Noida
International Airport

Noida International Airport
Multi Year Tariff Proposal for First Control Period
(FY 2025-26 to FY 2029-30)
October 2024

TABLE OF CONTENTS

List of Tables

List of Figures

Glossary

Abbreviation	Meaning	Abbreviation	Meaning
AAI	Airports Authority of India	**HVAC**	Heating, Ventilation, and Air Conditioning
ABD	Auto Bag Drop	**IATA**	International Air Transport Association
ACI	Airports Council International	**ICAO**	International Civil Aviation Organization
AERA/Authority	Airports Economic Regulatory Authority of India	**ICT**	Information and Communication Technology
AGL	Airfield Ground Lighting System	**IFK**	In-flight kitchen
AMC	Annual Maintenance Contract	**IIM**	Indian Institute of Management
ARFF	Aircraft Rescue and Fire Fighting (ARFF)	**INR**	Indian Rupee
ARR	Aggregate Revenue Requirement	**ITP**	Into-Plane Services
ASQ	Airport Service Quality	**KL**	Kilo Liter
ATM	Air Traffic Movement	**LoA**	Letter of Award
ATRS	Automatic Tray Retrieval System	**MoU**	Memorandum of Understanding
AUCC	Airport User Consultative Committee	**MPPA**	Million Passengers Per Annum
BCAS	Bureau of Civil Aviation Security	**MRP**	Market Risk Premium
BHS	Baggage Handling System	**MYTP**	Multi Year Tariff Proposal
CA	Concession Agreement	**NAR**	Non-aeronautical Revenue
CAPEX	Capital expenditure	**NCAP**	National Civil Aviation Policy – 2016
CAPM	Capital Asset Pricing Model	**NIA**	Noida International Airport
CCR	Constant Current Regulator	**NIAL**	Noida International Airport Limited
CDO	Chief Development Officer	**NZD**	New Zealand Dollar
CHF	Swiss Franc	**O&M expenses**	Operational and Maintenance expenses
CISF	Central Industrial Security Force	**PAX**	Passengers
CNS	Communications, Navigation and Surveillance Systems	**PCA**	Pre-Conditioned Air
CNY	Chinese Yen	**PIF**	Project Investment File
COD	Commercial Operation Date	**PTB**	Passenger Terminal Building
COO	Chief Operating Officer	**R&M**	Repair and Maintenance
COVID/COVID-19	Coronavirus-19	**RAB**	Regulatory Asset Base
CPI	Consumer Price Index	**RBI**	Reserve Bank of India
CSR	Corporate Social Responsibility	**RCC**	Reinforced Cement Concrete
CUPPS	Common Use Passenger Processing Systems	**Re**	Cost of Equity Capital
DAS	Distributed Antenna System	**RET**	Rapid Exit Taxiway
DG	Diesel Generator	**Rf**	Risk Free Rate
DGCA	Directorate General of Civil Aviation	**SaaS**	Software as a Service
ERP	Enterprise Resource Planning	**SBI**	State Bank of India
EUR	Euro	**SSBD**	Self-Service Bag Drop
F&B	Food and Beverages	**STP**	Sewage Treatment Plant

Abbreviation	Meaning	Abbreviation	Meaning
FBO	Fixed Base Operator	**TMR**	Trunk Mobile Radio
FCP	First Control Period	**TNLC**	Terminal Navigation Landing Charges
FRoR	Fair Rate of Return	**UaaS**	Utility as a Service
GDP	Gross Domestic Product	**UDF**	User Development Fees
GH	Ground Handling	**VHT**	Vertical and Horizontal Transport
GOI	Government of India	**VIP**	Very Important Person
GoUP	Government of Uttar Pradesh	**WPI**	Wholesale Price Index
GPU	Ground Power Unit	**YIAPL**	Yamuna International Airport Private Limited
GSDP	Gross State Domestic Product	**YPP**	Yield per Passenger
GSE	Ground Support Equipment	**ZAIA**	Zurich Airport International AG

Confidential Information

As part of the Multi Year Tariff Proposal (MYTP) submission for first control period, YIAPL is submitting this document and will also be submitting additional information/ clarifications as required by the Authority. The information submitted by YIAPL in this regard includes commercially sensitive data and the Authority is requested to maintain confidentiality of such information. YIAPL submits to the Authority that the following documents/ data are confidential in nature and should not be placed in public domain:

1. Report on capital expenditure prepared by technical consultant.
2. Report on operational expenditure prepared by technical consultant.
3. Report on cost of equity
4. Business plan (MS-Excel model containing sensitive financial information)
5. Commercial agreements with EPC contractors, vendors, concessionaires, airport users, etc.
6. Master plan
7. Traffic study report from technical consultant
8. Tender documents like RFP, RFQ, techno-commercial evaluations of the bids.
9. Financing/ facility agreement with SBI

Further, YIAPL requests the Authority to consult YIAPL during the tariff determination exercise with respect to the documents to be shared in public so that the confidential information is not shared and YIAPL may assist the Authority to identify the specific information or extracts of documents that may be disclosed.

1. Background

1.1. Yamuna International Airport Private Limited

1.1.1 The Government of Uttar Pradesh had envisaged development of a greenfield airport at Jewar in the Gautam Buddha Nagar district of the state of Uttar Pradesh.

1.1.2 Noida International Airport Limited (NIAL) was appointed as the nodal agency under the ambit of Yamuna Expressway Industrial Development Authority (YEIDA) to implement the project. The airport was planned to be developed in public private partnership framework on a Design, Build, Finance, Operate, and Transfer (DBFOT) basis.

1.1.3 NIAL had prescribed the technical and commercial terms and conditions and invited bids by its Request for Qualification cum Proposal No. NIAL-02/43/2019 dated 25th September 2019. The concession was won by Zurich Airport International AG (ZAIA), being the highest bidder and Letter of Award (LoA) was issued to ZAIA on 4th May 2020.

1.1.4 A special purpose vehicle (SPV), Yamuna International Airport Private Limited (YIAPL), has been incorporated on 22nd Jan 2020 to develop the airport project, Noida International Airport (NIA). YIAPL is a 100% owned subsidiary of ZAIA.

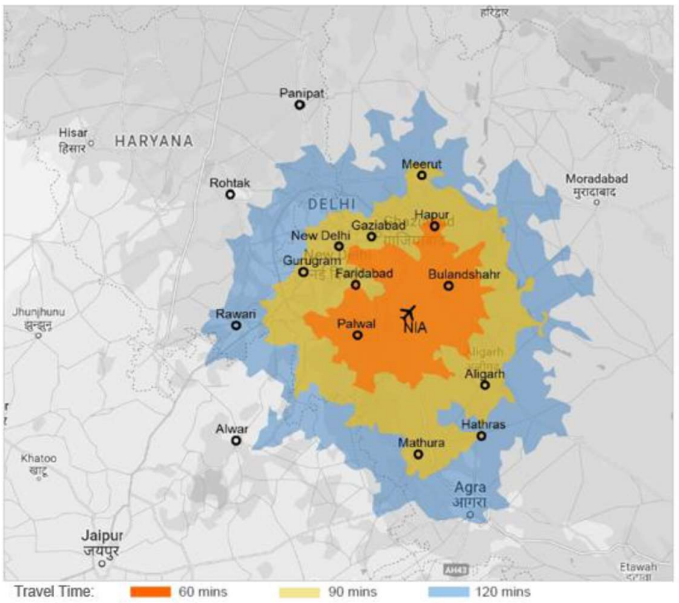
1.1.5 The Concession Agreement (CA) between YIAPL and NIAL was signed on 7th October 2020 for a 40-year concession period.

1.1.6 The appointed date of the project is 1st October 2021.

1.2. Brief Overview of the Technical Details of Noida International Airport

1.2.1 Noida International Airport will be the second international airport in the National Capital Region (NCR) and will complement Indira Gandhi International Airport (IGIA) to meet the aviation demands of the region. NIA will cater large catchment area within 120 minutes of travel time. It will serve as the primary international airport for major cities such as Noida, Meerut, Ghaziabad, Mathura, Agra etc. and will be gateway to various pilgrimage and tourist destinations.

Figure 1: NIA Location



1.2.2 Technical details of the airport are given below:

Table 1: Technical Details of NIA

Particulars	Details
Total airport area	1,334 hectares (ha)
Airside	
Runway	Runway 10/28 with dimension of 3,900m x 45 m + 7.5m shoulder each side, flexible pavement
Taxiway	1 parallel taxiway, 2 taxiway at runway ends, 1 RET and 3 parallel cross apron taxiways
Apron	Pax Apron - 165,370 sqm (Rigid Pavement) Isolation Bay – 7,145 sqm (Rigid Pavement), 3710 sqm (Flexible Pavement)
Contact Stands	10 Contact Stands • 4 Code C • 3 MARS (6 Code C or 3 Code E)
Remote Stands	15 remote stands: • 9 Code C • 3 MARS (6 Code C or 3 Code E) In addition, 2 freighter aircraft stand for cargo aircrafts are planned: • 1 Code D freighter stands • 1 Code E freighter stands
ATC	Height 38m, G+6 (2148sqm)
Landside	
Departure Forecourt	4 Movement lanes+2 Parking lanes (20m width)
Arrival Forecourt	4 Movement lanes+2 Parking lanes (20m width)
Passenger Terminal Building	
Planned phase I capacity	12 MPPA
Total Built-up	137,985 Sqm.
Entry Gates (Check -in Hall)	2 Nos
Check-in-Island	2 Nos
Check-in counters	48 units including 20 Self-service Bag drop (all CUPPS)
ATRS	13 Nos
Baggage reclaim belt	Number of belts: • 2 Domestic • 1 Swing • 1 International
Passenger Boarding Bridges	10 Nos
Bus Gates	2 Nos Domestic 1 No International / Swing
Baggage Screening Capacity (Departure)	2 Lines (1628 bags- peak hour)
Emigration Counters	9 Nos (departures)
Immigration Counters	10 Nos (arrival)

2. Regulatory Framework for Tariff Determination for YIAPL

2.1. Determination of Tariffs by the Authority

2.1.1 YIAPL is constructing the Phase I of the Noida International Airport (NIA) project with a passenger handling capacity of 12 mppa. Thus, as per AERA Act, 2008 as amended through AERA (Amendment) Act of 2019 and 2021, NIA is a major airport as it is designated to have an annual passenger throughout in excess of 3.5 mppa.

2.1.2 Further, as per clause 32.3.1 of concession agreement with NIAL and clause 3.6.1 of Memorandum of Understanding (MoU) with GOI, YIAPL can levy, collect and appropriate aeronautical charges from the airport users as determined by the Authority.

Clause 32.3.1 of CA – *"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."*

Clause 3.6.1 of MoU – *"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."*

2.2. First Control Period for NIA

2.2.1 YIAPL intends to open the airport for commercial operations by 30th April 2025. Hence, NIA will be operational for eleven (11) months in FY 2025-26.

2.2.2 YIAPL submits to the authority that the first control period of five years to be considered from 1st April 2025 till 31st March 2030 with operations starting from 30th April 2025.

2.3. Regulatory Framework for Tariff Determination of NIA

2.3.1 YIAPL has computed the Aggregate Revenue Requirement (ARR) as per the below formula given in the Terms and Conditions for Determination of Tariff for Airport Operators Guidelines, 2011 on 28th Feb'2011 (modified as per Order no. 14/ 2016-17):

$$ARR_t = (FRoR\ X\ RAB_t) + D_t + O_t + T_t - alpha * NAR_t$$

where: FRoR is Fair Rate of Return, RAB is Regulated Asset Base, D is Depreciation, O is Operation and Maintenance expenditure, alpha is 30% under hybrid till framework, and NAR is Non-Aeronautical Revenues and t is the Tariff Year in the control period.

2.3.2 YIAPL submits that the Authority may have due regard to the provisions of the concession agreement with NIAL and the memorandum of understanding with GOI, to determine the scope of the regulatory framework applicable to NIA for determining the aeronautical tariff.

2.3.3 As per clause 32.3.5 of CA and clause 3.6.4 of the MoU, YIAPL is entitled to levy and collect aeronautical charges from phase I COD.

Clause 32.3.5 of the CA- *"Notwithstanding anything contrary contained elsewhere, the Concessionaire shall be entitled to levy, collect and appropriate the Aeronautical Charges with effect from the COD of Phase I from the Users of 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."*

2.3.4 As per clause 32.3.2 of CA and clause 3.6.2 of the MoU, NIA's tariffs will be determined based on hybrid till framework of 30%. Further, the revenues of NIA from city side development on 24 hectares shall be excluded from the hybrid till framework for the determination of the aeronautical charges.

Clause 32.3.2 of CA – *"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 12th January 2017 (issued on 23rd 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"*

2.3.5 As per clause 3.6.5 of the MoU, YIAPL's under-recovery or over-recovery from COD till the end of first control period will be carried forward and adjusted by the Authority while determining the tariffs for the second control period.

Clause 3.6.5 of the MoU – *"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."*

2.3.6 As per clause 3.6.8 of the MoU, the payments made by YIAPL to the government instrumentality providing sovereign functions shall be considered as cost during the tariff determination for YIAPL.

Clause 3.6.8 of the MoU – *"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."*

2.3.7 YIAPL has prepared the MYTP submissions based on the MoU with GOI read with the concession agreement, regulatory framework given above, AERA guidelines and AERA orders issued from time to time.

