinates
ARP	28°10'32.20"N 77°36'22.47"E
RWY 10L	28°11'00.46"N 77°35'32.74"E
RWY 28R	28°10'34.69"N 77°37'52.67"E
RWY 10R	28°10'10.41"N 77°35'16.26"E
RWY 28L	28°09'43.00"N 77°37'45.15"E
Runway Dimension	
10L – 28R	3900 X 60 m.
10R – 28L	4150 X 60 m.

ii. Construction and procurement of the Terminal Building as follows:

a. Level of service for Terminal Building - IATA Level of Service Optimum compliant.

b. 75 % (Seventy five percent) of each of the international and domestic aircrafts gates shall be served by the boarding bridges.

c. Unit area of the Terminal Building (including all miscellaneous and support spaces), per Peak Hour passenger (including arrival and departure), shall be minimum 30 sq. m.

d. Provide international standard range of retail and other passenger services; and

e. Terminal design must be capable of incremental expansion with minimum impact on current operations

f. All facilities and services should be of state-of-the-art technology and international standards.

#### 5. Cargo Facilities

5.1. The Concessionaire shall earmark land within the Site for the development of a Cargo Facility in the Airport

5.2. The Cargo Facilities including apron, cargo terminal for international and domestic cargo and other allied facilities shall be developed in a Phase wise manner as per the applicable Standards and Good Industry Practice.

#### 6. MRO Facilities

6.1. The Concessionaire shall earmark minimum 40 acres of land within the Site for the development of a MRO Facility in the Airport as per the applicable Standards and Specifications.

6.2. This earmarked area may not be used for any other activity



6.3. The Concessionaire has to mandatory enter into any arrangement with any third party or the Concessionaire itself decides for developing and operating the MRO Facilities and for associated activities latest by 10th anniversary of the COD of Phase I

6.4. The MRO Facility shall be developed, subject to the requirements specified in Clause 12.10 of the Concession Agreement, for serving aircrafts of type and size as per the demand established, which shall include the buildings, structures and equipment required by the aircraft as per the provisions in CAR 145 of DGCA. This will be built in accordance with the provisions of this Agreement, Applicable Laws, relevant ICAO Documents and Annexes, CAR Guidelines and Good Industry Practice.

#### 7. Car Park

7.1 The Concessionaire shall earmark land within the Site for Car Park facility including Reserved car facility as per the applicable law and Good Industry Practice.

### ARTICLE 28: CITY SIDE DEVELOPMENT

28.1.1. The Concessionaire shall undertake City Side Development on the 24 Hec land specified in Schedule-A, subject to the conditions stipulated in Schedule-B and Schedule-D, and to exploit such development for commercial purposes with the right to sub-license any or all parts thereof by means of Project Agreements.

28.1.2. The Concessionaire shall undertake or cause to be undertaken at its cost and in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice, the development and maintenance of infrastructure such as roads, electric supply, water supply, sewerage and drainage systems forming part of City Side Development.

28.1.3. The revenue generated from City Side Development on 24 hec land as stated in clause 1.3 of Annex I Schedule A shall not be considered for the purpose of cross-subsidization of Aeronautical Tariff determination by AERA.

28.1.4. In case there is any increase in the area of city side beyond the 24 hectares that is earmarked in clause 1.3 Annex 1, Schedule A of this agreement, the revenues from that incremental land shall be part of the 30% cross subsidy under shared till regime.

28.4.1. The Concessionaire shall procure that City Side Development and its land use shall at all times be in conformity with Applicable Laws and may include construction and operation of hotels, restaurants, convention centre, training centre, staff residence and hostels for employees working at the Airport, retail shops for passengers and tourists, travel related offices and amenities or analogous uses and any other activities provided as positive list in Annex IV of Schedule A.

It may be clarified that any activity, which is classified as aeronautical services as per AERA Act, if undertaken on city side land shall continue to be classified as Aeronautical Services for the purpose of tariff determination. Any decision of AERA on any activity undertaken on city side land being Aeronautical activity shall be final and binding on the Concessionaire.

### ARTICLE 31: CONCESSION FEE AND LICENSE FEE

#### 31.1. Concession Fee

In consideration of the grant of Concession, the Concessionaire shall pay to the Authority by way of concession fee a sum of Re.1 (Rupee one) per annum, and the Premium specified in Clause 31.2 (the "Concession Fee").

#### 31.2. Premium



31.2.1. Without prejudice to the provisions of Clause 31.1, the Concessionaire agrees to pay to the Authority for each year commencing from the 6th (sixth) year of the occurrence of COD for Phase I, a premium (the "Premium") equal to INR X per pax of traffic handled at the airport (Premium Rate) multiplied by the total traffic handled at the airport during that year, in the form and manner provided herein. For each subsequent year, the Premium Rate for that year shall be determined by increasing the Premium Rate of the preceding year by Price Index (in percentage) of the preceding year. The corresponding Premium for the subsequent year shall be calculated by Premium Rate of subsequent year multiplied by the total traffic handled at the airport in the subsequent year.

