

Ref No:YIAPL-2026-148

7th April 2026

To

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

Sub: Submission of the comments to the consultation Paper for First Control Period for Yamuna International Airport Private Limited (YIAPL)

Reference: Consultation Paper no 07/2025-26 dated 6th March'2026

Dear Sir,

This refers to the consultation paper issued by the Authority in the matter of determination of aeronautical tariffs for Yamuna International Airport Pvt Ltd (YIAPL) for the First Control Period (FCP).

To begin with, YIAPL would like to express its gratitude to the authority for the efforts undertaken in carrying out the due diligence of MYTP submitted by YIAPL and for issuing the consultation paper.

As desired by the Authority, we hereby submit our comments to the subject consultation paper, as enclosure, for your kind consideration.

We shall be pleased to assist the Authority on any further or additional information regarding our submission.

Sincerely,

Nitu Samra



Chief Financial Officer

Enclosure: Comments/response by Yamuna International Airport Private Limited
Annexures to YIAPL comments/response

Noida International Airport

Response to Airport Economic Regulatory Authority of India's (AERA) Consultation paper
Number - 07/2025-26 dtd 6th March'26

Determination of Aeronautical Tariffs for Noida International Airport (DXN) for First Control
Period (01.04.2026 to 31.03.2031)

Contents

CONTENTS	3
1.PRE COD PERIOD EXPENSES	6
1.1 Non-Consideration of Pre COD Losses.....	6
1.2 Pre COD Income.....	7
2.TRAFFIC FOR THE FIRST CONTROL PERIOD:	10
2.1 Passenger Traffic and ATMs	10
2.2 : Treatment of RCS Passengers and ATMs and exempt passengers.....	11
3. CAPITAL EXPENDITURE, DEPRECIATION & REGULATORY ASSETS BASE	13
3.1 Capital expenditure on Canopy:.....	13
3.2 Capital Expenditure on Access Roads	14
3.3 Aeronautical Allocation Ratio of Land Development Cost.....	16
3.4 Aeronautical Allocation Ratio for IT and Utilities cost under Utilities head	17
3.5 Useful life of canopies	17
3.6 Capital Expenditure for VDGS	18
3.7 Treatment of CISF Bachelor Accommodation.....	19
3.7 Cost Reimbursement to NHAI.....	20
3.8 Change Order pertaining to MEP Utilities for concessionaire spaces	21
3.9 Terminal Building Ratio.....	22
3.10 Financing Allowance calculation	23
3.11 Personnel Cost in preoperative expenditure in CWIP	24
3.12 Professional and consultancy fee in preoperative expenditure in CWIP.....	24
3.13 Contingency	25
3.14 Capex towards Phase II and Interim expansion	25
3.15 Claims from EPC Contractor	26
4. FAIR RATE OF RETURN FOR THE FIRST CONTROL PERIOD:	27
4.1 Cost of Equity.....	27
4.2 Cost of Debt	28
5. INFLATION FOR THE FIRST CONTROL PERIOD:	30
5.1 Rate of Inflation	30
6. OPERATION AND MAINTENANCE EXPENDITURE FOR THE FIRST CONTROL PERIOD:	32
6.1 Personnel Cost.....	32

6.2 Contracted Services (Manpower Outsourcing Cost)	33
6.3 Repairs and maintenance Cost & Common Area Maintenance (CAM) Recovery	35
6.4 Insurance	36
6.5 Utility Cost	37
6.6 Advertisement Cost	38
6.7 CNS ATM Expenditure	40
6.8 IT Cost	40
7. NON AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD:	42
7.1 Classification of MRO by authority	42
7.3 Classification of IWLZ by authority	44
7.4 Determination of revenue of IWLZ for first control Period	45
7.5 Other Incomes	46
7.6 Non-Aero Revenue for First control Period from Miscellaneous Segments	47
7.7 Data & Voice Port Charges	47
7.8 : Minimum Threshold proposed by Authority for NAR	48
8.Taxation for the First Control Period	51
8.1 : Determination of Taxation	51
9. QUALITY OF SERVICE FOR THE FIRST CONTROL PERIOD:	52
10. MISCELLANEOUS SUBMISSION FOR THE FIRST CONTROL PERIOD:	53
11. AGGREGATE REVENUE REQUIREMENT (ARR)	57

Disclaimer

In accordance with the tariff determination process for the first control period, YIAPL is submitting the present response to the Consultation Paper issued by the Airports Economic Regulatory Authority of India (AERA) vide its Consultation Paper No. 07/2025-26 dated 6 March 2026, in relation to the determination of aeronautical tariffs for the first control period for Noida International Airport.

The purpose of this submission is to place on record YIAPL's comments, views, and submissions on the proposals and relevant and material issues raised by the Authority in the aforesaid Consultation Paper, based on reasons as more elaborately laid down herein.

This submission is furnished solely for the consideration of the Authority. The contents hereof shall not be reproduced, circulated, or used, in whole or in part, by any third party without the prior written consent of YIAPL, save and except to the extent required by the Authority in the discharge of its statutory functions.

The Airports Economic Regulatory Authority of India (hereafter “AERA” or “the Authority”) has issued Consultation Paper No. 07/2025–26 dated 6 March 2026 on aeronautical services at Noida International Airport (NIA or DXN) for the First Control Period (FCP) i.e FY2026-27 to FY2030-31

Pursuant thereto, the Authority convened a stakeholder consultation meeting on 23rd March 2026 to seek the views of stakeholders on the proposals contained in the Consultation Paper. In addition, the Authority invited written, evidence-based comments, feedback, and suggestions from stakeholders, including YIAPL.

At the outset, YIAPL notes that the Authority has made various assumptions in the course of setting out its proposals in the Consultation Paper. Unless otherwise specified, YIAPL’s response to the Consultation Paper should not be construed as an acceptance of the said assumptions by YIAPL.

1.Pre COD Period Expenses

1.1 Non-Consideration of Pre COD Losses

Authority’s Consideration and Proposal put forth in Consultation Paper:

Vide para 3.3.1 & 3.2.4 of Consultation Paper, the Authority has proposed not to consider the pre-COD losses for the period from Company inception to COD for Noida International Airport, as part of tariff.

YIAPL response and submission:

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

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

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

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

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

In view of above, YIAPL requests Authority to consider the Pre-COD losses as furnished by YIAPL for arriving at the ARR for first control period.

1.2 Pre COD Income

Authority's Consideration and Proposal put forth in Consultation Paper:

Vide para 3.2.3 , AERA has proposed to consider upfront fee payments from fuel farm and cargo concessions as commencing from Airport COD for the purpose of determination of tariff for the First Control Period citing that these services are related to airport operations which commence after COD.

YIAPL response and submission:

The Concession Agreement executed between YIAPL and Noida International Airport Limited (NIAL) obligates YIAPL to ensure the availability of fuel farm and cargo facilities at NIA .

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

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

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

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

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

ARTICLE 24 PAYMENTS TO YIAPL

24.1. PAYMENTS

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

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

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

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

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

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

YIAPL requests the attention of Authority to the applicable accounting principles and the guidance prescribed under Accounting Standard (AS) 9 – Revenue Recognition under Indian GAAP. In accordance with AS 9, where services are rendered through an indeterminate number

of acts over a specified period, revenue is required to be recognized on a straight-line basis over such period.

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

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

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

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

2. Traffic for the First Control Period:

2.1 Passenger Traffic and ATMs

Authority's Consideration and Proposal put forth in Consultation Paper:

Vide Chapter 4, Table 25, Authority has proposed the traffic for Noida International Airport even higher than the YIAPL submission citing that COD delay will create pent-up demand and induce passenger diversion from alternate airports and the Authority has further added exempt passengers while arriving at the total passengers Traffic and ATMs for FCP..