2.3.8 YIAPL has prepared the forecasted business plan till FY 2034-35 for the 1st and 2nd control period based on the detailed evaluation of the building blocks by the management.

2.3.9 Accordingly, YIAPL is submitting this document as part of its MYTP submission for tariff determination for the period from 1 May 2025 till 31 March 2030 for Noida International Airport (NIA).

3. Traffic assumptions

YIAPL has undertaken the air traffic forecast study through Landrum & Brown in May 2023 which is attached in the annexures. This chapter covers the summary of the assumptions, methodology and the traffic forecast as per the study.

3.1. Passenger traffic

Overview of Indian Aviation Market

3.1.1 India's passenger aviation market has witnessed compounded annual growth rate (CAGR) of 11.1% over a six-year period from FY 2014 to FY 2019. Domestic and international traffic grew at a CAGR of 17.6% and 8.3% respectively over the period FY 2014 - FY 2019.

3.1.2 According to IATA, air traffic in India is expected to grow at a CAGR of 6% for the next 20 years. This will be driven by the reduction in domestic airfares, lower ATF prices, increase in seat capacity and cut-throat competition. India has already become the third largest aviation market.

Impact of COVID-19 on Indian Air Traffic

3.1.3 According to AAI statistics for December 2022 to March 2024 , domestic and international passenger demand in the country has fully recovered to pre-COVID levels and passenger traffic in Delhi airport also recovered at similar levels.

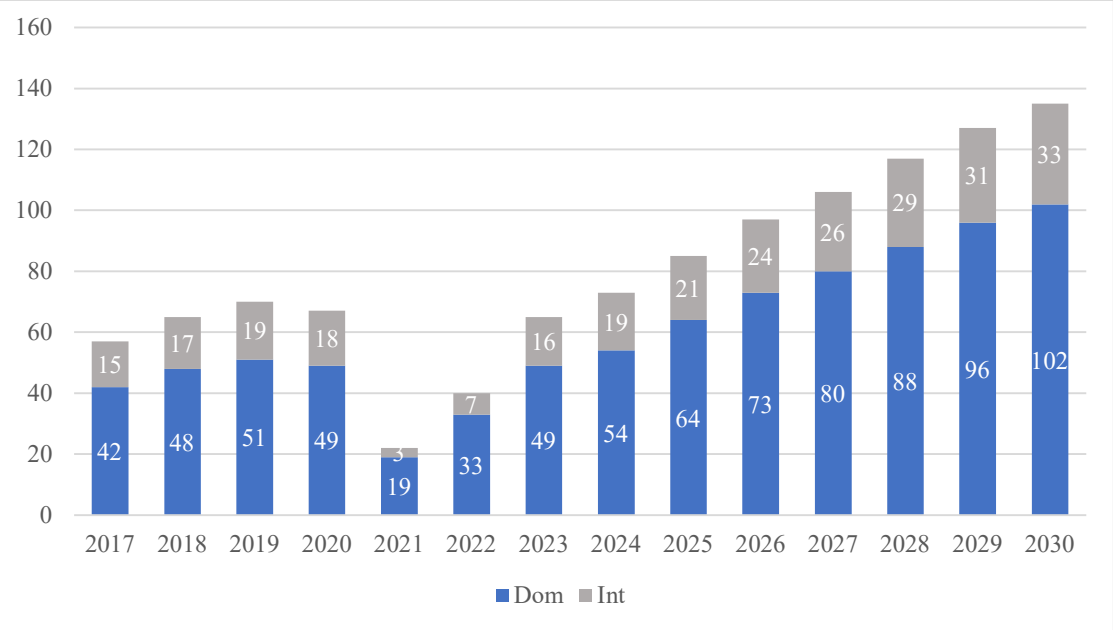
Delhi Region Airport System Traffic

3.1.4 In order to determine the traffic at NIA, at first the total traffic for the Delhi Region was estimated, as per Landrum & Brown analysis, the increase in passengers in Delhi region airport system 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.

3.1.5 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.

3.1.6 Accordingly, the traffic forecast for the Delhi region airport system is given below.

Figure 2: Delhi System Annual Passengers (in mn)



Estimated Traffic at NIA

3.1.7 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.

3.1.8 NIA is intending to commence its commercial operations - phase 1 by May 2025 and is expected to result in rapid traffic expansion 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.

3.1.9 The passenger traffic forecast of NIA for the first control period is given in the table below:

Table 2: NIA Passenger Traffic Forecast

Particulars	FY26	FY27	FY28	FY29	FY30	Total
Dom passenger traffic (in mn)	5.7	8.6	11.4	14.6	17.6	57.9
Int passenger traffic (in mn)	0.2	0.4	0.6	0.8	1.1	3.1
NIA total passenger traffic (in mn)	**5.9**	**9.0**	**12.0**	**15.4**	**18.7**	**61.0**

3.1.10 The transfer passengers are forecasted to be about 5% of the total departing passengers in FY26 and increase to 9.5% of the total departing passengers by FY30.

3.2. ATM Forecast

3.2.1 The number of passenger ATMs at an airport depends on three factors: (1) total passengers; (2) average aircraft size, or gauge; and (3) average load factor (percentage of seats occupied).

3.2.2 The average number of seats on domestic flights is assumed to increase from ~180 seats in FY 2026 to ~188 seats by FY 2030, and the average number of seats on international flights is assumed to increase from ~197 seats in FY 2026 to ~200 seats in FY 2030.

3.2.3 It was assumed that the average load factor for NIA domestic flights would start at ~80% in FY 2026, in line with India wide domestic load factor trends pre COVID-19 and increase to ~82% in FY 2030. The international load factors were assumed to start at ~75% in FY 2026 and increase to ~77% in FY 2030 for NIA. These assumptions are based on the historical load factors at comparable airports.

3.2.4 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.

3.2.5 The freighter aircraft ATM forecast were derived from the freighter tonnage forecast in a similar fashion as the passenger ATM forecast were derived from the passenger forecast. The freighter ATM forecast is a product of the air cargo tonnage forecast and assumed air cargo tonnes per ATMs.

3.2.6 NIA passenger, freighter and total ATM forecast is as follows:

Table 3: NIA ATM Forecast

ATMs	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Passenger ATM						
Domestic ATM	39,508	58,700	76,300	96,400	1,14,200	3,85,108
International ATM	1,650	2,700	3,900	5,300	6,900	20,450
Total pax ATM	**41,158**	**61,400**	**80,200**	**1,01,700**	**1,21,100**	**4,05,558**
Cargo ATM						
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
Total cargo ATM	**2,030**	**2,550**	**3,050**	**3,600**	**4,140**	**15,370**
Total ATM						
Domestic ATM	40,458	59,670	77,280	97,440	1,15,280	3,90,128
International ATM	2,730	4,280	5,970	7,860	9,960	30,800
Total ATM	**43,188**	**63,950**	**83,250**	**1,05,300**	**1,25,240**	**4,20,928**

3.3. Cargo Traffic

3.3.1 Air cargo at Delhi Airport has increased from 235,036 tonnes in FY 2001 to 955,858 tonnes in FY 2020, representing a 7.7% CAGR. The key commodities that account for 80% of north India cargo are electronics, pharma, e-commerce, auto-components, textiles, and leather.

3.3.2 NIA is located strategically to serve its primary catchment of Noida and Greater Noida while it will be competing with other airports to attract cargo business from secondary and tertiary catchment areas in the north Indian market.

3.3.3 The main key impact factors to attract 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.

Cargo Traffic Forecast Methodology

3.3.4 Air cargo tonnage was forecasted for the north Indian region which is allocated to NIA.

3.3.5 North India refers to states of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir (incl. Ladakh), Uttarakhand, Uttar Pradesh, Chandigarh and Rajasthan. Following were the two main approaches followed to estimate cargo traffic growth:

- 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.

3.3.6 The regression models were developed using a 9-year historical period from 2011 to 2019 (avoiding the 2008 economic recession and COVID-19 pandemic).

Allocation of Air Cargo Tonnage to NIA

3.3.7 NIA is located in close proximity to the logistics supply chain, industrial clusters, and manufacturers which include Ghaziabad, Meerut, Bhadohi, Agra, Kanpur, Aligarh, Lucknow, Moradabad, Firozabad, etc. The cargo tonnage allocation was therefore based on the attractiveness of NIA and proximity to key clusters in the region.

3.3.8 Accordingly, the air cargo tonnage forecast for NIA is given in the table below:

Table 4: NIA Air Cargo Tonnage Forecast

Air Cargo (tonnes)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Domestic Cargo	79,390	99,600	114,700	131,300	138,100	5,63,090
International Cargo	33,316	54,100	74,700	97,500	122,600	3,82,216
Total Cargo	**1,12,707**	**153,700**	**189,400**	**228,800**	**260,700**	**9,45,307**

4. Quality of Service

4.1.1 Clause 26.7.1 of CA – *"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"*

4.1.2 Further, the concessionaire shall, at all times, procure and ensure that it achieves the Service Quality Requirements as set forth in Annex-I of this Schedule-L of CA.

Table 5: Annex-I of Schedule-L of CA

Performance indictor	Performance Measure	Minimum Performance Standard
Transfer Process	Minimum connect times for 80% of the transfer Passengers	Domestic/International: 60 minutes International/International: 45 minutes Domestic/Domestic: 45 minutes
Terminal Services	Handling of complaints	100% of complaints responded to within 2 working days
	Response to phone calls	90 % of calls answered within 60 seconds
	Availability of Flight Information	98% availability
	Automated services	98% availability
	Lifts, escalators etc.	98% availability
	Repair completion time	95% of high priority complaints within 4 hours, 95% of others within 24 hours
	Baggage Trolleys	100% availability
	Assistance for the differently Abled	100% of time within 5 minutes
Check-in	Maximum queuing time	5 minutes for business class 20 minutes for economy
Security Check	Waiting time in queue	Such that 95% of passengers wait less than 5 minutes with an average dwell time at the security check point of 45 seconds per passenger.
Immigration	Checking time in queue for Immigration	Such that 95% of passengers wait less than 10 minutes with an average dwell time at the immigration counter of 120 seconds per passenger.
Baggage Delivery	Time for bag delivery from airport arrival	Domestic- First bag 10 minutes, last bag 30 minutes from on blocks time international-First bag 15 minutes, last bag 40 minutes from on blocks time.
Passenger Arrival Process	Time taken from aircraft arrival to kerbside	International - 95% of passengers take less than 45 minutes Domestic - 95% of passengers take less than 35 minutes
Parking Bays	% Time available	99%
Passenger Boarding Bridges	% Airline requests for boarding bridges met	International – 90% Domestic – 90% of requests for B737 / A320 or larger aircrafts
Car Parking	Average time taken to find parking space including the time taken for	95% of drivers take less than 5 minutes

	payment of parking fee or collection of ticket	
	Average time from parking slot to the exit gate including the time for payment of parking fee	95% of drivers take less than 5 minutes
Taxis	Maximum waiting time	95% of passengers wait less than 5 minutes
Gate Lounges	Seating availability	Seats for 80% of aircraft capacity
Land Side Access	Delay on terminal frontage road	95% of the vehicles to have delay less than 5 minutes

4.1.3 NIA would adhere and maintain these standards and has considered the cost implications suitably while preparing future projections as provided in this MYTP submission.

5. Regulatory Asset Base

5.1. Capital Additions During the First Control Period

5.1.1 The scope of the Project as defined in Clause 2.1 of the Concession Agreement is given below:

"a) design, development, construction and expansion of the Airport on the Site set forth in Schedule A and as specified in Schedule B together with provision of respective Project Facilities as specified in Schedule C, and in conformity with the Specifications and Standards set forth in Schedule D;

b) operation, maintenance and management of the Airport in accordance with the provisions of this Agreement;

c) development, operation and maintenance of City Side on the Site as specified in Schedule–A and Schedule–B, and in accordance with the provisions of this Agreement; and

d) performance and fulfilment of all other obligations of the Concessionaire in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the Concessionaire under this Agreement."

5.1.2 The concession agreement between YIAPL and NIAL outlines the terms and conditions of the concession for the development, maintenance, and operation of the airport through the 40-year concession period from appointed date. The roles and responsibilities of concessionaire, NIAL, independent engineer, and State and Central Governments and their appointed agencies are clearly denoted in the concession agreement.

5.1.3 The concession agreement specifies that development of the airport must be developed as per standards specified by Directorate General of Civil Aviation (DGCA), International Civil Aviation Organization (ICAO), and other good industry practices. The capital expenditure proposed in Phase 1 and first control period adheres to the infrastructure requirements and standards set out in the concession agreement.

5.1.4 The airport will be developed in four phases with the Phase 1 planned of 12 mppa capacity. Development of subsequent phases will be triggered by the 80% capacity of the preceding phase criteria, as per the cumulative passenger traffic in the preceding 12-month period as specified in the Concession Agreement's Schedule A.