### 31.5. License fee

31.5.1. Upon execution of the Concession Agreement and in further consideration of the Authority providing licence rights for the Site for the Project to the concessionaire and granting the rights and access set forth in this Agreement, the concessionaire shall pay to the Authority, an annual licence fee ("Licence Fee") of 3.33% of land value. The land value as on 29<sup>th</sup> April 2019 has been estimated to be INR 4326 crores (Four Thousand three hundred and twenty six crores). For the purpose of calculating the License fee, the land value shall be assumed to increase annually at the rate of Price Index with the base year as 1st January 2019.

31.5.2. The License Fee shall be due and payable in advance every year and the first Licence Fee shall be paid by the Concessionaire from the 10th year post Appointed Date. For avoidance of doubt, the land value at the 10th year post Appointed Date would be inflated by price index w.r.t the base year. The License Fee in INR crore for 10th Year post Appointed Date shall be calculated as -

$$L_{10} = 3.33\% \times 4326 \times \left\{ 1 + \left( \frac{\text{PriceIndex}_{10\text{th year post Appointed Date}} - \text{PriceIndex}_{\text{January 2019}}}{\text{PriceIndex}_{\text{January 2019}}} \right) \right\}$$

The License Fee in INR crore for 11th Year post Appointed Date onwards shall be calculated as

$$L_{11} = L_{10} \times \left\{ 1 + \left( \frac{\text{PriceIndex}_{11\text{th year post Appointed Date}} - \text{PriceIndex}_{10\text{th Year post Appointed Date}}}{\text{PriceIndex}_{10\text{th Year post Appointed Date}}} \right) \right\}$$

The authority shall not be obliged to demand payment of Licence Fee by notice or otherwise, and it shall be incumbent upon the Concessionaire to pay the Licence Fee as and when it falls due. The Licence Fee shall be payable by the Concessionaire during the term of this Concession Agreement.

For avoidance of doubt, it is clarified that treatment of License fee shall be allowed as pass-through cost in accordance with AERA Order No. 42/2018-19 dated 5<sup>th</sup> March 2019, for the purpose of aeronautical tariff estimation.

## **ARTICLE 32: USER FEE**

### 32.3. Principles of Determination and Revision of Aeronautical Charges

32.3.1. The Parties hereto acknowledge and agree that any and all Aeronautical Charges that the Concessionaire can levy, collect and appropriate from a User shall be determined and revised by AERA, by way of an order by AERA, in accordance with the provisions of the AERA Act and this Agreement.

32.3.2. Aeronautical tariffs shall be determined as per Airports Economic Regulatory Authority (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011 with 30% Hybrid-Till



framework as per AERA's order number 14/2016-17 (F.No. AERA/20010/Civil Aviation Policy/2014-15/Vol-I) dated 12<sup>th</sup> January 2017 (issued on 23<sup>rd</sup> January 2017) (Hybrid-Till Approval). For avoidance of doubt, revenues of the Concessionaire from City Side Development shall be excluded from the Hybrid-Till framework for the determination and regulation of the Aeronautical Charges subject to the provisions of clauses 28.1.3, 28.1.4 and 28.4.1.

32.3.3. The Aeronautical Charges shall be regulated and set/ re-set, in accordance with the Hybrid-Till Approval, terms of this Agreement and the Applicable Laws.

32.3.4. The Concessionaire hereby acknowledges and agrees that the Premium paid/ payable by the Concessionaire to the Authority, under and pursuant to the terms of this Agreement, shall not be included as a part of costs for provision of Aeronautical Services and no pass-through would be available in relation to the same.

#### **Schedule A to the Concession Agreement**

1.3 Total area of the Site is 1334 hectares, out of which 24 hectare of area is earmarked for City Side Development.

4 - The Concessionaire will prepare the Master Plan using the land use plan provided herewith (refer Map I) as a guideline with the following provisions:

- a. The Concessionaire shall plan and construct the facilities as identified under the different land use provided in Map IB of this Agreement. The Concessionaire has the flexibility to plan and design the facilities within the defined land use subject to provisions of this Agreement.
- b. The Master Plan should be in accordance with Civil Aviation Requirements (CAR) as prescribed by the DGCA, ICAO guidelines and conforming to Good Industry Practice.
- c. Level of service for Terminal Building - IATA Level of Service optimum compliant. The total area of the Terminal Building shall be minimum 30 square meter per peak hour passenger for the design year.
- d. Terminal design must be capable of incremental expansion with minimum impact on current operations.
- e. The City Side development shall be as per provisions of this agreement, applicable development control regulations and Applicable Law.