YIAPL response:

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

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

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

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

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

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

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

Source: AAI website

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

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

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

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

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

2.2 : Treatment of RCS Passengers and ATMs and exempt passengers

Authority’s consideration and proposal put forth in Consultation Paper:

Authority has included RCS passengers and ATMs within the overall traffic projections, the exemption has not been adjusted while computing billable passengers and ATMs, with the Authority proposing to account for such exemptions during the true-up in the subsequent control period.

YIAPL Response :

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

Table A : RCS Passengers

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

Table B: RCS ATMs

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

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

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

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

Lastly, in paragraph 4.2.29, the Authority has included exempt passengers in the traffic projections for the First Control Period. However, no corresponding adjustment has been made for such exempt passengers while determining billable traffic for NIA for the same period. Accordingly, it is requested that exempt passengers be excluded while computing billable passengers and ATMs for tariff determination in line with DGCA's AIC No. 14/2019 dated 16.05.2019 and AIC No. 20/2019 dated 06.11.2019 (Decision of Ministry of Civil Aviation, Govt. of India vide order no. AV 29012/39/2018-AD dated 30.10.2019) respectively regarding exemptions.

3. Capital Expenditure, Depreciation & Regulatory Assets Base

3.1 Capital expenditure on Canopy:

Authority's Consideration and Proposal put forth in Consultation Paper:

Vide para 5.3.83, the Authority notes that the canopy is essential for providing a covered walkway for the passengers between the Terminal Building and the car park area. As the canopy does not operate as a standalone facility and forms an integral part of terminal access infrastructure, the Authority proposes to consider this under the Terminal Building Ratio

YIAPL response:

The Authority has considered the kerbside canopy as part of the terminal building and has accordingly applied the terminal building ratio for determining the aeronautical allocation. In this regard, it is respectfully submitted that such treatment is ad hoc and not appropriate.

The canopy under consideration is located at the kerbside area forming part of the approach road infrastructure and is intended to facilitate passenger pick-up and drop-off operations. It is functionally and physically distinct from the terminal building structure and does not form part of the enclosed terminal space.

Further, it is submitted that:

- The canopy is integral to landside access infrastructure, similar to kerbside roads and approach ramps
- It will be used by the passengers during pick-up and drop-off
- There are no commercial or non-aeronautical activities being undertaken under the canopy

Accordingly, the canopy ought to be classified as forming part of kerbside and approach road infrastructure, rather than as part of the terminal building.

It is pertinent to note that the Authority, in its analysis of capital expenditure for Hyderabad airport, has classified "Expansion of Kerb and Approach Ramp", which includes the cost of canopy, as 100% aeronautical in nature, recognizing such assets as part of core aeronautical infrastructure. The relevant extract is reproduced below for ready reference:

Table 95: Re-classification of assets under expansion capital expenditure proposed to be considered by the Authority

Sr. No.	Asset	Classification
1	Expansion of Terminal Building including piers	Common
2	Airport Systems	Aero
3	Expansion of Apron & Taxiways and GSE Tunnel	Aero
4	Expansion of Kerb and Approach Ramp	Aero
5	Road Infrastructure	Aero

Source: Consultation Paper No 11/2021-22 in the matter of determination of Aeronautical Tariff for Rajiv Gandhi International Airport for the Third control period

5.2.3. EXPANSION OF THE KERB AND APPROACH RAMP

An amount of Rs. 156.40 Crores is catered in the proposal for expansion of the kerb and approach ramp. This constitutes approx. 2.80 % of the total cost proposal (5596.24Crores). Out of 156.40 Crores, **146.767** Crores is awarded contract value submitted by GHIAL to VNC for Construction of 4 lane approach ramp and 0.98 Crores to Godrej for SITC of UVSS, BOLLARD and barriers. Provisional estimate of 5.5 Crores for Airport name signage and Landscaping around Ramp area is kept on Lump sum basis. Main work (146.767 Cr.) catered for Bridge PCC and RCC (58.963 Cr.),

*Analysis of Capital Expenditure on Expansion for third control period
At Rajiv Gandhi International Airport , Shamshabad , Hyderabad*

Page 50



Reinforced earth wall (4.75 Cr.), Fabric roof canopy (14.284 Cr.), Road work (9.996 Cr.), Barricading, temporary road and Preliminaries (15.452 Cr.), Miscellaneous additional & variation work. (12.978 Cr.)

Source: Pg No. 50, RITES study of Capex for third control period (incl in the consultation paper for Rajiv Gandhi International Airport for the Third Control Period)

In view of the above submissions, the Authority is requested to reclassify the canopy as part of kerbside/approach road infrastructure and allow 100% aeronautical allocation, instead of applying the terminal building ratio.

3.2 Capital Expenditure on Access Roads

Authority's Consideration and Proposal put forth in Consultation Paper:

Vide para 5.4.6 , the Authority has classified the access roads as common asset with the view that the access road is the only road available for all the users of NIA.

YIAPL Response

In this regard, it is respectfully submitted that such classification is not appropriate in the present case.

The access roads under consideration are not located within the earmarked areas for city-side development or for parking/commercial utilization. Instead, these roads form an integral part of the core access and circulation infrastructure enabling passenger movement to and from the terminal building.

Accordingly, the roads are functionally aligned with aeronautical operations, as they are essential for passenger access and do not support any independent non-aeronautical activity.

Further, the classification of such access and approach roads as common is inconsistent with the Authority's established approach across other airports, as illustrated below:

- (a) The Authority has considered new T1 access roads at Mumbai airport under kerbside improvements as 100% aeronautical, the relevant extract of which has been reproduced below:

S.No	Project /Item Name	Total Cost	Aero%	Aero Capitalization					
				FY25	FY26	FY27	FY28	FY29	Total
Kerbside Improvements									
C1-1	New T1 Access Road (At-Grade) including demolition of existing pavement	34.81	100.00%	-	-	34.81	-	-	34.81
C1-2	New T1 Access Road (Elevated Departure Driveway for T1)	136.31	100.00%	-	-	-	136.31	-	136.31

Source: Pg No.122, Consultation Paper No 08/2024-25 in the matter of determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport for the Fourth control period

- (b) In the case of Goa Airport (MOPA), the main access road, spine road and associated road infrastructure have been treated as aeronautical in nature. The relevant extract has been reproduced below for ready reference:

Table 67: Aeronautical Capital Additions proposed by the Authority for the First Control Period

(Rs. in crores)

Asset Classification	Classification	FY 23*	FY24	FY25	FY26	FY27	FY28	Total (FY23 to FY28)	Total (FY24 to FY28)
Apron	Aero	78.79	38.91	-	5.51	-	-	123.21	44.42
Runway	Aero	183.88	83.49	-	9.72	-	-	277.09	93.21
Taxiway	Aero	195.04	96.31	-	13.65	-	-	305.01	109.96
Drainage	Aero	126.27	41.79	-	-	-	-	168.06	41.79
Other Airside Building	Aero	192.11	63.59	-	-	-	-	255.70	63.59
Roads	Aero	172.84	57.21	-	-	-	-	230.05	57.21
P&M	Common	59.50	25.87	-	22.71	-	-	108.09	48.58
PTB	Common	430.89	205.31	-	230.59	-	-	866.78	435.89

Source: Pg No.79, Consultation Paper No 11/2023-24 in the matter of determination of Aeronautical Tariff for MOPA GOA for the First control period

- (c) In the case of Rajiv Gandhi International Airport, the Authority has classified road infrastructure, including kerb and approach ramp works, as aeronautical. Relevant extract with respect to it has been reproduced below:

Table 95: Re-classification of assets under expansion capital expenditure proposed to be considered by the Authority

Sr. No.	Asset	Classification
1	Expansion of Terminal Building including piers	Common
2	Airport Systems	Aero
3	Expansion of Apron & Taxiways and GSE Tunnel	Aero
4	Expansion of Kerb and Approach Ramp	Aero
5	Road Infrastructure	Aero

122 | Page

Source: Pg No.122, Consultation Paper No 11/2021-22 in the matter of determination of Aeronautical Tariff for Rajiv Gandhi International Airport for the Third control period

The above submissions clearly establish that access and approach roads forming part of core passenger access infrastructure have consistently been treated as aeronautical by the Authority.