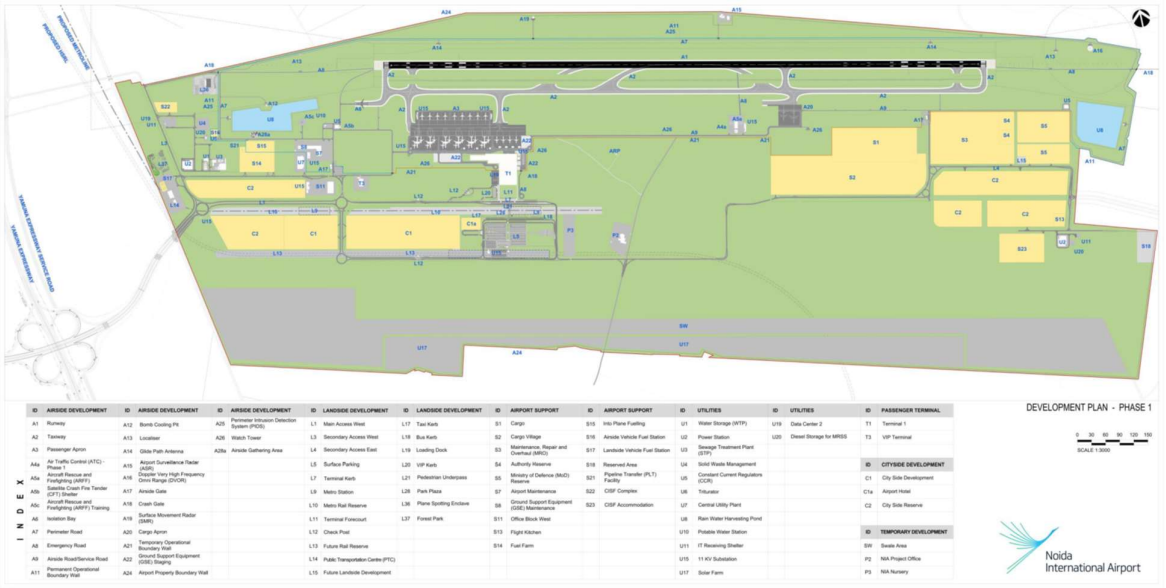
Table 6: Phases of Development of the Airport

Phases	Design Capacity (mppa)	Estimated Timeline of Construction	Expected Timeline for Project Commissioning
Phase 1	12	FY22-FY26	First
Phase 2	30	FY29-FY32	Second
Phase 3	50	Trigger of 80% of Phase 2 capacity	-
Phase 4	70 and more	Trigger of 80% of Phase 3 capacity	-

5.1.5 The final Master Plan as submitted by YIAPL to NIAL on 23 April 2021 after incorporating comments from DGCA, AAI and BCAS received the approval on 17 August 2021.

5.1.6 Development plan for the Phase 1 of the project is given below:

Figure 3: Development Plan for Phase 1



5.1.7 While undertaking the capital expenditure projects, YIAPL has complied with the provisions of Clause 5.6.2 of the Concession Agreement, which entails that the procurement of goods, works or services having consideration over INR 25 cr. in any accounting year of the concession term, is undertaken through competitive bidding. Excerpt of Clause 5.6.2 is given below:

"Clause 5.6.2 - For procurement of goods, works or services and for award of leases, licences, sub-licences or any other rights or privilege where the consideration exceeds Rs. 25 Crore (Rupees Twenty-Five Crore) in any Accounting Year (collectively the "Contracts"), the Concessionaire shall invite offers through open competitive bidding by means of e-tendering and shall select the awardees in accordance with the policy specified under Clause 5.6.1. For the avoidance of doubt, the Parties agree that the Concessionaire may, in its discretion, pre-qualify and shortlist the applicants in a fair and transparent manner for ensuring that only experienced and qualified applicants are finally selected in a manner that is commercially prudent and protects the interests of the Users……."

5.1.8 YIAPL has a robust procurement policy to ensure efficient costs through tendering process and is in line with the requirements in Clause 5.6.1 of the Concession Agreement. YIAPL has a strong governance mechanism with multiple levels of approvals. YIAPL submits that the capital expenditure incurred for Phase 1 of the project has been discovered through a procurement process which was fair, transparent, and competitive ensuring efficient capital expenditure.

5.1.9 Capital expenditure for Phase 1 of the project consists mainly of airside, terminal, landside, airport support, utilities and vehicles assets in the first control period.

Table 7: Proposed Capital Expenditure for First Control Period

Asset	Total Cost (INR cr.)
Airside projects	**1174.5**
AGL System	215.5
Airside Buildings	90.3
Airside Roadways	53.3
Runway, Apron and Taxiway	671.8
Bomb Cooling Pit	0.3
GSE Staging	45.9
NAVAID Support Building	97.3
Landside Development Including Land Development	**602.0**

Asset	Total Cost (INR cr.)
Land Development	355.1
Access Roadways	144.5
Canopy	34.1
Car Park	68.2
Terminal Building	**2300.9**
IT Terminal Building	93.5
Passenger Boarding Bridge	46.4
PTB – BHS, ATRS, ABD	318.2
Terminal Building	1842.9
Support Facility Buildings	**278.4**
Utilities	**539.8**
AGL Substation	30.8
Airside - HVAC Building	119.3
IT	185.2
Utilities	204.6
Vehicles	**98.8**
Vehicles	67.4
Vehicles - Crash Fire Tenders	31.4
Boundary Wall	**56.4**
VIP Terminal	**12.7**
GPU/ PCA	**31.0**
Other	**12.4**
Sub-Total	**5107.1**
Design and PMC	320.6
Insurance, ORAT and Independent Engineer	36.4
Pre-Operative Expenses	356.4
Contingencies	422.7
Total for Phase-I	**6243.2**
Financing Allowance (FA)	897.5
Total for Phase I with FA	**7140.7**
General and Maintenance CAPEX – First Control Period	**69.0**
Total	**7209.8**

5.1.10 YIAPL has already awarded capital expenditure contracts of more than 90% of the total value.

5.2. Brief Details of the Proposed Capital Expenditure in First Control Period

5.2.1 Airside development

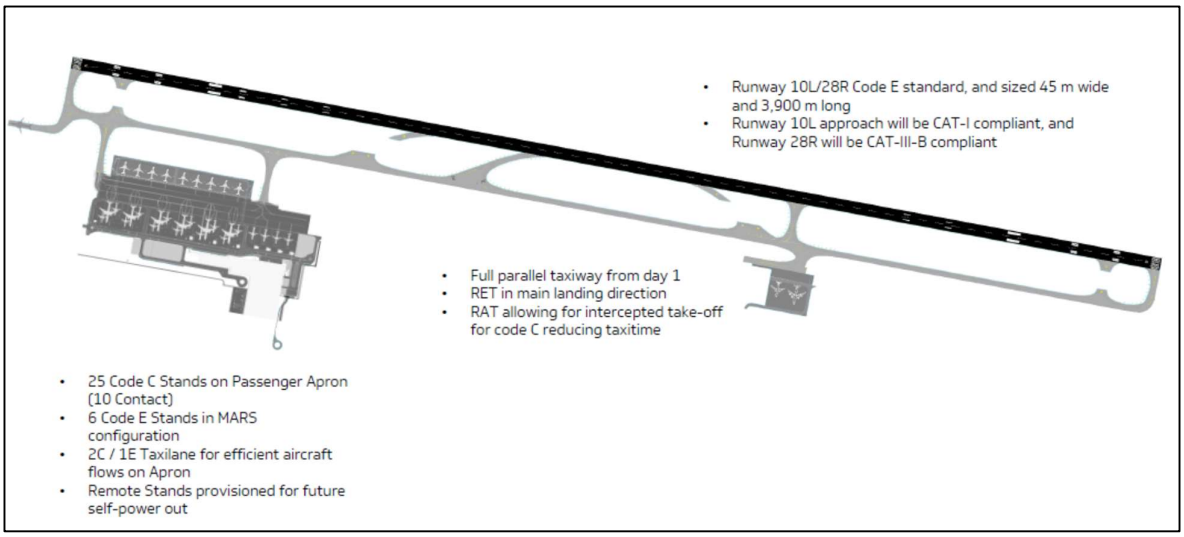
a) The key elements of NIA's airside development are runway and taxiway system, apron, ground service equipment (GSE) staging, air traffic control (ATC) tower, aircraft rescue and firefighting (ARFF), airside service roads, bomb cooling pit, Airfield Ground Lightings (AGL).

b) The design concept of the airside facilities are as follows:

- Efficient flows
- Quick turnaround
- Short taxi times
- Sustainability

- Mixed rotations at contact positions
- Facility flexibility
- Ease of expansion

Figure 4: Airside Layout for Phase 1



Runway

a) As per Clause 2.1.i.a of Schedule B of Concession Agreement: "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) Accordingly, Runway 10L/28R is Code E standard, and sized 45 m wide and 3,900 m long, along with flexible pavement for runway blast pads and flexible pavement for RESA at both ends. Runway 10L approach will be CAT-I compliant, and Runway 28R will be CAT-III-B compliant. A runway strip is designed to ensure the safe and effective operation of aircraft along the full runway length.

c) The runway strip for Runway 10L/28R is 140 m wide on either side of the runway centerline and extends 60 m beyond the threshold ends. A Runway End Safety Area (RESA) 240 m long by 90 m wide is provided at each end of the runway.

d) Runway blast pads provide blast erosion protection beyond runway ends. Blast pad of width 60 m (runway width + shoulders) and length of 60 m is provided at each runway end. These areas are beyond the threshold and are marked as non-movement areas.

Taxiway

a) Parallel taxiway, partial outboard taxiway to Runway 10L/28R, is designed to Code E standards, offset from the runway by 172.5 m.

b) Taxiway at runway entrances at both ends to Runway 10L/28R is proposed with the one Rapid Exit Taxiway at 1,800 m, in each approach direction from the runway threshold.

c) Cross-apron taxiways are also proposed which will include three parallel cross-apron taxiways with Code E taxiway at center and Code C taxiway on each side.

Apron

a) 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.

b) A total of 25 aircraft stands (Code C) for passenger aircraft are proposed:

- Three Code E MARS (6 Code C contact) contact stands.
- Four Code C contact stands.
- Three Code E MARS (6 Code C) remote stands.
- Nine Code C remote stands.

c) A total of 2 freighter aircraft stands for cargo aircrafts are proposed:

- One Code D freighter stands.
- one Code E freighter stands.

d) Aprons will have high mast lighting and proposed to have Visual Docking Guidance System (VDGS) for the passenger apron contact stands.

Airfield Ground Lighting (AGL) System

a) CAT-I Runway 10L is proposed to be equipped with a precision approach lighting system such as an SSALR (Simplified Short Approach Lighting System) with runway alignment indicator lights. 28R, a CAT-III high-intensity approach lighting system such as an ALSF-2 (Approach Lighting System with Sequenced Flashing Lights) is proposed.

b) The Precision Approach Path Indicator (PAPI) system provides the pilot with visual descent guidance information during the approach to a runway. These lights are typically visible from 8 km during the day and up to 32 km or more at night. Runways 10L/ 28R will be equipped with a four-light PAPI system located on the left side of each runway end.

c) Airport Surveillance Radar is the primary radar at the airport to control traffic within the terminal control area. ASR is proposed to be installed and used in conjunction with other navigational aids for instrument approaches. No structure will be permitted on the land above the level of 3 m below the pedestal height up to the distance of 500 m from radar antenna. Due to the building height of certain facilities, there will be requirement of north and south ASR to ensure sufficient radar coverage for safe procedures.

Airside Buildings including NAVAIDS Building

a) One main ARFF station is proposed as part of the Phase 1 development. The Aircraft Rescue and Fire Fighting (ARFF) station will be located directly inboard of the main taxiway system to Runway 10L/28R.

b) ATC tower will be co-located with the ARFF facility.

Figure 5: Airside Buildings – ATC and ARFF Tower

NAVAIDS support building includes the ASR building, hutment and foundation for localizer, glide path antenna, DVOR, SMR, etc.

Airside Roadways

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.

Ground Service Equipment (GSE) Staging

GSE staging area is the paved area for parking the GSE equipment such as towing tractors/tugs, baggage tractors, belt loaders, mobile stairs for boarding, catering trucks, cleaning vehicles, fuel hydrant dispensers/fuel bowsers, ground power units, cargo loaders, lavatory trucks, and potable water vehicles. GSE staging area is proposed in the passenger and cargo apron.

Bomb Cooling Pit

A bomb cooling pit is provided to deal with suspected explosives devices if found on the airport ground or an aircraft. One bomb cooling pit is proposed to be constructed in an isolated location.

5.2.2 Terminal building

YIAPL has adhered to the design criteria listed in Clause 2.1 of Schedule B of the Concession Agreement in the construction and procurement of the terminal building as below:

a) Level of service for terminal building – IATA level of Service "C' (optimum standards) compliant

b) Seventy five percent (75%) of 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 sqm.

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.

g) The design concept of the terminal building are as follows:

- Simplicity and clarity
- Seamless flow
- Operational efficiency
- Facility flexibility
- Comfort and convenience
- Short walking distances
- Ease of phasing
- Cost efficiency
- Ease of maintenance

Figure 6: Artistic Impression of Terminal Building

h) Terminal building is proposed with a total building area of 137,985 m² having passenger handling capacity of 12 mppa.

i) The passenger terminal building will have a single level kerb in front of the forecourt. The passenger terminal includes three levels with most departure functions on level 2, a mezzanine level 1 with arrival corridors and support, and a ground level 0 with most arrival facilities.

j) Terminal building will also include the passenger boarding bridges whose requirement is determined to meet the service quality requirements in the concession agreement which is as follows: Requests for boarding bridges by airlines are met: International – 90%; Domestic – 90% for aircraft equivalent to B737/A320 or larger aircraft.

