Noida International Airport

Ref No: YIAPL-2026-292 13th July 2026

To

Director (P&S,Tariffs)
Airports Economic Regulatory Authority of India
AERA Building, New Administrative Block
Safdarjung Airport
New Delhi- 110003

Sub: Submission of the comments to the consultation Paper for Fourth Control Period for Bangalore International Airport

Reference: Consultation Paper no 01/2026-27 dtd 12th June 2026 for Bangalore International Airport.

Dear Sir,

This refers to the consultation paper issued by the Authority in the matter of determination of aeronautical tariffs for the Fourth Control Period (CP-4) for Bangalore International Airport.

YIAPL submits comments on the subject consultation paper, as enclosure, for your kind consideration.

Sincerely,

Nitu Samra

Chief Executive Officer and Chief Financial Officer

Enclosure: Annexure A - Comments by YIAPL

Yamuna International Airport Private Limited
YIAPL Administrative Office
Noida International Airport
Kishorepur, Gautam Buddha Nagar Jewar, Uttar Pradesh
www.niairport.in
contact@niairport.in

Annexure A :

1. Minimum Threshold proposed by the Authority in respect of Non-Aeronautical Revenue

Authority's consideration and proposal put forth in the Consultation Paper

Vide paragraph 9.3.2 of the Consultation Paper, the Authority has proposed that the true-up of Non-Aeronautical Revenue ("NAR") for the Fourth Control Period, to be undertaken at the time of determination of tariff for the succeeding Control Period, shall be subject to a minimum threshold as proposed by the Authority in Table 237.

YIAPL's response and submission

A minimum threshold on NAR is negating the very concept of a true-up

A true-up is meant to fairly compare projected revenue with actual revenue and adjust for any differences, whether positive or negative. However, under the proposed approach, if actual NAR is higher than the threshold, the additional benefit is shared with users through higher cross-subsidy. On the other hand, if actual NAR is lower than the threshold, the entire shortfall is borne by the Airport Operator because the ARR continues to be reduced based on revenue that was never actually earned.

As a result, the mechanism operates only in one direction—users benefit when revenues are higher, but the Airport Operator bears the full impact when revenues are lower. This does not reflect a balanced true-up process.

As a result, the Airport Operator is effectively required to bear the risk of achieving a revenue level that is not guaranteed under the regulatory framework, without receiving any corresponding benefit. This creates a one-sided mechanism rather than a fair true-up process and allocates the risk to a party that is not always best placed to manage it.

NAR is materially driven by variables which the Authority itself trues up on actuals

Non-Aeronautical Revenue is not an independent revenue stream within the exclusive control of the Airport Operator. It is a derived revenue stream, being a function of passenger traffic, passenger mix, the proportion of international traffic, dwell time, concessionaire performance and prevailing macroeconomic conditions.

The Authority has proposed to true-up traffic for the Third Control Period based on actual traffic numbers, acknowledging that traffic is beyond the Airport Operator's control and cannot be predicted accurately. Given this, it seems inconsistent to adjust traffic based on actuals while at the same time applying a minimum revenue requirement for Non-Aeronautical Revenue (NAR), which is largely dependent on those same traffic levels.

In view of above, YIAPL request authority to remove the minimum thresholds on Non-Aeronautical Revenue and provide instead for a true-up of Non-Aeronautical Revenue on the basis of actuals.

2 . Incremental ARR Approach on User Pay Principle for Identified High-Capex Projects

Authority's consideration and proposal put forth in the Consultation Paper

Vide paragraphs 12.3.1 to 12.3.4 and 12.4.1 to 12.4.21 of the Consultation Paper, the Authority has proposed to adopt, on a project specific basis, an "Incremental ARR Approach on user pay principle" for identified high capex projects. Under the proposed framework, the Base Aggregate Revenue Requirement ("Base ARR") and the opening aeronautical tariffs for a Control Period are to be determined by excluding the ARR impact (comprising Return on the Regulatory Asset Base, Depreciation, and such other components as the Authority may consider appropriate) of specified capital projects expected to be commissioned in the latter part of the Control Period. The incremental ARR and the corresponding Yield Per Passenger ("YPP") attributable to each such project is to be determined released through revised aeronautical tariffs after capitalization of assets.

YIAPL's response and submission

The existing tariff framework has provided a balanced and predictable mechanism for recovering approved revenues while maintaining tariff stability across the control period. While the proposed "user pays" approach seeks to align tariffs with asset availability, However Airport infrastructure is used as an integrated system, and it is neither practical nor feasible to attribute the benefits of specific assets to passengers, airlines, or time periods. Deferring tariff recovery until commissioning creates an impact on cashflow for airport operator during the construction phase and leads to sharp increase in tariffs in mid of the tariff cycle.

In view of above, requesting authority to not apply the above principle and continue with existing approach.