In light of the above facts and submissions, the classification of the present access roads as common assets represents a departure from established regulatory precedence and the Authority is requested to reconsider the classification and treat them as 100% aeronautical, in line with the approach adopted in comparable airport determinations as demonstrated above.

3.3 Aeronautical Allocation Ratio of Land Development Cost

Authority's Consideration and Proposal put forth in Consultation Paper:

Vide para 5.4.8, the Authority has applied the terminal building area ratio to the proposed land development cost for the purpose of aeronautical allocation.

YIAPL response:

The Authority has apportioned the land development cost between aeronautical and non-aeronautical categories based on the terminal building ratio. In this regard, it is respectfully submitted that YIAPL has, vide email dated 25 January 2025, already provided the Authority with a detailed break-up of the relevant land area for this cost, The Authority was also informed that land development formed part of the scope under EPC-2 (Airside and other Ancillary Buildings at the Airport) Contract, which does not include any land development activities related to the terminal. Instead, the area on which these work has been executed are primarily pertaining to the airside.

Given that land development costs are more appropriately attributable based on actual land utilization and allocation, it is respectfully requested that the Authority ought to consider the detailed land area break-up as submitted by YIAPL for the purpose of apportioning these costs between aeronautical and non-aeronautical categories, rather than applying the terminal building ratio, which in any case, does not accurately reflect the utilization of this cost.

3.4 Aeronautical Allocation Ratio for IT and Utilities cost under Utilities head

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

Vide para 5.4.8, the Authority has applied the terminal building area ratio to the proposed IT and utilities cost under the head "Utilities" head for the purpose of aeronautical allocation.

YIAPL response:

The Authority has applied the terminal building ratio for allocation of IT and Other Utilities under the head "Utilities" between aeronautical and non-aeronautical categories. In this regard, it is respectfully submitted that such an approach does not appropriately reflect the nature of these assets and the related expenditure.

It is submitted that the IT costs specifically relating to the terminal building have already been captured under the head, "Terminal Building cost" which the Authority has itself allocated using the terminal building ratio. The IT costs under the head "Utilities" however, pertain to the EPC-2 Contract and primarily relate to airport-wide fiber optic cabling and security systems.

Similarly, the "Other Utilities" under this head also form part of the EPC-2 Contract and relate to assets such as water treatment plants, sewage treatment plants, airside EV charging works and utility provisioning for APHO.

The aforesaid assets are neither part of the terminal building nor intended to serve only the terminal building. Rather, they form part of the overall airport infrastructure and support airport-wide operations. In such a case, allocation based on the terminal building ratio would not be appropriate.

It is therefore respectfully requested that the Authority allocate the IT and Other Utilities under the head "Utilities" between aeronautical and non-aeronautical categories based on the gross asset ratio of the overall airport rather than applying the terminal building ratio.

3.5 Useful life of canopies

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

Vide Table 101, the Authority has considered that the canopy, being integrated with the terminal structure and forming part of the overall passenger handling infrastructure, should be treated on par with the terminal building for the purpose of useful life determination.

YIAPL response:

It is respectfully submitted that the canopy under consideration is located along the approach road / kerbside area leading to the terminal building and is a physically distinct asset. It is not structurally integrated with the terminal building and therefore should not be treated at par with the terminal building for the purpose of determining useful life.

YIAPL has also sought the views of its technical team regarding the appropriate useful life of the canopies. Based on their technical assessment, the useful life of the canopy may appropriately be considered as 25 years.

Accordingly, it is requested that the useful life of the canopy be assessed independently from that of the terminal building and be considered as 25 years, taking into account its nature, location and technical characteristics. YIAPL is open to providing the requisite technical certification supporting a useful life of 25 years at the time of asset capitalization.

3.6 Capital Expenditure for VDGS

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

With reference to para 5.3.132 and para 5.4.8, it is observed that, in the MYTP filing and consequently in the Authority's comments in the Consultation Paper, VDGS has been categorized under Support Facility Buildings, which have been classified as common assets and allocated on the basis of the terminal building ratio.

YIAPL response:

In this regard, it is submitted that the classification of Visual Docking Guidance System (VDGS) as a common asset appears to have stemmed from an inadvertent classification in YIAPL's MYTP submission, which may have subsequently been reflected in the Authority's comments in the Consultation Paper.

VDGS is used to assist pilots in guiding aircraft from the taxiway to the designated stop position at the apron or contact stand. Considering its purpose and operational role, VDGS forms an integral part of the airport's aeronautical infrastructure and may therefore be appropriately classified as a 100% aeronautical asset. The approach of considering VDGS as aeronautical is also consistent with the treatment adopted at other airports. For reference, a relevant extract the Consultation Paper of Mopa Airport is enclosed.

Table 67: Aeronautical Capital Additions proposed by the Authority for the First Control Period*(Rs. in crores)*

Asset Classification	Classification	FY 23*	FY24	FY25	FY26	FY27	FY28	Total (FY23 to FY28)	Total (FY24 to FY28)
Apron	Aero	78.79	38.91	-	5.51	-	-	123.21	44.42
Runway	Aero	183.88	83.49	-	9.72	-	-	277.09	93.21
Taxiway	Aero	195.04	96.31	-	13.65	-	-	305.01	109.96
Drainage	Aero	126.27	41.79	-	-	-	-	168.06	41.79
Other Airside Building	Aero	192.11	63.59	-	-	-	-	255.70	63.59
Roads	Aero	172.84	57.21	-	-	-	-	230.05	57.21
P&M	Common	59.50	25.87	-	22.71	-	-	108.09	48.58
PTB	Common	430.89	205.31	-	230.59	-	-	866.78	435.89
ATC	Aero	82.86	27.43	-	-	-	-	110.29	27.43
HVAC	Common	42.30	20.16	-	22.64	-	-	85.09	42.79
PH&E	Common	104.46	49.77	-	55.90	-	-	210.14	105.67
PBB & VGDS	Aero	13.53	6.45	-	7.24	-	-	27.22	13.69
BHS	Aero	25.35	12.08	-	13.57	-	-	51.00	25.65

Source: Pg No.79, Consultation Paper No 11/2023-24 in the matter of determination of Aeronautical Tariff for MOPA GOA for the First control period

In view of the above, it is respectfully requested that the Authority treat VDGS as 100% aeronautical, in line with the approach followed at other airports.

3.7 Treatment of CISF Bachelor Accommodation

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

With reference to para 5.3.131 and para 5.4.8, it is observed that, in the MYTP filing and consequently in the Authority's comments in the Consultation Paper, CISF Bachelor accommodation has been categorized under Support Facility Buildings, which have been classified as common assets and allocated on the basis of the terminal building ratio.