Facilities proposed as part of Terminal building include the following:

Table 8: Terminal Phase 1 Facilities

Particulars	Facilities
Check-in counters	48 units including 20 SSBD (all CUPPS)
Security Screening	9 Domestic and 2 International

Contact Gate Boarding (aerobridges)	10 Domestic includes 2 International
Immigration	9 Departure and 10 Arrival
Bus Gate Boarding	2 Domestic, 1 International and 1 Swing
Baggage make-up	6 carousels
Baggage reclaims	2 Domestic, 1 International and 1 Swing

5.2.3 Landside development including land development

Landside facility requirements and development provides airport users with the quality level of service throughout the planning period. The landside facilities are primarily segregated into three categories: access roadways, canopies and parking. Key assumptions used in the facilities requirements forecasts are based on passenger and vehicular forecast, ground transportation mode share, and meeter-greeter ratio during the peak hour.

Land Development

a) Land development includes the removal of trees of various girths that have a material adverse effect on the construction, operation, or maintenance of the airport. It also involves the removal of existing utilities and structures in the airport site with the excavation and filling work to prepare the land area for the airport development.

b) Storm water drainage network is also part of the land development works which includes permanent and temporary storm water drainage channels (RCC covered drains -box/pipe drains, lined open channels) and cross drainages for Phase 1 development area (airside & landside areas – runway, taxiway, apron area, access roads, parking areas, perimeter road) including retention ponds.

Access Roadways and Canopy

a) The concession agreement in the Schedule - C, Annex I lists the project facilities that have to be developed and operated within the airport site by the concessionaire. Landside access roads including, kerbside, traffic signals, wayfinding through appropriate signages, etc., are part of the list.

b) Access roadways include the following:

c) Main access west - 23 m wide, 6-lane, bi-directional flexible pavement roadway providing entry for passengers and visitors to the terminal precinct.

d) Main access east - the main access east provides access to the cargo zone, reserve areas and other support facilities in the east precinct.

e) Secondary access west - 8 m wide, 2-lane, bi-directional flexible pavement roadway, 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 and utility facilities.

f) Other roads include departure road, arrival road, departure exit road, service road and road to solid waste management.

g) Low level canopies over kerbs and landscaping in kerb area will be provided as part of the Phase I project.

Parking

a) Parking and staging include the parking requirement of airside vehicles located on airside and parking (surface parking, terminal kerb side and other buildings) on landside.

b) For the car park, Concession agreement states that the concessionaire shall undertake development of the car park as specified in Schedule-B for parking of vehicles together with the provision of project facilities as specified in Schedule-C, and in conformity with the specifications and standards set forth in Schedule-D.

c) As per Schedule - L, the average time taken to find parking space, including the time taken for payment of parking fee or collection of ticket should take less than 5 minutes for at least 95% of drivers. Accordingly, the parking area is designed to meet this criteria.

d) Surface parking is a flexible pavement that can accommodate 725 private vehicle parking spaces, 10 bus staging spaces (including regional and luxury/premium buses). Additional 100 vehicle parking spaces and 320 two-wheeler spaces for terminal area employees.

e) The reserved car park is proposed to facilitate free use thereof by exempted persons and persons who are entitled to use VIP lounges or any other person holding a pass issued by NIAL as per the concession agreement.

5.2.4 Support facility buildings

Support facility buildings primarily include the airport maintenance building, CISF facility and the office block west.

Airport Maintenance Building

a) The airport maintenance facilities include offices, workshops, and storage areas for the required regular upkeep of the airport premises. The airport maintenance facility area is consolidated in one location in the west precinct next to airside gate west.

b) The location provides the benefit of direct access from the secondary access west for landside delivery of parts and easy airside access from the airside gate near the general aviation facility.

Figure 7: Artistic Impression of Airport Maintenance Block

Office Block West

a) Office Block West is located in the west campus with a total area of ~8,000 sq. m. The Office Block West will house the ATC Technical Block, Pass Section Office, and all Control Centers like APOC, SOCC, ECC etc.

b) The ATC technical block is dedicated to providing support to the ATC operational requirements as required on-airport. This facility is intended to provide offices for AAI's ATC and CNS functions such as navigational aids/radar, etc.

Figure 8: Artistic Impression of Office Block

CISF Bachelor's Accommodation and CISF Armory Facility

a) CISF bachelor accommodation through temporary barracks is proposed to be provided by NIA within the airport premises as per the requirements provided by BCAS. NIA will be providing accommodation for all CISF staff deployed in a combination of on-site and off-site accommodations.

b) In addition to the CISF accommodation, facility for BDDS, Quarter Guard, Dog Squad, Armory facility and respective utility provisioning will also be constructed as part of the Phase I of the project.

5.2.5 Utilities

The utilities are planned in relation to airside, terminal, and landside development plans for proposed airport facilities. Systems such as water storage, power station, sewage treatment facilities, rainwater harvesting, and solid waste management will be developed in modular fashion. Overall airport-wide utility demand is based on planned capacity, passenger and cargo traffic forecast.

Airfield Ground Lighting Substations

Airfield ground lighting substation along with the CCR building is planned in the Phase I.

Utility - Power

YIAPL has outsourced Power Distribution System and Substation to the third party which will provide these services to NIA as Utility as a Service (UaaS).

Utility - Water

a) The types of water requirement at the airport includes drinking by passengers, staff, and visitors, hand washing and flushing purpose, washing and nondrinking use, and irrigation, landscaping, and gardening.

b) During Phase 1, the west side facility will set up water storage tanks with equal storage capacity of raw water storage tank and clear water storage tank and pump house. The east precinct facility will be developed in future.

c) Sewage Treatment Plant (STP) with secondary and tertiary treatment is proposed in the west precinct facility and another STP is proposed in the east precinct facility in the future.

d) Non-potable STP treated water storage tank and an additional pump house are proposed to be set up during the Phase 1 as part of west precinct facilities. Non-potable STP treated water storage tank and a non-potable water tank will be part of east precinct facilities in future.

e) Rainwater harvesting and reuse of stored water, for any major infrastructure development facility is made mandatory, as per Central Pollution Control Board (CPCB), Ministry of Environment and Forest and Climate Control (MoEF & CC) and local municipal guidelines and accordingly proposed as part of Phase I.

Utility – HVAC Building

HVAC building includes the civil, structural, finishing works, MEP, chilled water system including pumping systems, cooling tower, utility corridor, piping, etc.

Utility - IT & Telecommunications

a) The proposed IT Infrastructure includes the infrastructure for IT receiving shelter, security and wireless infrastructure and networks for Phase I.

b) Various facilities across the Airport will be connected through primary and secondary Fibre Optic Cable to the primary data centre and the secondary data centre, located in the utilities block. Fibre optic connectivity shall be utilized to connect various buildings/facilities with the two data centres for seamless and reliable delivery of IT and Telecom services over a converged infrastructure.

c) IT receiving shelters are proposed at two locations viz, adjacent to the west boundary for the west precinct development and adjacent to the east boundary for the east precinct development. The IT receiving shelters shall be air-conditioned with DG power back-up.

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

e) It is proposed to additionally provide upto 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.

5.2.6 Vehicles

a) Vehicles including Quick response Team Bullet Proof Vehicle, Threat Containment Vehicle, Suspect luggage containment vehicle, Runway rubber Removal, Wildlife management vehicle, Runway Closure marker light Vehicle and other Operation & Maintenance Vehicles etc. will be procured by NIA for the airport usage as per requirement.

b) Aircraft Rescue and Fire Fighting Vehicles – NIA will procure Airfield Crash Fire Tenders, ARFF escort and inspection vehicles, Small fire tender and Mobile command Post vehicles for Aircraft Rescue and Fire Fighting (ARFF) purposes.

5.2.7 Boundary wall

Boundary wall is proposed at the boundary to the north and airside/landside operational boundary on the west, temporary operational boundary fence is proposed along the terminal and apron airside/landside boundary and to secure airport boundary on the south and north edge.

5.2.8 Reserve lounges

The passenger terminal will have Reserved lounges dedicated for guests and personnel of GOI, designated GOI agencies, and the Authority.

5.2.9 Airport Surveillance Radar

Based on the outcome of Communications, Navigation, and Surveillance (CNS) simulation study for obtaining NOC for Air Traffic Control (ATC), AAI instructed YIAPL to install an Airport Surveillance Radar (ASR) in the south for safe flight operations in addition to the north ASR.

5.2.10 VIP Terminal

VIP terminal is proposed to be a single-level dedicated building for processing Indian and foreign government dignitaries approved by the MoCA. 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 terminal will also include a separate area for media events with direct access to the private areas.

5.2.11 GPU and PCA

Ground Power Unit (GPU) and Pre-conditioned Air (PCA) will be provided to the aircrafts at the aprons in the Phase I development.

5.2.12 Design and PMC

a) YIAPL has appointed the Master Architect (MA) for scheme design of the Phase 1 of the airport project. YIAPL has already awarded independent design contracts which have completed the scheme design and been paid-in full.

b) To undertake the project of such complex nature, YIAPL has appointed a PMC consultant for the overall project management. YIAPL has already awarded the contract for the PMC consultant.

5.2.13 Insurance, ORAT and Independent Engineer expenses

YIAPL has capitalized the insurance, ORAT and independent engineer expenses as part of the Phase I project cost.

5.2.14 Pre-operative expenses

NIA, being a greenfield airport, had to build the airport team, set-up the offices, set-up IT systems, undertake approvals, etc. for the development of the airport before the start of the airport operations. The expenses involved in these activities have been considered as pre-operative expenses and proposed to be capitalized.

5.2.15 Financing allowance

YIAPL has capitalized the financing allowance using the formula provided by the Guidelines, 2011:

$$Financing\ Allowance = R_d \times (WIPA_{t-1} + (Capex - SC - CA)/2)$$

where,

(i) R_d is the cost of debt determined by the Authority

(ii) SC are the capital receipts

(iii) CA are the commissioned assets

5.2.16 General and Maintenance capital expenditure

YIAPL has assumed General and Maintenance capital expenditure of ~INR 23 cr. per annum for FY28 till FY30 in the first control period to account for the expenses incurred in minor works related to IT systems, software, security related requirements as per regulations applicable from time to time, procurement of additional vehicles, installation of new signage, furniture, upgradation of lighting systems, access control system, fire alarm system, etc.

5.2.17 Airport User Consultative Committee (AUCC)

YIAPL had conducted the Stage 1 and Stage 2 AUCC meeting for Phase I capital expenditure with all the relevant stakeholders on 14 December 2021. AUCC meeting for Stage 3 of the Phase I capital expenditure for NIA was conducted by YIAPL on 17 July 2023. As part of the AUCC meetings, YIAPL has made a detailed presentation on the Phase I development which was well-received by the stakeholders. YIAPL has responded to all the queries raised by the stakeholders in the AUCC meeting (refer Annexure for AUCC PIF and minutes of the meeting).

5.3. Asset Bifurcation into Aeronautical and Non-Aeronautical Assets

Terminal Building Ratio

5.3.1 YIAPL had appointed an architect to undertake the determination of the ratio of aeronautical and non-aeronautical area in the terminal building (refer Annexure for the Architect Certificate).

5.3.2 The architect has utilized the detailed design of the terminal floor plans to bifurcate the area into aeronautical, non-aeronautical or common based on the proposed usage.

5.3.3 Accordingly, the summary of the bifurcation of the terminal building area and the terminal building area ratio is given below:

Table 9: Terminal 1 Area Bifurcation into Aero, Non-Aero and Common

Particulars	Area (sq m.)
Aero (A)	123,757
Common (C)	6,400
Non-aero (N)	7,828
Total (T = A+C+N)	**137,985**
Terminal building area ratio (A/ (A+N))	**94.05%**

5.3.4 YIAPL has used the terminal building area ratio of 94.05% to allocate the common assets into aero and non-aero components.

Asset allocation

5.3.5 The assets proposed to be capitalized in the first control period have been segregated by YIAPL into aeronautical, non-aeronautical and common as per the AERA Guidelines.

5.3.6 Common assets have been bifurcated into aeronautical and non-aeronautical assets based on the terminal building area ratio of 94.05%.