6 - The Master Plan is to be submitted to the Authority in 60 days from the date of this Agreement. Within 30 (thirty) days of the receipt of the Master Plan, the Authority shall provide to the Concessionaire, any comments or changes that the Authority may have on the Master Plan. If the Authority provides any comments and/or suggestions to the Master Plan, then the Concessionaire shall within 30 (thirty) days of receipt thereof, suitably incorporating such comments and/or changes suggested by the Authority in the Master Plan. This Master Plan will become a part of the Concession Agreement.

7 - The Concessionaire will, within 90 [ninety] days from the date of acceptance of the Master Plan, submit Development Plan for Phase 1. The Development Plan for subsequent phases shall be prepared and submitted within 90 (ninety) days from the date of achieving the trigger for the respective phases as mentioned in the Table I of Annex II of Schedule A. The Authority shall within 30 (thirty) days of the receipt of Development Plan provide its comments. The Concessionaire shall incorporate the comments of the Authority and submit the Development Plan within 30 (thirty) days from the receipt of comments from the Authority.



**Schedule Z to the concession agreement– Memorandum of Understanding between YIAPL and MoCA - format**

3.6.1 The Parties hereto acknowledge and agree that any and all Aeronautical Charges that the Concessionaire can levy, collect and appropriate from a User shall be determined and revised by AERA, by way of an order by AERA, in accordance with the provisions of the AERA Act and as per the extant guidelines issued by AERA.

3.6.2 The GOI has, vide its letter no. F. No. AV.2401 1/12/2013-AD dated April 13, 2015, approved the 30% (thirty percent) shared-till framework for the determination and regulation of the Aeronautical Charges at the Airport, and the same shall be accordingly considered by AERA. For avoidance of doubt, revenues of the Concessionaire from City Side Development shall be excluded from the shared-till framework for the determination and regulation of the Aeronautical Charges.

3.6.3 The Annual Premium shall not be considered as a part of the capital outlay for the Airport or the regulatory asset base or operating expense for the purpose of the determination of the Aeronautical Charges and shall always be excluded from being considered as a part of the cost for the determination of the Aeronautical Charges. The Concessionaire hereby acknowledges and agrees that the Annual Premium payable by the Concessionaire to the Authority shall not be considered for any purposes, for the determination or revision of the Aeronautical Charges, by AERA.

3.6.4 The Concessionaire shall be entitled to levy, collect and appropriate the Aeronautical Charges with effect from the COD for Phase I from the Users or the Airport, at the initial/ad-hoc rates of the tariff as may be approved by AERA. Such initial/ad-hoc rates of tariff shall be applicable and valid until the approval of Aeronautical Charges by AERA in accordance with the provisions of the AERA Act.

3.6.5 Any under-recovery or over-recovery of the Aeronautical Revenues in respect of the ad-hoc or final Aeronautical Charges approved by AERA for the first tariff control period ( currently 5 (five) years) commencing from COD for Phase I , shall be carried forward and adjusted by AERA, while determining the allowable Aeronautical Revenues in the second tariff control period, as per AERA act and as per the extant guidelines issued by AERA.

3.6.6 Any under-recovery or over-recovery of Aeronautical Revenues after the first tariff control period shall be adjusted by AERA in accordance with AERA act and as per the extant guidelines issued by AERA.

3.6.7 The Concessionaire shall have to work with AERA to explore ways to keep the tariffs comparable with the tariffs of the neighbouring airports.

3.6.8 Any payments made by the Concessionaire to any Government Instrumentality for providing sovereign functions shall be considered as a part of the capital outlay for the Airport and an operating expense for the purpose of the determination of the Aeronautical Charges, and shall accordingly be considered as a part of the cost for the determination of the Aeronautical Charges.

**Annexure IV of Schedule A**

A. Hospitality

I. Resorts

2. 3-4 star hotels

3. 5 star hotels

4. Restaurant



5. Budget hotel.

B. Public Entities

1. Post office

2. Telephone Exchange

3. Police Station

4. Health Center

5. Hospital

C. Commercial Office Space

1. Shopping Plaza

2. Office Space

3. Airline offices

4. Government offices

D. Education and Training

1. Aviation Institution

2. Aviation related training such as flight attendants training etc.

3. College/University

4. Skill Development Centers

E. Logistics offices

1. Logistics operator offices

2. Custom clearing offices

3. Warehouses

4. Cold Storages

F. Packaging Centers

1. Loading/Unloading facilities, weighbridge, etc.

2. Truck parking

3. Drivers facilities

4. Petrol/Diesel/CNG pumps and other support services

G. Tourist/Visitors' Centre and Exhibition Ground

5. Leisure, entertainment, and cultural venues

6. Information desks and kiosks

7. Tourist facilities, rest rooms

8. Conference area



9. Cafe and recreation
10. Indoor and outdoor exhibition space.
11. Cultural centre
12. Museum and art galleries
13. Amphitheatre
14. Open Exhibition ground
15. Art and Craft workshop
16. Recreation club
17. Promotional activities of tourism

For clarification, residential developments are not permitted.



सत्यमेव जयते

भा.वि.आ.वि.प्रा.

AERA