YIAPL response:

As per the regulations laid down by MoCA/BCAS, it is the responsibility of airport operator to provide accommodation for CISF personnel stationed at NIA. Considering the location of the airport, development of accommodation for CISF personnel was necessary to avoid operational and logistical challenges that may otherwise arise and to ensure effective discharge of security functions at the airport.

It is submitted that the CISF accommodation has been created solely to support CISF personnel in carrying out their security-related responsibilities efficiently. CISF forms part of the reserved services at the airport, and the related accommodation does not contribute to, nor is it intended to support any non-aeronautical activity or revenue stream. Further, NIA will have separate private security agencies for landside.

It is observed that, in YIAPL's MYTP submission, CISF accommodation was inadvertently classified and included under Support Facility Buildings as a common asset. Consequently, this asset has been treated by the Authority as a common facility and allocated between aeronautical and non-aeronautical categories based on the terminal building ratio. In this context, it is respectfully submitted that such treatment may not appropriately reflect the nature and functional use of CISF accommodation.

It is pertinent to note that CISF-related assets have been treated as purely aeronautical assets at other airports as well. For instance, in the Consultation Paper issued by the Authority for Bangalore Airport for the Third Control Period, CISF barracks expansion as well as CISF permanent housing have been treated as 100% aeronautical assets.

Consultation Paper No. 10/2021-22 for the Third Control Period KIA, Bengaluru

S no	Asset additions (INR cr.)	Total addition	Aero Allocation ratio (%)	Aero Additions					Total aero
				2022	2023	2024	2025	2026	
B18	Landside Maintenance Building	13.50	86.85%	-	-	-	-	11.72	11.72
B20	CISF Permanent housing - Phase I	0.00	100.00%	-	-	-	-	-	-
B	Sub-Total - Projects proposed in TCP	441.20		-	272.41	-	46.96	84.37	403.74
C	Sustaining capex	987.23		169.27	171.49	171.49	171.49	171.49	855.22
	Total	8,826.60		6,437.58	443.90	171.49	218.45	255.86	7,527.27

* aeronautical asset additions include the design, PMC, contingency and IDC

Source: Pg No.119, Consultation Paper No 10/2021-22 in the matter of determination of Aeronautical Tariff for Kempegowda International Airport for the Third control period

In view of the above, it is respectfully requested that the Authority exclude CISF accommodation from the category of Support Facility Buildings and treat the same as a 100% aeronautical asset for the purpose of RAB calculation.

3.7 Cost Reimbursement to NHAH

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

Vide para 5.3.79, the Authority has mentioned that the portion of road to be constructed by NHAH within the airport boundary is already covered as part of the scope of Tata Projects Limited in EPC-2 Contract and if the road were to be constructed by NHAH, the same needs to be recovered from the EPC-2 contractor. The Authority has not included the cost of Rs. 8.47 crores towards construction of this extra piece of land at this stage.

YIAPL response:

YIAPL submits that the works in question were already executed by NHAI, with the associated costs arising from technical requirements necessitating the realignment and extension undertaken by NHAI during the construction of the cloverleaf connecting the Yamuna Expressway to the airport. Owing to technical complexities, this involved extension of the road by NHAI up to a point located inside the NIA boundary wall. Further, NHAI subsequently instructed NIA to revise the elevation and coordinates of the internal road connecting to the road constructed by NHAI.

Pursuant to the above, YIAPL issued a change order to EPC Contractor (Change Order No. E2.015, already shared with the Authority) covering the deletion and revision of scope as detailed therein. As a consequence of these revisions, YIAPL will be required to reimburse the corresponding costs to NHAI.

Accordingly, it is respectfully requested that the Authority consider allowing this expenditure to be included as part of the Regulatory Asset Base (RAB).

3.8 Change Order pertaining to MEP Utilities for concessionaire spaces

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

Vide para 5.3.231, the Authority has excluded the change order pertaining to MEP Utilities for concessionaire spaces on the premise that the same pertains to non-aeronautical initiatives.

YIAPL response:

In this regard, it is submitted that the understanding drawn by Authority is not correct.

The said change order pertains to the EPC-2 Contract's scope of work and covers modifications / additional works relating to the power distribution system, sewage and water treatment plants, fibre optic cabling and certain minor civil and electrical works, required largely in relation to CISF barracks and CISF BDDS. A portion of the cost also relates to modifications in the water and sewage treatment systems for the central kitchen.

It is acknowledged that the description "Utilities for concessionaire spaces" may have created a misleading impression regarding the nature of the works. However, the underlying scope is neither limited to nor primarily driven by non-aeronautical / concessionaire-related development. Rather, it pertains substantially to common utility and support infrastructure serving airport operations, including reserved service areas. YIAPL has already shared the respective change order with authority.

Accordingly, the cost may appropriately be treated as a common cost for the purpose of allocation to the aeronautical RAB.

3.9 Terminal Building Ratio

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

Authority has relied upon the IMG norms for determination of Terminal Building Ratio (TBLR).

YIAPL Response:

The Authority has proposed application of the higher limit of the IMG norms to determine the terminal building (TB) ratio of 88% for aeronautical and non-aeronautical allocation. In this regard, it is respectfully submitted that the IMG norms were originally developed as a benchmark for assessing terminal building area vs peak hour passengers (PHP), and not as a prescriptive guideline for determining the aeronautical versus non-aeronautical allocation within the terminal building.

The terminal at Noida International Airport has been designed and constructed as part of the first phase, considering the infrastructure requirements required to support aeronautical operations for a capacity of 12 million passengers with an appropriate and balanced bifurcation of aeronautical and non-aeronautical areas, thus ensuring that aeronautical operations are adequately supported during the initial ramp-up and stabilisation phase while also accommodating essential non-aeronautical activities.

Further, once capacity utilization reaches 80%, expansion for subsequent phase will also trigger. Traffic projections indicate that by the end of third year of operations, passenger volumes are expected to exceed the 12mn designed capacity. However, through optimization strategies, the additional traffic will be effectively managed.

Further, Concession Agreement executed between Noida International Airport Limited (NIAL) & YIAPL (hereafter Master Concession Agreement), mandates a minimum provision of 30 sqm per peak-hour passenger (PHP). The terminal has been designed to meet this requirement through efficient aeronautical operations, including de-peaking strategies, effective lane management and optimized waiting times to consistently maintain SLA compliance.

In the present case, the SLAs required to be maintained by YIAPL under the Master Concession Agreement are among the more demanding ones in the country, necessitating efficient allocation of space towards aeronautical functions.

Considering the above stipulations and requirements, terminal for first phase for NIA has been designed and constructed.

Also, the extent of non-aeronautical activities within a terminal building is inherently driven by a combination of demand-side and supply-side factors, including but not limited to:

- Geographic location of the airport
- Total passenger traffic and growth trajectory
- Passenger mix (domestic vs international, business vs leisure, low-income vs high-income)
- Airlines profile and destinations served

- Space requirements for aeronautical functions
- Service Level Agreements (SLAs) to be maintained
- Design constraints and reserved/mandatory service areas

Accordingly, a uniform application of IMG norms to determine non-aeronautical allocation does not appropriately reflect airport-specific realities.

Further, it is pertinent to note that the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) in its order dated 11-09-2025 in the matter of MOPA Goa Airport has recognized that non-aeronautical allocation for PPP airports should not be determined based on IMG norms and should instead be assessed based on the actual configuration and operational requirements of the concerned airport.

The Authority has allowed terminal ratio to other greenfield airports as 90 :10 as tabulated below:

Airport	TB Ratio
Jaipur	90:10
Goa Mopa	90:10
Lucknow	90:10

In view of the above submissions, it is respectfully requested that the Authority should not apply the standardized 88% TB ratio to greenfield airports, and instead determine the aeronautical and non-aeronautical allocation based on the actual terminal building space utilization at NIA.