Table 10: Asset Bifurcation into Aeronautical and Non-Aeronautical Assets for First Control Period

Asset	Classification	Aero share (%)	Total cost (INR cr.)	Aero (INR cr.)	Non - aero (INR cr.)
Airside projects			**1,643**	**1,643**	**-**
AGL System	Aero	100%	302	302	-
Airside Buildings	Aero	100%	126	126	-
Airside Roadways	Aero	100%	75	75	-
Runway, Apron and Taxiway	Aero	100%	940	940	-
Bomb Cooling Pit	Aero	100%	0	0	-
GSE staging	Aero	100%	64	64	-
NAVAID Support building	Aero	100%	136	136	-
Landside development including land development			**842**	**717**	**125**
Land Development	Common	94.05%	497	467	30
Access Roadways	Aero	100%	202	202	-
Canopy	Aero	100%	48	48	-
Car Park	Non-Aero	0%	95	-	95
Terminal building			**3,219**	**3,058**	**161**
IT Terminal Building	Common	94.05%	131	123	8
Passenger Boarding Bridge	Aero	100%	65	65	-
PTB – BHS, ATRS, ABD	Aero	100%	445	445	-
Terminal Building	Common	94.05%	2,578	2,425	153
Support Facility Buildings	**Common**	**94.05%**	**390**	**366**	**23**

Asset	Classification	Aero share (%)	Total cost (INR cr.)	Aero (INR cr.)	Non - aero (INR cr.)
Utilities			**755**	**723**	**32**
AGL Substation	Aero	100%	43	43	-
Airside - HVAC Building	Aero	100%	167	167	-
IT	Common	94.05%	259	244	15
Utilities	Common	94.05%	286	269	17
Vehicles			**138**	**138**	**-**
Vehicles	Aero	100%	94	94	-
Vehicles - Crash Fire Tenders	Aero	100%	44	44	-
Boundary Wall	Aero	**100%**	**79**	**79**	**-**
VIP Terminal	Aero	**100%**	**18**	**18**	**-**
GPU/ PCA	Aero	**100%**	**43**	**43**	**-**
Other	Common	**94.05%**	**12.4**	**12.2**	**0**
Total for Phase 1			**7,140.7**	**6,798.7**	**341.8**
General and Maintenance capex - First Control Period	Aero	100%	69	69	0
Total capital expenditure for first control period			**7,209.8**	**6,867.7**	**342.1**

5.4. Depreciation

5.4.1 Depreciation has been charged based on Straight Line Method (SLM) over the useful lives of the assets as per Authority's Order No. 35/2017-18 dated 12th January 2018 and amendment to Order No. 35/2017-18 dated 09th April 2018.

5.4.2 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.

Table 11: Useful life and Depreciation Rates for Assets

Asset	Applicable useful life (Years)	Depreciation (%)	Tax depreciation rate (%)
AGL System	10	10.0%	15%
Airside Buildings	36	2.7%	10%
Airside Roadways	10	10.0%	10%
Runway, Apron and Taxiway	30	3.3%	10%
Bomb Cooling Pit	10	10.0%	10%
GSE	10	10.0%	15%
Utilities - NAVAID Support building	36	2.7%	15%
Land Development	36	2.7%	10%
Access Roadways	10	10.0%	10%
Canopy	10	10.0%	10%
Car Park	10	10.0%	10%
IT Terminal Building	6	16.7%	10%
Passenger Boarding Bridge	10	10.0%	10%
PTB – BHS, ATRS, ABD	15	6.7%	15%
Terminal Building	36	2.7%	10%
Support Facility Buildings	36	2.7%	10%

Asset	Applicable useful life (Years)	Depreciation (%)	Tax depreciation rate (%)
AGL Substation	10	10.0%	15%
Airside - HVAC Building	36	2.7%	15%
IT	6	16.7%	40%
Utilities	10	10.0%	15%
Vehicles	8	12.5%	15%
Vehicles - Crash Fire Tenders	15	6.7%	15%
Boundary wall	10	10.0%	10%
VIP terminal	36	2.7%	10%
GPU/ PCA	10	10.0%	10%
General and maintenance capex	5	20%	10%

Table 12: Aeronautical Depreciation for the First Control Period

Particulars (in INR cr.)	FY26	FY27	FY28	FY29	FY30
Aeronautical depreciation	331.5	360.1	364.6	367.4	371.6

5.5. Regulatory Asset Base for the First Control Period

5.5.1 Based on the above capital expenditure, its bifurcation into aero and non-aero assets and aero depreciation, average of opening and closing Regulated Asset Base is used in the computation of Aggregate Revenue Requirement (ARR).

Table 13: Projected RAB for the First Control Period

Particulars (INR cr.)	FY26	FY27	FY28	FY29	FY30
Opening aero RAB	6,795.5	6,464.0	6,103.9	5,762.3	5,418.0
Aero additions	-	-	23.0	23.0	23.0
Aero depreciation	-331.5	-360.1	-364.6	-367.4	-371.6
Disposals	-	-	-	-	-
Closing aero RAB	6,464.0	6,103.9	5,762.3	5,418.0	5,069.4
Average Aero RAB	6,629.7	6,284.0	5,933.1	5,590.2	5,243.7

6. Operational Expenditure

6.1. Introduction

6.1.1 NIA's operating expenses consists mainly of personnel costs, utility costs, general administration cost, CNS-ATM cost and repairs and maintenance costs.

6.1.2 YIAPL has forecasted the O&M expenditure based on the relevant cost drivers such as inflation, traffic growth, manpower growth, gross block, etc.

6.1.3 While forecasting the O&M expenses, NIA has also considered its obligations with respect to Clause 17 of the concession agreement which outlines the requirement on the operation and maintenance of the airport.

6.1.4 Majority of the operating costs at the airport are fixed in nature as the infrastructure required is the same regardless of the passengers catered by the airport. Thus, YIAPL would highlight to the Authority that since NIA is a greenfield airport, the traffic would increase gradually while some of the fixed operating costs such as R&M cost, Housekeeping, AMC etc will be incurred from COD onwards given their inelasticity to passenger traffic.

6.1.5 The details of the above-mentioned costs are illustrated in the following sections.

6.2. Personnel Cost

Forecast of Personnel Cost

6.2.1 Personnel cost for NIA consists of the employee salaries, employee transportation, staff welfare including training and recruitment charges.

6.2.2 To forecast the employee cost, YIAPL has determined it based on the department-wise employees and average cost per employee.

6.2.3 NIA, being a greenfield airport, has to recruit an entirely new team in a highly competitive talent market wherein there is a shortage for skilled aviation talent on account of hiring by recently privatized airports as well as operationalization of other greenfield airports. YIAPL has offered market competitive compensation structure to attract the skilled employees which has been considered while forecasting the personnel expenses.

6.2.4 To retain the skilled employees in this competitive market, YIAPL needs to lay emphasis on ensuring competitive salaries to its employees. Accordingly, as per industry standards, an annual escalation of 10% has been assumed in the average salary.

6.2.5 Since the airport is more than 40 km away from the Noida city, YIAPL has made arrangements for the employee transportation to ensure ease of travel for employees. Employee transportation cost is determined based on the average cost of transportation per employee.

6.2.6 Staff welfare including training and recruitment charges are determined as a percentage of the total employee cost.

Allocation of Cost into Aero and Non-Aero

6.2.7 Employees have been bifurcated into aeronautical, non-aeronautical and common employees, based on the services provided by them.

6.2.8 Allocation of personnel from different departments:

Table 14: Allocation of Personnel

Particulars	Allocation
Commercial	Non-Aero
CDO Office	Common
Engineering & Maintenance	Common

Environment & Sustainability	Aero
ORAT & Program Management	Aero
Procurement	Common
Project Delivery	Common
Real Estate	Non-Aero
CEO Office	Common
HR & Admin	Common
Information Technology	Common
Finance & Accounts	Common
Legal	Common
AOCC	Aero
ARFF	Aero
Airline marketing	Aero
COO Office	Aero
Airside operations	Aero
Quality	Aero
Safety	Aero
Security	Aero
Security - Passes	Aero
Security - Screening	Aero
Terminal Operations	Common

6.2.9 Aeronautical employee ratio has been calculated as the proportion of aeronautical employees to the total aeronautical and non-aeronautical employees. Cost of common employees has been segregated as per the aeronautical employee ratio.

Table 15: Aeronautical Employee Ratio for Allocation of Personnel Cost

Particulars	FY26	FY27	FY28	FY29	FY30
Aero (A)	194	200	204	210	218
Non-aero (N)	30	30	30	30	30
Common (C)	205	208	210	217	230
Total (T)	**429**	**438**	**444**	**457**	**478**
Aeronautical employee ratio (A/(A+N))	**86.6%**	**87.0%**	**87.2%**	**87.5%**	**87.9%**

6.2.10 Personnel cost of NIA for the first control period is given in the table below:

Table 16: Personnel Cost of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Employee headcount (nos.)	429	438	444	457	478
Total Employee cost (INR cr.)	**104.8**	**127.6**	**142.1**	**160.8**	**185.0**
Aeronautical Employee Ratio	86.6%	87.0%	87.2%	87.5%	87.9%
Aero Employee cost (INR cr.)	**90.8**	**111.0**	**123.9**	**140.7**	**162.7**

6.3. Outsourced Manpower Cost

6.3.1 One of the common strategies employed by airports worldwide is outsourcing various manpower intensive functions to specialized service providers.

6.3.2 YIAPL has undertaken the outsourcing approach primarily for landside security, housekeeping, horticulture, trolley management, hospitality, managed IT delivery, wildlife management, medical facilities, and other outsourced services.

6.3.3 Outsourcing offers NIA several advantages in terms of cost-effectiveness, expertise, and operational efficiency.

6.3.4 YIAPL has undertaken a detailed exercise in estimation of the outsourced manpower requirement across different outsourcing segments. Based on the outsourced manpower requirement and the assumption of the average salaries under each segment, NIA has forecasted the outsourced manpower cost.

6.3.5 Outsourced manpower cost is allocated based on the aeronautical employee ratio.

6.3.6 The table below summarizes the total outsourced manpower costs during the first control period.

Table 17: Outsourced Manpower Costs of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total outsourced manpower Cost (INR cr.)	**46.4**	**54.9**	**59.4**	**64.1**	**69.2**
Aeronautical Ratio	86.6%	87.0%	87.2%	87.5%	87.9%
Aero outsourced manpower Cost (INR cr.)	**40.2**	**47.7**	**51.8**	**56.1**	**60.8**

6.4. Materials, Equipment, and Supplies Cost

6.4.1 The material, equipment and supplies costs are needed to cover the costs of maintenance, consumables and spares mainly related to airport infrastructure Including runway for day-to-day operations.

6.4.2 The material, equipment and supplies costs has been estimated as a percentage of gross block and it has been segregated using the gross block asset ratio (ratio of aero gross block to total gross block).

6.4.3 The table below summarizes the total and aeronautical materials, equipment and supplies cost:

Table 18: Materials, Equipment, and Supplies Cost of NIA for First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Cost as a % of Gross Block	0.3%	0.3%	0.3%	0.3%	0.3%
Total Cost (INR cr)	**18.5**	**19.2**	**20.0**	**20.8**	**21.6**
Gross block Aeronautical Ratio	95.2%	95.2%	95.2%	95.3%	95.3%
Aeronautical cost	**17.6**	**18.3**	**19.0**	**19.8**	**20.6**

6.5. Utility cost

6.5.1 The utility cost is comprised of costs associated with electricity, water and other miscellaneous costs related to fuel operations. Electricity and water costs are calculated at net level, i.e., gross expenses less recovery from the concessionaires. With the expansion of both the number of concessionaires and their operational activities driven by the rise in traffic, there is an anticipated gradual increase in recoveries.

Power Cost

6.5.2 YIAPL expects electricity consumption of 102 mn units in FY26 for NIA based on the assessment of the power requirement of various assets at the airport. The blended unit rate of electricity is considered as INR 7.66 per unit in FY26. In the initial years, NIA will operate at 33 KV power distribution and transmission and in the later years it will move to 220 KV connectivity considering the load requirement.

6.5.3 The following table illustrates the total units consumed annually, and power cost to the airport net of recoveries:

Table 19: Cost of Electricity for First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total units consumed (mn)	101.9	129.6	140.0	151.2	163.3
Power unit cost (INR/kwh)	7.7	7.7	8.0	8.0	8.1

Particulars	FY26	FY27	FY28	FY29	FY30
Power cost (INR cr.)	78.1	100.3	111.4	121.5	132.5
DG power cost (INR cr.)	5.1	5.7	6.2	6.8	7.5
Total power cost (INR cr.)	**83.2**	**106.0**	**117.6**	**128.3**	**140.0**
Recovery (% of cost)	30.0%	35.0%	35.0%	40.0%	40.0%
Total power cost (INR cr.) net of recoveries	**58.3**	**68.9**	**76.5**	**77.0**	**84.0**

Water cost

6.5.4 Water cost is segregated into potable and non-potable water cost. Water cost under each head is determined based on the assumption of water consumption per passenger and the unit cost of water. Unit cost of water is expected to increase in line with the inflation.

6.5.5 The following table illustrates the total cost of potable and non-potable water net of recoveries.

Table 20: Water Cost for First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Potable water consumption/pax (ltr/pax):	68.1	68.1	68.1	68.1	63.1
Cost of potable water (INR/KL):	116.9	120.4	124.0	127.6	131.3
Cost of potable water (INR cr):	4.7	7.4	10.1	13.4	15.5
Recovery (%):	30.0%	35.0%	35.0%	40.0%	40.0%
Cost of potable water to the airport (INR cr):	**3.3**	**4.8**	**6.6**	**8.0**	**9.3**
Non-Potable water consumption/pax	109.5	109.5	109.5	109.5	83.7
Cost of non-potable water (INR/KL):	31.6	32.6	33.6	34.6	35.6
Cost of non-potable water (INR cr)	2.1	3.2	4.4	5.8	5.6
Recovery (%):	10.0%	10.0%	10.0%	10.0%	10.0%
Cost of non-potable water (INR cr)	**1.9**	**2.9**	**4.0**	**5.2**	**5.0**

6.5.6 Utility expenses net of recoveries is considered as 100% aeronautical.

6.6. General Administration Cost

6.6.1 General administration costs for NIA include professional and consultancy fee, travelling and conveyance fee, and office fees.

6.6.2 Professional and consultancy costs are inclusive of legal advisory, accounts advisory, finance consultancy, HR consultancy and commercial consultancy.

6.6.3 General administration costs are estimated to grow in line with passenger growth, employee growth, and inflation. In the initial years when operations commence, NIA expects higher costs with respect to General Administration expenses as processes and workflows will have to be setup to ensure seamlessness in keeping up the high growth in traffic, as forecasted by the traffic study.

6.6.4 The general administration cost is allocated as common and segregated into aero and non-aero based on the terminal area ratio.

6.6.5 The following table illustrates the total and aeronautical general administration costs of NIA:

Table 21: General Administration Cost of NIA for First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Professional and consultancy fees	3.3	6.3	6.6	7.0	7.3
Travelling and conveyance	2.6	4.6	4.9	5.1	5.4
Office costs and others	1.1	1.9	2.0	2.1	2.2
Total General admin costs (INR cr.)	**7.0**	**12.8**	**13.5**	**14.1**	**14.9**
Aeronautical Ratio	94.05%	94.05%	94.05%	94.05%	94.05%

Particulars	FY26	FY27	FY28	FY29	FY30
Aero General admin costs (INR cr.)	**6.6**	**12.1**	**12.7**	**13.3**	**14.0**

6.7. Repair and Maintenance Costs (R&M costs)

Forecast of R&M Costs

6.7.1 YIAPL is committed to maintaining its airport infrastructure to ensure safe and efficient airport operations to enhance the passenger experience while complying with the security regulations. The airport infrastructure involves the runways, apron, taxiways, terminal building, plant and machinery (BHS, HVAC, PTB, etc.), lighting systems, IT assets, etc.

6.7.2 While forecasting the R&M costs, YIAPL has also considered its requirement to adhere to Clause 17 of the Concession Agreement with respect to Maintenance Manual and Maintenance Programme.

6.7.3 YIAPL aspires to provide best in class service quality levels through regular and optimal upkeep and maintenance of its assets.

6.7.4 YIAPL has undertaken a detailed bottom-up exercise covering the maintenance required for various asset classes to determine the R&M maintenance expenditure.

6.7.5 R&M cost for NIA has been segregated into following:

a) R&M for infrastructure assets

b) R&M for IT assets

c) R&M as per Annual Maintenance Contracts

R&M Costs for Infrastructure Assets

6.7.6 R&M for infrastructure assets include expenditure on provisioning of power and maintenance of other assets as given below:

a) HVAC including chiller plant.

b) Electrical – low side

c) Water Treatment Plant

d) Sewage Treatment Plant

e) Fire Fighting System including fire extinguishers.

f) Vehicles

g) Other infrastructure assets

R&M for IT Assets

6.7.7 Airports rely heavily on technology for various operations including security, baggage handling and passenger information systems.

6.7.8 IT maintenance include general annual maintenance contracts, ERP subscription, BHS (SAAS) maintenance, software (anti-virus, Azure, MS office), etc.

6.7.9 Regular updates and fixes are crucial to ensure smooth functioning of these systems, as any downtime can disrupt airport operations.

R&M as per Annual Maintenance Contracts

6.7.10 YIAPL has awarded the majority of the Annual Maintenance Contracts (AMC) for smooth functioning of the NIA.

6.7.11 Major AMC contracts are for following assets:

a) Baggage Handling Contract (BHS)

b) Airfield Ground Lighting

c) ATRS and X-ray

d) UPS

e) VHT

f) Passenger Boarding Bridges and Visual Docking Guidance System

g) Substation and DG

GPU/ PCA

Allocation of Cost into Aero and Non-Aero

6.7.12 R&M expenses have been bifurcated into aeronautical and non-aeronautical expenses based on the terminal building area ratio.

6.7.13 The table below provides the break-up of the R&M for the first control period:

Table 22: R&M Cost of NIA for First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
R&M cost of AMC (INR cr.)	43.5	46.8	57.9	54.2	58.2
R&M cost of IT assets (INR cr.)	26.9	27.9	25.0	26.2	27.9
R&M costs of infrastructure assets (INR cr.)	79.3	82.3	85.6	89.2	93.0
Total R&M cost (INR cr.)	**149.7**	**157.0**	**168.4**	**169.5**	**179.2**
Aeronautical ratio (%)	94.05%	94.05%	94.05%	94.05%	94.05%
Aero R&M cost (INR cr.)	**140.8**	**147.7**	**158.4**	**159.4**	**168.5**

6.8. Advertisement Cost

6.8.1 Given that NIA is a greenfield airport operating in a competitive market, it will need to employ aggressive marketing strategy to attract traffic in the initial years. This will help in achieving the forecasted traffic growth while providing passengers with more direct connections through NIA.

6.8.2 The annual advertisement costs are forecasted to increase by 5% annually.

6.8.3 YIAPL has allocated advertisement costs into aeronautical and non-aeronautical expenses based on terminal area ratio.

6.8.4 The table below illustrates the advertisement costs for the first control period.

Table 23: Advertisement Costs of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total Advertisement cost (INR cr.)	**3.5**	**3.7**	**3.9**	**4.1**	**4.3**
Terminal area ratio (%)	94.05%	94.05%	94.05%	94.05%	94.05%
Aero Advertisement cost (INR cr.)	**3.3**	**3.5**	**3.6**	**3.8**	**4.0**

6.9. Insurance Cost

6.9.1 Setting up and operating an airport requires multiple moving parts, operating in conjunction to render the services in a safe, secure and efficient manner. However, with multiple moving parts, an airport is subject to varied risks which can lead to business interruption, cause property damage and lead to third party liabilities. Hence, insurance for every aspect of infrastructure and operation is essential to ensure proper functioning of the airport.

6.9.2 YIAPL needs to adhere to the requirements of the concession agreement with respect to the insurance cover as follows:

"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." *

**YIAPL concession refers to NIAL as the Authority*

6.9.3 Insurance costs are estimated based on requirements in the above clause as a percentage of gross block. Insurance expenses are expected to increase in line with inflation.

6.9.4 Insurance costs are bifurcated into aeronautical and non-aeronautical expenses based on the aero gross block ratio. The table below illustrates the insurance cost forecasted for NIA:

Table 24: Insurance Cost of NIA for First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total Insurance cost (INR cr.)	**2.8**	**3.7**	**3.9**	**4.1**	**4.2**
Aero gross block ratio (%)	95.2%	95.2%	95.2%	95.3%	95.3%
Aero Insurance cost (INR cr.)	**2.6**	**3.6**	**3.7**	**3.9**	**4.0**

6.10. Corporate Allocation Cost

6.10.1 YIAPL is a 100% owned subsidiary of Zurich Airport International AG (ZAIA) which itself is a subsidiary of Flughafen Zurich AG, the owner and operator of Zurich International Airport, Switzerland, and is a stakeholder and operator for airports in Brazil, Chile, Colombia and Curacao.

6.10.2 One of the strategic objectives behind the privatization of NIA by Government of UP was to harness the benefits of the global expertise in managing airports. Thus, YIAPL's objective for NIA had been to apply the global expertise of Flughafen Zurich AG to the Indian context leading to a more adaptable and diverse approach to airport management which is operationally efficient, customer-centric and technologically advanced.

6.10.3 Accordingly, YIAPL has undertaken the services of its parent company to create a world-class airport infrastructure as well as provide efficient processes for the passengers. The services undertaken by YIAPL from its parent company are divided into two parts – Intercompany Operational Expenses mainly for the services during the construction period and Airport Operator Support Fee for services during the operations period.

Intercompany Operational Expenses

6.10.4 Intercompany Operational Expenses are services taken by YIAPL from its parent company for the procurement, project management, subject matter expertise in airport development, technical services, etc. These expenses are proposed by YIAPL during the construction of the project and hence, these are capitalized in the assets.

Airport Operator Support Fee

6.10.5 Airport Operator Support Fee are services taken by YIAPL from its parent company for the operation and management, and technical & professional expertise during operation phase.

6.10.6 Airport Operator Support Fee is towards support provided by Its parent company and same is chargeable basis the man-days consumed. Airport Operator Support Fee are bifurcated into aeronautical and non-aeronautical expenses based on the ratio of aero revenues to total of aero and non-aero revenues.

6.10.7 The table below illustrates the Airport Operator Support Fee for the first control period at NIA:

Table 25: Airport Operator Support Fee of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total Airport Operator Support Fee (INR cr.)	**4.5**	**4.6**	**4.7**	**4.9**	**5.0**
Aero revenues ratio (%)	86.6%	87.0%	87.2%	87.5%	87.9%
Aero Airport Operator Support Fee (INR cr.)	**3.9**	**4.0**	**4.1**	**4.3**	**4.4**

6.11. Corporate Environment Responsibility (CER) Expenditure

6.11.1 YIAPL is obligated by the condition under Environment Clearance by the Ministry of Environment, Forest and Climate Change (MoEFCC) to allocate expenses towards Corporate Environment Responsibility (CER). Accordingly, YIAPL has estimated an annual expenditure of ~INR 11 cr. in the first control period towards CER. Since it is a statutory obligation towards sustainability, YIAPL has assumed the CER expenses as aeronautical.

Table 26: Corporate Environment Responsibility (CER) of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Corporate Environment Responsibility (INR cr.)	**11.0**	**11.0**	**11.0**	**11.0**	**11.0**
Aero revenues ratio (%)	100%	100%	100%	100%	100%
Corporate Environment Responsibility (INR cr.)	**11.0**	**11.0**	**11.0**	**11.0**	**11.0**

6.12.Collection Charges

6.12.1 YIAPL estimates the collection charges for UDF to be INR 5 per passenger throughout the first control period.

6.12.2 The airport collects fee from all passengers liable to pay UDF which includes both departing and arriving passengers excluding exempt passengers. Since collection charges are payable only if airlines make UDF payment within 15 days, it is assumed that collection charges will be payable for 70% of UDF paying passengers.

6.12.3 Since, the collection charges are incurred on account of UDF, they have been allocated as 100% aeronautical.

6.12.4 The table below illustrates the estimated collection charges to be incurred for YIAPL in the first control period.

Table 27: Collection Charges of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total Collection charges (INR cr.)	**1.9**	**2.9**	**3.8**	**4.8**	**5.8**

6.13.Concession Fee:

6.13.1 The Government of Uttar Pradesh represented by NIAL has granted YIAPL the concession set including exclusive right, license and authority to develop, operate and maintain the airport (Concession) for a period of 40 years commencing from the appointed date.

6.13.2 In consideration of the grant of concession, the concessionaire will pay to the NIAL the concession fee of INR 400.97 per pax of traffic from 6th year of the occurrence of COD for Phase I.

6.13.3 With respect to the concession fee, the concession agreement states the following:

"In consideration of the grant of Concession, the Concessionaire will pay to the Authority by way of concession fee a sum of rupee one per annum and a premium.

Premium is equal to INR 400.97 per pax of traffic handled at the airport multiplied by the total traffic handled at the airport during that year, commencing from the 6th year of the occurrence of COD for Phase I. For the subsequent years, the premium rate will be determined by increasing the premium rate of the preceding year by price index of the preceding year. This premium rate will be multiplied by the total traffic handled at the airport in the subsequent year to compute the premium for subsequent years."

**YIAPL concession refers to NIAL as the Authority*

6.13.4 As a result, the concession fee will be applicable from 1st May 2030, the same is nil for first control period ending March'30.

6.14.License Fee

6.14.1 The Concessioning Authority (NIAL) has granted the license rights for the site to the concessionaire and in this regard, YIAPL is liable to pay the annual license fee.

6.14.2 As per the concession agreement, the license fee is payable by the Concessionaire from the 10th year post Appointed Date, that is, from 1 Oct 2031 (FY32) onwards. Thus, the license fee is not payable by the Concessionaire during the first control period.

6.15.CSR Expenses

6.15.1 In line with the Companies Act, 2013, NIA will allocate 2% of its trailing 3-year average profit towards expenses for its Corporate Social Responsibility (CSR) initiative. Aero CSR expenses has been computed as 2% of the trailing 3-year average aero profit.

6.15.2 The table below illustrates the estimated aeronautical CSR expenses of NIA in the first control period.

Table 28: CSR Expenses of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total CSR Expense (INR cr.)	0.6	-	-	-	1.1
Aero PBT	-	-	-	-	-
Aero CSR (@2% of the trailing 3-year average aero profit)	-	-	-	-	-

6.16.CNS/ATM

6.16.1 Clause 22.1.1 of the Concession Agreement mandates the Concessionaire to appoint Designated GOI Agencies for the Reserved Services which includes CNS/ ATM services:

"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;"*

6.16.2 As per Clause 22.2.1 of the Concession Agreement, Concessionaire has entered into CNS/ ATM Agreement (refer annexure) for the CNS/ ATM services at the airport with Airports Authority of India (AAI).

"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".

6.16.3 As per the Greenfield Airports Policy, the CNS/ ATM services will be provided by the central government agency on a cost recovery basis by the airport operator.

"Clause 6.1 - On any greenfield airport to be developed under these Policy Guidelines, activities relating to Air Traffic Services (ATS), security, customs and immigration would be reserved for central government agencies. Provision of these services would be governed by the policy to be laid down by the Central Government from time to time. Prior to grant of license, an applicant for license shall procure the following clearances:

…….

b) Air Traffic Services (ATS): Functions related to ATS are being discharged by AAI. The applicant will have to enter into a CNS/ATM Agreement with AAI for the provision of ATS services at the proposed airport. ATS would be provided on a cost recovery basis and AAI would publish a standard agreement for this purpose. The Airport Company would also provide the required infrastructure to AAI free of cost for provision of ATS."