3.10 Financing Allowance calculation

[Authority's consideration and proposal put forth in Consultation Paper:](#)

Vide para 5.3.236, the Authority has calculated the Financing Allowance assuming all assets would be capitalized on 31st March 2026 (except general & maintenance capex).

YIAPL response:

It is requested that the Authority allow the financing allowance in accordance with the AERA guidelines and formula therein, taking into account the actual date of capitalization of the relevant assets, rather than considering 31st March 2026.

Further, YIAPL hereby requests authority to consider cost of debt as submitted by YIAPL vide para 4.2 of this response.

3.11 Personnel Cost in preoperative expenditure in CWIP

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

Vide para 5.3.210, the Authority has excluded the salaries of personnel of non-aero commercial department when calculating the preoperative expenses forming part of the CWIP.

YIAPL response:

In this regard, it is respectfully submitted that such exclusion results in a duplication of the non-aeronautical adjustment.

This is because, for the purpose of RAB computation, pre-operative expenses are first capitalized and allocated to the relevant fixed assets, following which such assets are segregated into aeronautical and non-aeronautical categories based on the applicable asset allocation ratios. Accordingly, the non-aeronautical portion of pre-operative expenses already gets reflected through the asset-level allocation methodology.

In such a situation, excluding the salaries of personnel belonging to non aero commercial function at the pre-operative expense stage itself has effectively amounted to double counting the non-aeronautical component of pre-operative expenses.

It is further submitted that even within the commercial department's costs, only 75% of the personnel cost was capitalized as part of pre-operative expenses. Thus, the amount considered under CWIP was itself limited only to the portion attributable to pre-operative / project-related activities and construction of infrastructure and airport assets.

Further, the personnel of the nonaero commercial department play an important role during the infrastructure development and pre-operative phase. Their involvement is necessary to ensure alignment between the infrastructure being created at the airport like Terminal and the requirements of concessionaires and commercial facilities to be housed for common infrastructure. Accordingly, such costs form a legitimate part of the pre-operative expenditure incurred for development of the airport.

In view of the above, it is respectfully requested that the Authority revisit its methodology in relation to personnel cost forming part of pre-operative expenses and consider allowing the same in an appropriate manner.

3.12 Professional and consultancy fee in preoperative expenditure in CWIP

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

Vide para 5.3.215, the Authority has excluded the cost of engaging a consultant for assessment of city side land parcel when calculating the professional & consultancy fee as part of the preoperative expenses forming part of the CWIP on the understanding that this expense is non-aeronautical in nature.

YIAPL response:

In this regard, it is respectfully submitted that, like the treatment of personnel cost as in preceding para, the Authority may kindly revisit its approach, as the same may result in a duplication of the non-aeronautical adjustment.

It is submitted that such costs, when forming part of the overall expenditure base and subsequently allocated through the applicable aero / non-aero allocation methodology, already reflect the non-aeronautical adjustment at the relevant stage. Accordingly, a further exclusion of such expenses at the outset may lead to double counting of the non-aeronautical portion.

For all the preoperative expense heads, the Authority may kindly refer to the FY 2024-25 audited figures and the updated FY 2025-26 figures, details of which are provided in Annexure A.

3.13 Contingency

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

Vide para 5.3.229, the Authority has not accepted parts of the submitted contingency citing lack of justification or cost wise breakup.

YIAPL response:

At the time of the MYTP submission, there was limited visibility of some of the contract/change orders and accordingly certain amounts were included on an estimated / contingency basis. Subsequently, with the project now in its final stages and nearing COD, most of these costs have either already been incurred or have been firmly committed.

In view of the above, it is respectfully submitted that the Authority to consider the liquidation of contingency of Rs 293 Crores . The same captures the contingencies identified at the time of the MYTP submission which have since materialised.

It is respectfully requested that the Authority consider these costs and allow the final RAB based on the capitalisation certificate issued by the statutory auditor at the time of capitalisation.

3.14 Capex towards Phase II and Interim expansion

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

Vide para 5.3.182, the Authority has not considered the capex for expansion and future phases.

YIAPL response:

As per the provisions of the Master Concession Agreement, the expansion of Phase II for NIA is to be triggered upon achieving 80% capacity utilization of Phase I. Further, until the commissioning of Phase II expansion for NIA, YIAPL proposes to implement interim capacity augmentation measures, including the

expansion of the pier and apron, to accommodate the projected passenger traffic of approximately 17–18 million passengers per annum by the end of the First Control Period .

These interim expansion works are envisaged to ensure adequate airside and terminal interface capacity and to facilitate seamless airport operations during the FCP, ahead of the commissioning of Phase II. The high-level scope definition and cost estimation has been done which will be further detailed with engineering design and procurement planning for the proposed pier and apron expansion and the same will be undertaken at an appropriate stage following the commencement of airport operations and once passenger traffic trends stabilize.

The tentative capital expenditure for Phase II, inclusive of the interim expansion, is estimated at INR 4,000 crores, with the expansion expected to commence from FY 2027-28. During the First Control Period, YIAPL expects to incur capital expenditure of approximately INR 2,200 crores out of the above.

At this stage, based on preliminary assessments and high-level planning assumptions, the indicative capitalization for the proposed interim expansion is estimated at approximately INR 570 crores. YIAPL respectfully requests the Authority to consider the above expenditure as part of the capital expenditure while determining tariffs for the First Control Period.

Projected Capital expenditure and Capitalization related to expansion may be referred from Annexure B.

3.15 Claims from EPC Contractor

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

Vide para 5.3.181, the Authority has proposed to consider the admissible amount towards EPC claim, if any, based on actual settled values at the time of determination of tariff of the Second Control Period.

YIAPL response:

YIAPL hereby submits that the EPC claim has been settled at INR 424 crores (exclusive of GST). To examine the admissibility and reasonableness of the aforesaid claims, YIAPL had constituted an internal committee to undertake a detailed and comprehensive evaluation of the same. Post the assessment made by the committee, the Board after due consideration has approved the claim. The disbursement of this amount is linked to project-delivery-related milestones extending up to the stage of Final Completion Certificate of the project. This helps to ensure delivery of all project related milestones. We respectfully request the Authority to consider the said claim basis the capitalisation of the same before issuance of final tariff order for First Control Period.

4. Fair Rate of Return for the First Control Period:

4.1 Cost of Equity

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

The Authority has proposed the cost of equity of 15.18%, based on the benchmarking drawn by IIM-B study covering BIAL, DIAL, GHAL, MIAL and CIAL and not proposing premium towards the higher idiosyncratic risks for YIAPL.

YIAPL response:

YIAPL hereby requests attention of Authority to n the "Appropriateness of Benchmarking" considered by authority as per IIM B study for ascertaining cost of equity for YIAPL. In this regard, it is respectfully submitted that the reliance on this peer set does not appropriately reflect the risk profile of YIAPL. All airports considered in the IIM-B study are well-established brownfield airports, with mature operations and significant passenger throughput (generally exceeding 30 million passengers per annum). These airports benefit from:

- Established catchment areas
- Proven traffic demand
- Stable operating history

In contrast, YIAPL is a greenfield airport, which is yet to establish its catchment and traffic base. Accordingly, the business and demand risks faced by YIAPL are materially higher and cannot be equated with those of established airports for the purpose of estimating cost of equity.