……

6.16.4 In adherence to the Greenfield Airports Policy and as per the CNS/ ATM agreement, YIAPL is liable to pay AAI the following components:

Annual operational expenditure of AAI for providing CNS/ ATM services at NIA net of Terminal Navigation Landing charges (TNLC) revenues earned by AAI at NIA.

AAI will incur a capital expenditure of INR 129.3 cr. for the development of CNS/ ATM facilities required for the Phase I of the project. NIA will be liable to repay the capital expenditure in equated annual installments of INR 22.9 cr. over a duration of 10 years starting from COD at an interest rate of 12%.

6.16.5 Further, as per the clause 3.6.8 of the MoU signed with YIAPL, the payments made by YIAPL to AAI for the CNS/ ATM services shall be considered as operating expenses during the tariff determination for NIA.

Clause 3.6.8 of the MoU – *"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."*

6.16.6 The table below illustrates the forecast of the CNS/ATM expenses of NIA for the first control period:

Table 29: CNS/ ATM Expenses of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Operating expenses of AAI payable by NIA (INR cr.) (A)	68.6	78.4	82.2	86.2	90.4
Repayment of equated annual instalments of the CNS/ ATM capital expenditure incurred by AAI (INR cr.) (B)	21	22.9	22.9	22.9	22.9
TNLC revenues (INR cr.) (C)	0	15.6	22.8	28.9	36.6
Total CNS/ ATM expenses of NIA (INR cr.) (A+B-C)	**89.6**	**85.6**	**82.3**	**80.2**	**76.7**

6.17.Other Costs

6.17.1 Other costs include any other expenses incurred in carrying out the airport's day to day activities and normal business operations which haven't been included above. This is to typically cover various miscellaneous costs such as Airport Service Quality (ASQ) survey program, International Standards Organization (ISO) Certification, Environmental and Health & Safety (EH&S) Certifications including miscellaneous costs, cost for communications, waste removal charges, etc.

6.17.2 Since, NIA is a greenfield airport, it is challenging to estimate these miscellaneous expenses without the data on historical operational expenditure. Thus, other costs have been estimated as 3% of the total operating costs excluding license fees, concession fees, CNS/ ATM expenses and CSR expenses.

6.17.3 Other costs have been bifurcated into aeronautical and non-aeronautical expenses based on the terminal area ratio.

6.17.4 The following table illustrates the other costs for NIA in the first control period:

Table 30: Other Costs of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Total Other costs (INR cr.)	**11.70**	**14.2**	**15.5**	**16.5**	**18.0**
Terminal Area Ratio	94.05%	94.05%	94.05%	94.05%	94.05%
Aero Other costs (INR cr.)	**11.0**	**13.4**	**14.6**	**15.5**	**16.9**

6.18. Interest on Working Capital Loan

6.18.1 YIAPL will be obtaining a working capital loan to manage the cash flows of receivables and payables . As per the current discussions with bank , working capital interest rate 6 months MCLR + 140 bps. As of September'24, MCLR rates published on SBI website, six months MCLR is 8.85%. Hence, the effective interest rate works out to be 8.85 + 1.40 which is 10.25%. Considering the anticipated reduction in rates by RBI , we have considered the effective Interest rate as 10.0%.

6.18.2 Forecasted interest on working capital loan is given in the table below:

Table 31: Interest on Working Capital Loan of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Interest on working capital loan (INR cr.)	**0**	**0.5**	**1.5**	**2.8**	**4.3**

6.19. Pre-COD Losses of YIAPL

6.19.1 YIAPL, being a greenfield airport, has forecasted expenditure which cannot be capitalized as assets as per the applicable accounting principles. Accordingly, YIAPL has forecasted losses before the start of the operations.

6.19.2 YIAPL will be earning its revenue during its Pre-COD period from Aeronautical and Non-Aeronautical verticals in the form of license fees and related revenues streams which are considered for computation of pre-COD losses.

6.19.3 Hence, YIAPL has computed the Pre-COD losses based on the Aeronautical expenditure, aeronautical revenues and non-aeronautical revenues as shown in the table below.

Table 32: Pre-COD Losses of YIAPL

Particulars	FY21*	FY22	FY23	FY24	FY25	FY26#
Aeronautical Expenses (INR cr.) (A)	11.8	10.2	16.8	24.1	25.9	2.3
Less: Aeronautical Expenses (INR cr.) (B)	0.0	-0.4	-11.7	-35.4	-31.8	-4.1
Less: 30% of Non-Aeronautical Revenues (INR cr.) (C)	0.0	0.0	0.0	-6.4	-4.1	-0.3
Net Aeronautical Pre-COD Losses (INR cr.) (D=A-B-C)	11.8	9.7	5.1	-17.7	-9.9	-2.2
Time Period (years)	5.3	4.1	3.1	2.1	1.1	0.1
FRoR	14.77%					
Future Value Factor (E)	2.1	1.8	1.5	1.3	1.2	1.0
Future Value of Aeronautical Pre-COD Losses as on COD (INR cr.) **(D*E)**	24.4	17.1	7.8	-23.5	-11.5	-2.2
Sum of Future value of aeronautical pre-COD losses as on COD (INR cr.)	**12.0**					

**data from company formation date (20 Jan 2020) till 31 March 2021; # cost for 1 April 2026 to 30 April 2025*

6.20.Total Operating Expenses

6.20.1 The sections above depict various components of operating expenses to be incurred by NIA during the first control period.

6.20.2 The following table depicts the total operating expenses estimated to be incurred by NIA in the first control period:

Table 33: Total Operating Expenses of NIA for the First Control Period (INR cr.)

Particulars (INR cr.)	FY26	FY27	FY28	FY29	FY30
Personnel Cost	104.8	127.6	142.1	160.8	185.0
Outsourced manpower cost	46.4	54.9	59.4	64.1	69.2
Materials, equipment, and supplies cost	18.5	19.2	20.0	20.8	21.6
Power cost	58.3	68.9	76.5	77.0	84.0
Water Cost	5.2	7.7	10.5	13.3	14.3
General administration cost	7.0	12.8	13.5	14.1	14.9
R&M cost	149.7	157.0	168.4	169.5	179.2
Advertisement cost	3.5	3.7	3.9	4.1	4.3
Insurance cost	2.8	3.7	3.9	4.1	4.2
Airport Operator Support fee	-	-	-	-	-
CER Expenses	4.5	4.6	4.7	4.9	5.0
Collection charges	11.0	11.0	11.0	11.0	11.0
Concession fee	-	-	-	-	245.9
CSR Expenses	0.56	-	-	-	1.1
CNS-ATM expenditure	89.57	85.6	82.3	80.2	76.7

Particulars (INR cr.)	FY26	FY27	FY28	FY29	FY30
Other cost	11.70	14.2	15.5	16.5	18.0
Interest on working capital loan	-	0.5	1.5	2.8	4.3
Total Costs	**539.24**	**574.4**	**617.0**	**647.9**	**698.4**

6.20.3 The following table depicts the aeronautical operating expenses estimated to be incurred by NIA in the first control period:

Table 34: Aeronautical Operating Expenses of NIA for the First Control Period (INR cr.)

Particulars (INR cr.)	FY26	FY27	FY28	FY29	FY30
Personnel Cost	90.78	111.0	123.9	140.7	162.7
Outsourced manpower cost	40.21	47.7	51.8	56.1	60.8
Materials, equipment and supplies cost	17.60	18.3	19.0	19.8	20.6
Power cost	58.27	68.9	76.5	77.0	84.0
Water Cost	5.17	7.7	10.5	13.3	14.3
General administration cost	6.56	12.1	12.7	13.3	14.0
R&M cost	140.79	147.7	158.4	159.4	168.5
Advertisement cost	3.29	3.5	3.6	3.8	4.0
Insurance cost	2.65	3.6	3.7	3.9	4.0
Airport Operator Support fee	3.88	4.0	4.1	4.3	4.4
CER Expenses	10.96	11.0	11.0	11.0	11.0
Collection charges	1.91	2.9	3.8	4.8	5.8
CNS-ATM expenditure	89.57	85.6	82.3	80.2	76.7
Other cost	11.0	13.4	14.6	15.5	16.9
Interest on working capital loan	-	0.5	1.5	2.8	4.3
Total Aero Operating Expenses	**482.60**	**537.7**	**577.4**	**605.8**	**651.9**

7. Fair Rate of Return (FRoR)

7.1. Cost of Debt

7.1.1 YIAPL has successfully achieved the financial close of the Phase I capital expenditure through debt from SBI in August 2021 with a repayment period of 20 years post COD.

7.1.2 The financial closure of Phase -I was achieved in the month of August 2021 when the rates were at rock bottom due to impact of Covid. RBI repo rate during that time was 4% whereas SBI 6 M MCLR was at 6.95%. Repo rate has now moved up from a bottom of 4% to 6.50%. Similarly, SBI 6 MCLR has also moved from 6.95% p.a. to 8.45% p.a., thereby directly increasing the effective rates by 1.5% p.a.

7.1.3 The Repo rates in India in the past 10 years have remained higher than 6%, the only exception being COVID period.

7.1.4 A long-term interest rate of 10% has been assumed considering following:

- As per the Schedule III (calculation of rate of interest) of financing facility agreement with SBI, applicable Interest rate is 6 months MCLR + 155 bps.
- As of September'24, MCLR rates published on SBI website, six months MCLR is 8.85%. Hence, effective interest rate works out to be 8.85 + 1.55 which is 10.4%. Considering the anticipated reduction in rates by RBI , we have considered effective Interest rate as 10.0%.
- Past trends of Interest rates in India in the long run.
- Considering the frequent borrowing needs due to capex requirements, the interest rates will generally be on a higher side.
- The interest rate towards YIAPL's debt for the Phase 1 is expected to be 10.0% p.a. for the first control period.

7.2. Cost of Equity

7.2.1 YIAPL has undertaken an independent study from Indian Institute of Management, Ahmedabad (IIMA) to determine its cost of equity (refer Annexure for study on Cost of Equity). Cost of equity has been estimated by using the Capital Asset Pricing Model (CAPM) methodology.

7.2.2 IIMA estimated the risk-free rate as the quoted yield of 7.33% on a 30-year government bond (benchmark 2053 bond).

7.2.3 Risk factors for computing the risk premium for YIAPL consider the systematic risk, idiosyncratic risk and the liquidity risk (given that YIAPL is an unlisted company).

7.2.4 IIMA has used CAPM method to estimate the systematic risk and its premium. The CAPM calculates the cost of equity capital (Re) based on the following equation: $R_e = R_f + \beta_E \times MRP$. R_f is the risk-free interest rate, beta measures the systematic risk of the company and MRP is the market risk premium or the expected risk premium of the equity market as a whole.

7.2.5 To estimate the beta, the standard methodology entails identifying comparable listed companies with similar risk profile, un-levering and re-levering beta to adjust for the project risk. The seven airport companies identified and short listed to adjudge the systematic risk for NIA are listed in the table below:

Table 35: Airport Companies Comparable to NIA (figures in mn)

Airport	Currency	Long-term Debt*	Market Cap*
GMR Infrastructure Ltd	INR	2,45,126.9	2,71,315.8
Airports of Thailand PCL	THB	57,990.9	10,03,570.4
Shenzhen Airport Co Ltd	CNY	10,351.2	14,170.8
Flughafen Zurich AG	CHF	1,520.3	5,188.6
Xiamen International Airport Co Ltd	CNY	62.0	5,691.2

Airport	Currency	Long-term Debt*	Market Cap*
Flughafen Wien AG	EUR	254.8	3,746.4
Auckland International Airport Ltd	NZD	961.0	12,901.9
Source: Bloomberg			

7.2.6 The average asset beta of these comparable airports is 0.76 and the median is 0.78. Re-levering the beta assuming a marginal tax rate of 25% and debt to equity ratio of 48%:52% as per AERA's previous orders, IIMA estimates equity beta for YIAPL to be in the range of 1.29 to 1.32.

7.2.7 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.

7.2.8 Considering both idiosyncratic risk and illiquidity based on the above factors, IIMA has incorporated an extremely conservative 0.5% - 1% risk premium for idiosyncratic risk and illiquidity in the cost of equity capital for YIAPL.

7.2.9 Based on above, the cost of equity for YIAPL is computed as follows:

Table 36: Cost of Equity for NIA

Particulars	Cost of Equity for NIA
Risk free rate	7.33%
Premium for systematic risk	10.96% - 11.21%
Idiosyncratic and illiquidity risk	0.5%-1%
Range of cost of equity for NIA	18.79%-19.54%
Cost of equity for NIA (mid-point of the range)	**19.17%**

7.3. Fair Rate of Return

YIAPL has calculated FRoR based on the debt-equity ratio of 48%:52% which is consistent with debt-equity ratio considered by the Authority for other airports. The following table summarizes the FRoR at NIA for the first control period.

Table 37: Fair Rate of Return for NIA in the First Control Period

Particulars	NIA
Cost of Debt (%)	10.0%
Cost of Equity (%)	19.17%
Debt to Equity ratio	48:52
Fair Rate of Return for NIA	**14.77%**

8. Non-Aeronautical Revenue

8.1. Introduction

8.1.1 NIA, being a greenfield airport, is currently in the process of appointing non-aeronautical concessionaires. These include the concessions for duty free, F&B, retail, lounges, forex and hotel, among others.