Idiosyncratic Risk Considerations

YIAPL is exposed to significantly higher idiosyncratic risks compared to other airports, inter alia, due to:

- Proximity to Indira Gandhi International Airport (Delhi), leading to direct competition with a well-established hub
- Absence of an independent and differentiated point of call, with overlapping catchment dynamics with Delhi
- Limited ability to attract long-haul international traffic, given existing traffic patterns and bilateral constraints

These factors materially constrain YIAPL's ability to independently build traffic and revenues, thereby elevating project-specific risk.

The Authority, in its paper, while acknowledging the proximity of YIAPL to Indira Gandhi International Airport (Delhi), has indicated that this risk is mitigated by factors such as expected traffic spillover from Delhi, airline MoUs and projected growth in both domestic and international traffic.

In this regard, it is respectfully submitted that the above considerations do not adequately mitigate the underlying competitive and demand risks for the following reasons:

- The anticipated spillover of traffic from Delhi is contingent upon capacity constraints and airline network decisions, both of which are inherently uncertain and outside the control of YIAPL. Such spillover, therefore, cannot be treated as assured demand.
- Further, Delhi airport itself has planned capacity expansion initiatives, which are expected to augment its ability to accommodate future traffic growth. This would reduce the likelihood and quantum of traffic spillover to YIAPL, thereby weakening the basis for assuming assured demand from such spillover. The MoUs entered with airlines are non-binding in nature and reflect intent rather than firm commitments. As such, they do not provide visibility or certainty on actual traffic realisation in the first control Period for DXN. While the Authority has highlighted strong projected growth in traffic, it is submitted that projections, by their very nature, are subject to significant uncertainty, particularly for a greenfield airport competing with a well-established airport.
- Importantly, the proximity to Delhi airport introduces structural competitive constraints, including airline preference for established hubs, passenger inertia, and network concentration effects, which limit YIAPL's ability to independently capture and sustain traffic. Accordingly, while the factors cited by the Authority may support a positive long-term outlook, they do not eliminate the near- to medium-term idiosyncratic risks associated with competitive positioning. In view of the above, it is submitted that the proximity to Delhi airport continues to represent a material idiosyncratic risk, which warrants appropriate recognition in the determination of cost of equity.

In view of above, we request the authority to consider the study conducted by IIM Ahmedabad specifically for YIAPL when determining the cost of equity, taking into account the unique context of a greenfield airport with 100% FDI operating within a dual-airport framework.

4.2 Cost of Debt

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

Vide para 6.2.4, the Authority has mentioned that while the original term loan carries an interest rate of 6-month MCLR plus 155 bps, and the additional funding is contracted at 6-month MCLR plus 150 bps, SBI 6-month MCLR plus 150 bps is a reasonable benchmark for NIA.

Authority has proposed considering cost of debt to be 10% as submitted by YIAPL for the purpose of computation of FRoR for the First Control Period for Noida International Airport. The Cost of Debt shall be trued up based on actual (or) SBI 6-month MCLR plus 150 bps (whichever is lower), at the time of determination of tariff for the Second Control Period.

YIAPL response:

With reference to Para 6.2.4, YIAPL hereby submits that applicable interest rate for additional debt is 6-month MCLR plus 155bps which post COD will be 6-month MCLR plus 150 bps,

considering rating of "A". Considering the 6-month MCLR on 15th December 2025 i.e 8.60, the cost of debt is to be considered as 10.10%. We request authority to kindly consider the cost of debt as 10.10%.

Regarding the proposal of authority w.r.t true up of cost of debt, YIAPL draws attention of Authority to its financial agreement in terms whereof, cost of debt is 6 month MCLR plus 150 bps considering rating of "A" which will improve by 50 bps with every increase in rating to "AA" and "AAA" respectively. However, considering the uncertainty due to geo-political issues and the resultant macro-economic and monetary factors, there is a possibility wherein the rating of the company may get down by some notch. This will cause YIAPL's cost of debt to increase, which will be assessed by YIAPL's lenders upon happening of such an event (as per financing documents).

YIAPL requests Authority to consider the true up of Cost of Debt for the above reasons, being outside the control of YIAPL.

5. Inflation for the First Control Period:

5.1 Rate of Inflation

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

Vide Para 7.2.4 , Authority has proposed the inflation as 3% whereas YIAPL submission considered inflation as 4.27%.

YIAPL response:

Authority has proposed the inflation based on the assumptions drawn on the projections from the 98th round of the Reserve Bank of India Survey of Professional Forecasters (SPF) conducted in January 2026.

However, the SPF projections reflect baseline macroeconomic expectations prevailing at the time of the survey and do not consider the recent escalation of conflict in middle east that has significantly altered global commodity markets, particularly crude oil prices and shipping costs.



Source: <https://tradingeconomics.com/commodity/brent-crude-oil>

While the Fuel & Power component has ~13% weight in WPI, oil price increases also feed into manufacturing WPI, which has the largest weight in the index. These cost pressures propagate through supply chains and raise wholesale prices of manufactured goods, creating broader inflationary effects beyond the fuel component.

As per a more recent report published by ICRA in March 2026, it estimates that for every 10% increase in crude oil prices, the WPI inflation rises by 80-100 bps and that an alarming increase in crude oil prices could pose a significant risk to WPI inflation projections.

. In the face of constantly evolving and unprecedented geopolitical developments, relied solely on projections from 98th round of Reserve Bank of India Survey of Professional Forecasters, may not be adequately reflect the latest macroeconomic realities. Given that the inflation rate determined by the authority is for a forward looking 5-year term, it would be appropriate to re assess the inflation assumptions in light of the most recent market information. YIAPL humbly

submits that inflation has a material bearing on the operating cost structure of airport operations and a significant portion of airport operating expenditure is directly or indirectly linked to movement in general price levels.. Costs relating to materials, supplies and equipment, utility expenses, general and administrative expenses, and repairs and maintenance exhibit strong linkages with inflation. These cost heads are sensitive to changes in wholesale prices of energy, construction materials, industrial inputs and services and the Authority has also recognized inflation as a material input while projecting these costs. Consequently, any upward revision in the realized wholesale inflation would materially affect the operations & maintenance cost and efficiency for a greenfield airport.

In view of above, YIAPL requests the Authority to duly consider the prevailing market conditions and consider an upward revision in the projected inflation based on the above factors before issuance of final tariff order for FCP.

6. Operation and Maintenance Expenditure for the First Control Period:

6.1 Personnel Cost

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

Vide Chapter 8 regarding Personnel Cost the Authority has compared the average cost per employee for NIA with other airports.

YIAPL response

YIAPL hereby submits that a like-to-like comparison of personnel cost per employee across airports is not appropriate without due consideration of the distinct operational and structural characteristics of Noida International Airport, as set out below:

- **Organization built from Zero:** The airport has had to build its team from scratch, including onboarding experienced and highly skilled personnel from different cities and airports. At NIA, more than 50% of the resources recruited so far are relocated from different cities and airports. This has necessarily led to higher compensation levels along with associated relocation and talent acquisition costs, particularly in the initial years of operation.
- **Single/sole Airport of group:** NIA is effectively a standalone operating entity and does not benefit from the extent of centralized group functions or shared corporate manpower costs that may be available in larger airport groups. Therefore, personnel costs that may be absorbed or apportioned at a group level in other cases are required to be directly borne at the airport level in NIA's case.
- **Location Constraints and Higher Cost per FTE:** The relatively higher cost per FTE is influenced by market realities such as strong demand for skilled aviation personnel, the greenfield nature of the project, the new company set-up, and the location-related challenges associated till the area/development matures with attracting and retaining resources.

The average cost per employee at mature and larger airports is also influenced by the composition of their workforce. Such airports typically have a significantly larger employee base, including a higher proportion of operational, supervisory and support staff at relatively lower compensation levels. The presence of this broader base of lower-cost employees naturally reduces the overall average cost per employee. In contrast, at a greenfield airport such as NIA, particularly in the initial years, the employee base is relatively smaller and more heavily weighted towards managerial, technical and specialist roles required for set-up, commissioning and stabilization of operations.

As a result, the average cost per employee at NIA is structurally higher and is not directly comparable with that of larger and mature airports and with airports belonging to one group.

Further, with reference to para 8.2.29, the Authority has mentioned that no detailed computation supporting the average CTC of INR 0.25 crore has been provided. In this regard, YIAPL submits that such detailed computations were not included in the O&M study due to the confidentiality of the underlying data. However, the figures are based on actual costs incurred, and all requisite information has been duly shared with the Authority.

Additionally, YIAPL would like to highlight that in Table 79, the Authority has already captured the average CTC at the departmental level as provided by YIAPL during the tariff determination process. In light of the confidentiality provisions outlined in the MYTP, we respectfully request the Authority to remove the department-wise average CTC details from Table 79 in the final tariff order.

Insurance for Employees:

YIAPL hereby requests Authority to consider the cost towards insurance for employees which includes group health insurance as INR 3 Crores per annum for Y1 and with further escalation in the subsequent years. The said insurance was not considered by YIAPL during the MYTP submission. Basis the group insurance policy executed and actual cost of Insurance, YIAPL has proposed the same and requesting authority to consider.

YIAPL Comments and submission on the Employee Head Count Ratio(EHCR) :

During MYTP and interim submissions, NIA has submitted the details of manpower and personnel cost basis the projected functional requirements. Now with improved visibility and the stabilization of manpower as NIA approaches operationalization, NIA hereby shares the updated employee head count along with corresponding departments and bifurcation towards aeronautical, non-aeronautical and common as Annexure C and requests Authority to consider the same before issuance of final tariff order.

Any additional information relating to the roles and responsibilities of the department or personnel concerning EHCR will be provided to the Authority, if required.

In view of the above submission, we request the Authority to consider the average cost CTC submitted by YIAPL as representing the actual cost incurred, in light of the reasons outlined above and to accordingly consider the revised EHCR as submitted, at the time of issuance of the final tariff order.

6.2 Contracted Services (Manpower Outsourcing Cost)

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

Vide paras 8.2.39 to 8.2.46, the Authority has proposed manpower outsourcing cost & its escalation as "Personnel Cost" and classification of manpower outsourcing cost has been drawn basis the EHCR.

YIAPL response

YIAPL hereby submits that with MYTP submission and various interim submission, YIAPL has shared comprehensive details of outsourced manpower cost, At the stage of MYTP, YIAPL has projected the manpower cost for the following heads of expenses:

Trolley Management	Landside Security
Guest Relation Executives	Wildlife Management
Obstacle Management	IT Services
Terminal Operations Executive	Medical Facilities
Civil Infrastructure	Housekeeping & Facility Management
Horticulture	

The details of these contracts such as housekeeping, horticulture, and obstacle services were already shared with the Authority and residual significant value contracts/agreements have also been executed at this stage. YIAPL request authority to consider the revised outsourcing cost towards IT services, Wild life management and landside security totaled as INR 27.9 Crores per annum basis the awarded contract and with further escalation for the subsequent years.

At the time of awarding contracts, YIAPL adopted a hybrid model to improve efficiency and optimize costs. Under this model, each contract includes manpower, materials, and machinery as a single package. Accordingly, contracts for services such as housekeeping, horticulture, civil infrastructure and medical facilities have been awarded on a hybrid basis.

It is important to note that contracts like housekeeping, horticulture, medical services, civil maintenance etc include not only manpower but also all materials and machinery required by vendor/contractor to perform the jobs. Therefore, these contracts should not be treated as pure manpower outsourcing as the cost composition towards material and machines are also significant.

For outsourced manpower costs, the Authority has drawn comparisons with other airports (MOPA, Goa, and HIAL) without considering the contract structure adopted by YIAPL. YIAPL would like to highlight that in the case of HIAL and MOPA, housekeeping expenses are not included within outsourced manpower costs and are instead accounted for under a separate head of Operation & Maintenance expenses. Further, for outsourced manpower costs, the Authority has also derived aeronautical and non-aeronautical cost ratios based on EHCR.

However, as explained above, YIAPL's contracts are hybrid in nature and include manpower, materials and machinery. Therefore, the basis of comparison used by the Authority is not appropriate.

YIAPL requests Authority to kindly consider housekeeping, medical facilities & horticulture basis the contract awarded as separate O&M expenses.

As regards the contract for medical services, the same has already been shared with the Authority. The scope of this contract includes ambulances, rescue equipment, and medical personnel. Therefore, benchmarking this cost as pure manpower outsourcing is not appropriate. These medical service costs are mandatory for the airport operator under applicable regulations and should be treated as 100% aeronautical expenses.

After recovery of CAM charges from concessionaires, expenses under manpower outsourcing are solely related to aeronautical operations at the airport. Therefore, YIAPL requests the Authority to kindly consider these expenses as 100% aeronautical while issuing the final tariff order.

6.3 Repairs and maintenance Cost & Common Area Maintenance (CAM) Recovery

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

Vide Para 8.2.47, Authority has proposed CAM as deduction from outsourced manpower cost to determine the net manpower expenses. Vide Para 8.2.110, Authority has directed YIAPL to share the awarded contracts/agreements.

YIAPL Response :

YIAPL hereby furnishes its submission on Common Area Maintenance (CAM) as below :

For the maintenance of common areas at NIA, YIAPL will levy Common Area Maintenance (CAM) charges on its concessionaires. These charges will be determined in a reasonable and non-discriminatory manner. At the time of the MYTP submission, adequate visibility with respect to CAM charges was not available. However, as part of the interim submission, YIAPL has submitted the relevant details pertaining to CAM charges to the Authority. Further, YIAPL submits that CAM charges will be recovered under two categories:

- Common Infrastructure Service Cost (CISC): Applicable to concessionaires located outside the terminal building, such as hotel, fuel farm, and IFK for usage of common infrastructure.
- Common Area Service Cost (CASC): Applicable to all concessionaires occupying spaces within buildings such as the terminal, Office Block West, AMB, etc.

These charges will be recovered from both aeronautical and non-aeronautical concessionaires for the regular use of common infrastructure and facilities at the airport.

It is clarified that CAM charges represent an indirect recovery of YIAPL's operation and maintenance expenses, including housekeeping, security, civil works, HVAC, engineering and maintenance, personnel cost and the use of common equipment and systems.

YIAPL has already shared the required details of CAM charges with the Authority. Additionally, now with more clarity based on operational insights and executed agreements for CAM recovery, YIAPL is submitting the updated CAM recovery as INR 7.2 Crs per annum.

In view of the above, all recoveries from concessionaires for the use of airport infrastructure have already been accounted by YIAPL in form of CAM. As per para 8.2.51, the Authority has adjusted the total projected CAM from outsourcing costs and further applied the aeronautical and non-aeronautical ratio.

This results in duplication, as the aero/non-aero ratio is being applied again on the residual costs, which are directly related to aeronautical operations at YIAPL.

After recovery of CAM charges from concessionaires, expenses under O&M heads such as repairs and maintenance, IT and manpower outsourcing are solely related to aeronautical operations at

the airport. Therefore, YIAPL requests the Authority to kindly consider these expenses as 100% aeronautical while issuing the final tariff order.