8.1.2 YIAPL submits that the non-aeronautical revenues (NAR) will be lower in the initial years and gradually increase as the traffic increases and airport matures.

8.1.3 Given its commitment to offer passengers a world-class experience, YIAPL is exploring a host of opportunities to maximize its offerings to the airport users.

8.1.4 YIAPL has made aggressive estimates of Non-Aeronautical Revenues in the expectation of growing middle class, additional disposable income with the passengers, continuation of market trend of increase in demand for premium products and ability of concessionaires to attract passengers for 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.

8.2. Non-Aeronautical Revenues

8.2.1 YIAPL has entered into major non- aeronautical concessions such as Duty Free, Food & Beverages, Lounges, Hotel, Retail, advertisement etc, NAR is estimated on the basis of the revenue per pax for each service and total passenger.

8.2.2 As per clause 28.1.3 and 32.3.2 of CA and clause 3.6.2 of the MoU, YIAPL has excluded the revenues from city side development from the hybrid till framework for the determination of the aeronautical charges.

Clause 32.3.2 of CA – *"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 12th January 2017 (issued on 23rd 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"*

Clause 28.1.3 of CA - *"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."*

8.2.3 The following table illustrates NIA's sources of NAR and forecasted NAR for the first control period:

Table 38: Non-Aeronautical Revenues of NIA for the First Control Period

Non-aeronautical revenues (in INR cr.)	FY26	FY27	FY28	FY29	FY30
Integrated warehousing and logistics Zone (IWLZ)	12.8	14.3	14.6	15.0	15.4
Advertising & Promotion	8.3	15.7	17.3	20.8	25.1
Duty Free	5.3	12.9	18.9	25.4	34.8
F&B	15.1	33.5	47.2	61.3	83.2
Lounges	8.5	24.0	32.1	46.1	60.5
Hotel	-	2.6	2.9	7.8	10.8
Space Rentals	3.3	6.5	7.5	8.5	10.1
Retail	7.7	22.4	35.2	47.7	67.4

Non-aeronautical revenues (in INR cr.)	FY26	FY27	FY28	FY29	FY30
Services	4.1	8.4	10.5	13.3	12.5
Mobility	11.0	17.0	23.0	34.7	43.0
In-Flight Kitchen (IFK)	-	-	1.4	1.9	2.6
IT	-	0.4	2.3	2.6	2.9
MRO	20.1	38.4	80.7	84.7	97.4
Real Estate Revenue	-	2.2	1.9	9.4	13.3
PTC	-	-	-	-	46.6
Real State (Admin Block)	-	-	-	8.0	10.2
Cargo Fuel Station	-	-	-	1.0	1.1
Total Non-Aeronautical Revenues before exemptions and other income	**96.2**	**198.2**	**295.5**	**388.2**	**536.7**
Deduction of real estate revenues from 24 hectares	0.0	2.2	1.9	9.4	12.4
Add: Other income incl. Interest income	45.8	16.4	18.9	26.8	48.2
Total NAR for NIA	**142.0**	**212.5**	**312.6**	**405.6**	**572.6**
30% of NAR revenues for ARR computation	**42.6**	**63.7**	**93.8**	**121.7**	**171.8**

9. Taxation

9.1.1 The current tax policy, stated under the section 115BAA in the Income Tax Act allows domestic companies to pay tax rate of 25.17% (22% + SC 10% + Cess 4%). YIAPL has computed its tax liability at the airport level based on the tax rate of 25.17%.

9.1.2 YIAPL has calculated the aeronautical income tax using the building blocks of aeronautical revenue estimation.

9.1.3 The aeronautical tax for NIA is computed by applying the effective tax rate on the aeronautical PBT. Effective tax rate is computed as the proportion of tax at the airport level and the airport level PBT.

Table 39: Aeronautical Tax Projections of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Aeronautical Profit Before Tax	**-618.5**	**-417.0**	**-113.5**	**246.2**	**615.4**
Aeronautical tax	**-**	**-**	**-**	**-**	**-**

10. Inflation

10.1.1 The WPI and CPI inflation is based on RBI's Survey of Professional Forecasters on Macroeconomic Indicators dated 8 June 2023.

Table 40: WPI and CPI Inflation for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
WPI	4.0%	4.0%	4.0%	4.0%	4.0%
CPI	4.9%	4.9%	4.9%	4.9%	4.9%

11. Revenue from Cargo, Fuel and Ground Handling Services Concessions

11.1. Introduction

11.1.1 YIAPL has outsourced the Cargo, Fuel and Ground Handling Operations to third party concessionaires in adherence with the provisions of the Concession Agreement with respect to these services.

11.1.2 As per the AERA guidelines, the revenues from cargo, fuel and ground handling concessions at NIA have been considered as aeronautical revenues.

11.2. Cargo Concession Revenues

11.2.1 Cargo Terminal Operator has been appointed by YIAPL to handle the domestic and international cargo traffic.

11.2.2 It is assumed that 18% revenue share will be payable to YIAPL by concessionaire. In addition, the concessionaire will also pay an annual land license fee and fee for the right to operate over the concession period.

11.2.3 The following table summarizes the assumptions and the estimated revenue earned from cargo operations at NIA:

Table 41: Cargo Concession Revenue for NIA in the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
Domestic Tonnage (ton)	79,390	99,600	114,700	131,300	138,100
Total Domestic Revenue (INR cr.)	**61.4**	**81.4**	**98.9**	**119.1**	**121.5**
International Tonnage (ton)	33,316	54,100	74,700	97,500	122,600
Total International Revenue (INR cr.)	**34.8**	**59.3**	**73.4**	**96.4**	**118.3**
Total Cargo Revenue (INR cr.)	**96.2**	**140.7**	**172.3**	**215.5**	**239.8**
Revenue Share to NIA (%)	18.0%	18.0%	18.0%	18.0%	18.0%
Revenue Share to NIA (INR cr.)	17.3	25.3	31.0	38.8	43.2
Amortized fee paid towards right to operate over the concession period (INR cr.)	14.1	14.1	14.2	14.1	14.1
Land license fee (INR cr.)	2.8	3.0	3.1	3.2	3.4
Total cargo concession revenues of NIA (INR cr.)	**34.3**	**42.4**	**48.3**	**56.1**	**60.6**

11.3. Fuel Concession Related Revenues

11.3.1 YIAPL will earn fuel concession related revenues from the following:

a) Fuel Farm concession – Land license fee and fee paid towards right to operate over the concession period.

b) Into Plane (ITP) concession – License fee and revenue share of 5%

c) Fuel pipeline concession – annual fee and license fee for right of way

11.3.2 The table below illustrates the expected revenues earned by YIAPL through fuel farm, ITP and fuel pipeline:

Table 42: Fuel Concession Related Revenues for NIA in the First Control Period

Particulars (INR cr.)	FY26	FY27	FY28	FY29	FY30
Fuel Farm revenues					
Amortized fee paid towards right to operate over the concession period	0.5	0.5	0.5	0.5	0.5
License fees	12.5	13.0	13.6	14.2	14.8
Total fuel concession revenues	**12.9**	**13.5**	**14.0**	**14.6**	**15.2**
ITP revenues					
License fees	1.5	1.5	1.6	1.7	1.7
Revenue share	0.4	0.6	0.8	1.1	1.3
Total ITP revenues	**1.9**	**2.2**	**2.4**	**2.8**	**3.1**
Fuel pipeline revenues					
Annual Fee	0.5	0.5	0.5	0.5	0.5
License fee	0.6	0.6	0.6	0.7	0.7
Total Fuel pipeline revenues	**1.1**	**1.1**	**1.1**	**1.2**	**1.2**
Total Fuel related Revenues	**15.9**	**16.8**	**17.6**	**18.6**	**19.5**

11.4. Ground Handling Services

11.4.1 In order to meet the needs of traffic at NIA, YIAPL has planned to start with one ground handler. YIAPL has assumed self-handling ATMs as 65%, 100%, 15% and 0% for domestic ATMs - Passenger, domestic ATMs – Freight, International ATMs – Passenger and International ATMs – Freight respectively while the rest of the ATMs will be served by the Ground Handling agency (GHA).

11.4.2 YIAPL has assumed Ground Handling Service providers to pay revenue share of 5% on their domestic ATM revenues and 18% on their international ATMs revenues to YIAPL.

11.4.3 The table below illustrates the total ground handling concession revenues expected to be earned by YIAPL from all the GHAs:

Table 4328: Ground Handling Concession Revenues of NIA for the First Control Period

Particulars (INR cr.)	FY26	FY27	FY28	FY29	FY30
Total GH concession revenues earned by YIAPL	**3.2**	**5.0**	**7.2**	**9.6**	**12.4**

12. Aggregate Revenue Requirement (ARR)

12.1. ARR of NIA for the First Control Period

12.1.1 The Aggregate Revenue Requirement (ARR) has been computed by YIAPL as per the building blocks given in the sections above as per the methodology given in the AERA guidelines and concession agreement.

12.1.2 ARR for the first control period is given in the table below.

Table 44: ARR of NIA for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30	Total
Average RAB	6,629.7	6,284.0	5,933.1	5,590.2	5,243.7	29,680.7
FRoR	14.8%	14.8%	14.8%	14.8%	14.8%	
Return on RAB	**898.6**	**928.0**	**876.2**	**825.6**	**774.4**	**4302.9**
Depreciation	331.5	360.1	364.6	367.4	371.6	1,795.2
Operating expenses	483.6	537.7	577.4	605.8	651.9	2,856.4
Taxation	-	-	-	-	-	-
Less: 30% of non-aero revenues	42.6	63.7	93.8	121.7	171.8	493.6
ARR	**1,671.1**	**1,762.1**	**1,724.5**	**1,677.1**	**1,626.2**	**8,460.9**
Discount factor	1.00	0.88	0.77	0.67	0.58	
PV of ARR	**1,671.1**	**1,552.8**	**1,324.1**	**1,121.6**	**947.6**	**6,617.3**
Sum of PV for the first control period as on 31st March'26	**6,617.3**					

12.1.3 As regard to the annual tariff proposal, it is proposed that the tariff card will be submitted post the issue of consultation paper by AERA.

12.2. Ongoing External Critical Risks Associated with Project Availability of water and Power

12.2.1 Considering the overall implementation timelines and timelines for initiating ORAT, availability of water to commission the treatment plants is critical. Non availability of water will not only impact the ORAT timelines and further timelines for commissioning of these utility projects but could also impact the start of operations of airport.

12.2.2 Commissioning of main receiving sub-station is critical from ORAT perspective and thereafter it's connection with facilities to be handed over to external stakeholders like ATC tower to AAI etc.

Connectivity to Airport

12.2.3 Considering the status of overall connectivity projects as on date, only western connectivity is under implementation. Non availability of critical connectivity linkages minimum 6 months before the COD date will impact the ORAT schedule and planning which has been done considering these connectivity projects. For e.g., availability of eastern access has been considered by cargo concessionaire and due to non-availability of same on date of opening will impact the operational efficiencies.

Wildlife Disturbances

12.2.4 YIAPL is intermittently encountering incidents related to wildlife at site which poses a risk to not only construction activities underway at project site but also poses a human risk. Non relocation of wildlife at an appropriate time will aggravate this risk and start hampering the implementation activities at site and overall timelines.

12.3. Criticality of Approved Tariffs for YIAPL before COD

12.3.1 YIAPL has incurred significant capital expenditure, part of which is funded through debt as per the requirements in the Concession Agreement for Phase I of the airport. YIAPL has to service the debt payments as per the financing agreement from COD. Further, YIAPL has to incur the operational expenditure from COD for the personnel expenses, utility, repair and maintenance, admin expenses, etc.

12.3.2 YIAPL would stress upon the fact that the traffic in the initial years for a greenfield airport in a competitive environment is uncertain. Therefore, the revenues that the airport will be able to generate is also uncertain. Given that, majority of the NIA's expenses are of fixed nature, NIA's bottom line is expected to remain under severe stress in the initial years.

12.3.3 Further, NIA, being a greenfield airport, it does not have internal accruals to depend upon to finance these expenses even for a short duration after COD.

12.3.4 Therefore, to have sustainable operations and generate sufficient cash flows for the airport to run smoothly, certainty on the aeronautical tariffs from COD is of utmost importance to YIAPL.

12.3.5 YIAPL would also like to highlight that the airlines have also requested certainty in terms of the airport tariffs from COD onwards so that as a key stakeholder for the airport they can plan their operations accordingly.

12.3.6 Given the criticality of this aeronautical tariff determination process for NIA, NIA is submitting to the Authority it's MYTP. YIAPL is committed to resolve the queries of the Authority, if any in a timebound manner.

13. Annexures

13.1.1 Concession agreement and its schedules.

13.1.2 Memorandum of Understanding (MoU) signed with GOI.

13.1.3 CNS/ ATM Agreement signed with Airports Authority of India (AAI).

13.1.4 Traffic forecast report by technical consultant.

13.1.5 Terminal area bifurcation report by technical consultant.

13.1.6 Cost of equity report by IIM, Ahmedabad.

13.1.7 AUCC presentation, PIF and minutes of meeting.

13.1.8 Report on Capital Expenditure by technical consultant.

13.1.9 Report on Operations and Maintenance Expenditure by technical consultant.

13.1.10 Forms as required under AERA guidelines.