Lastly, vide para 8.2.110, Authority has directed YIAPL to submit the contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process. YIAPL hereby submits that basis the revised contracts R&M cost towards Airport systems, other systems, R&M related to MEP and electricals amounts to Rs 86.14 Crs for the FY27. This doesn't include R&M cost towards IT systems and annuity for UaaS.

YIAPL requests Authority to consider the above submissions while issuing final tariff order for FCP.

6.4 Insurance

YIAPL submission:

At the time of MYTP, YIAPL submitted insurance cost estimates based on benchmarks from HIAL, DIAL, and MIAL, calculated at 0.05% of the gross block. With improved visibility, along with detailed discussions with the insurance provider, YIAPL now submits a revised insurance cost of INR 8 crores per annum, subject to an annual escalation of 8%. Insurance requirement for YIAPL is driven by the scale, seismicity of location of the airport, nature, and evolving risk profile of the project.

As a greenfield airport, YIAPL is also exposed to heightened probability of loss events, particularly from natural perils such as heavy rainfall and flooding, which directly influence underwriting assessments and premium outcomes. The insurance program accordingly requires comprehensive coverage at appropriate limits, including property damage and catastrophe risks, where market rates which are currently competitive, remain subject to sharp upward corrections in hardening cycles.

In addition to asset related risks, a significant portion of the insurance program comprises reinsurance driven liability covers, including Airport Operator's Liability, cyber insurance, and terrorism/war risks. These covers are highly sensitive to global market conditions, including geopolitical developments, large aviation losses, and evolving cyber threat landscapes. In particular, cyber insurance for aviation infrastructure is subject to stringent underwriting, treaty exclusions, and limited market capacity, often resulting in elevated premiums. Further, recent global trends have necessitated broader coverage such as war risk extensions, adding to the overall cost. These elements are not directly linked to asset value and contribute materially to the overall insurance spend.

YIAPL operates as a standalone airport, unlike other private operators operating multiple airports in India, who benefit from portfolio-based insurance structures across multiple airports, enabling diversification and better pricing leverage. This structural difference results in relatively higher premiums for YIAPL due to concentrated risk exposure.

Further, inflation (or rather escalation of premium) in the insurance sector is driven by claims experience and reinsurance costs has been observed at levels higher than standard assumptions, indicating that a 3% escalation may not adequately reflect market reality. Basis the

market trend of last 5 years, Inflation or escalation is approximately 7-8%, however, the inflation considered by AERA is 3% which is nowhere close to the reality of the insurance industry.

In view of the above, YIAPL requests Authority to consider the actual assessed insurance cost of YIAPL, rather than a normative percentage of gross block, to ensure adequate and prudent risk coverage aligned with market realities.

6.5 Utility Cost

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

The Authority has stated that YIAPL's projected power requirements as submitted by YIAPL are based on a designed capacity of 12 MPPA and 24-hour operations. However, the Authority notes that in the first tariff year of the extended Control Period (FY 2026-27), the projected traffic is significantly lower than 12 MPPA, and the airport is unlikely to operate at full capacity on a 24-hours basis.

Considering the above, the Authority proposes to consider the following assumptions for power consumptions:

- FY 2026-27 – 90% of full year consumption of 120 million units
- FY 2027-28 and thereon – 120 million units

YIAPL response:

The Authority has assumed power consumption of 120 million units from FY 2027-28 onwards at a constant level. In this regard, it is respectfully submitted that YIAPL originally considered 120 million units for FY 2026-27 as the base consumption and had projected a year-on-year increase of 8% thereafter. While the Authority has, with certain adjustments, considered the projected unit consumption for the initial year, it has not appropriately accounted for the subsequent growth in consumption.

It is submitted that such an approach does not reflect the operational reality of an airport ramping up over time. As passenger traffic increases year-on-year and the airport progressively approaches and exceeds its designed capacity, power consumption would also increase correspondingly. This is on account of higher operational intensity across both airside and terminal-side activities, including increased passenger processing, terminal usage, lighting, load on HVAC systems, baggage systems, ground support

requirements, and associated infrastructure loads.

Accordingly, it would be reasonable to consider that the load on the airport's power infrastructure will increase in line with traffic growth and operational ramp-up, rather than remaining constant after FY 2027-28. In this regard, it is also pertinent to note that the traffic projections considered for the First Control Period exceed 12 MPPA within the five-year period, and in fact cross 12 million passengers in the third year itself. In such a scenario, assuming a flat level of consumption over the remaining years

would understate the actual power requirement of the airport.

Further, it is submitted that NIA is closer to operational readiness and with better visibility on the operational requirements for the usage of Diesel Generator sets and diesel consumptions thereto. Also, diesel prices have increased due to geopolitical tensions affecting trade and supply. It is pertinent to note that, at the beginning of the year, MCX crude oil futures prices were in the range of Rs. 5,000 to Rs. 6,000 per barrel and have since shown an upward movement because of the situation in the middle east.



Source: https://groww.in/charts/commodities/mcx_crudeoil

Since diesel constitutes a key input cost for DG operations, the expected increase in fuel prices in the short to medium term may have a material impact on DG-related expenditure. It is therefore requested that the Authority should take into consideration the revised diesel cost of Rs 10 Crs in the first year with an increase of 10% in further years while issuing the final tariff order.

Lastly, it is submitted that recovery from concessionaires has been considered aggressively by Authority whereas YIAPL, in its submission, has mentioned a tentative recovery of power at 30% in first year of operation with a gradual increase in subsequent years.

Given that utility recovery is consumption-based, YIAPL requests the Authority to consider adopting the recovery percentages as proposed by YIAPL in its MYTP submission.

6.6 Advertisement Cost

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

Vide para 8.2.115 Authority has proposed the advertisement cost for NIA for First Control Period

YIAPL submission:

At the time of MYTP submission, the advertisement and marketing expense was submitted at Rs. 3.61 crore as recurring cost, based on the estimates and scope identified at that stage.

MYTP Submission	FY26	FY27	FY28	FY29	FY30
Advertisement Cost	3.61	3.68	3.86	4.05	4.25

Subsequently, basis the readiness towards the airport’s operationalization and promotional requirements, the earlier projected numbers are revised basis the airport’s ongoing marketing and traffic development strategy which was not appropriately captured in the earlier submission. The revised submission is tabulated as below:

Updated Value	FY27	FY28	FY29	FY30	FY31
Advertisement Cost	9.18	9.64	10.12	10.63	11.16

The revised advertisement expense includes expenditure towards website content and digital assets, SEO/SEM, creative and social media support and festive and seasonal passenger engagement initiatives, among other recurring communication and outreach requirements.

It is further submitted that, as part of YIAPL’s ongoing marketing and traffic development strategy, the airport has entered MoUs with airlines, pursuant to which YIAPL is estimated to incur a joint marketing expenditure of Rs. 3 crore per annum. This expenditure is critical for collaborative promotional initiatives with airline partners, traffic stimulation, and route development support, and was not adequately reflected in the earlier submitted recurring expenditure.

Further, the one-time launch expense approved by the authority is Rs. 6 crore vis-à-vis 12 crore submitted. The proposed launch cost is very crucial for a greenfield airport operating in dual airport region to establish market presence, drive awareness and demand, and effectively compete within an already contested catchment. The revision is projected basis the latest discussions with vendors, and reflects the required expenditure on communication, awareness, and visibility initiatives at the time of airport operationalization.

The Authority has drawn parallels with Bangalore and Mopa airports while comparing the advertisement costs of NIA. In this regard, it is respectfully submitted that a more appropriate comparison would be with Delhi Airport, which had submitted and was allowed substantially higher advertisement and sales promotion expenses in its Fourth Control Period Order.

As noted in paragraph 9.2.61 of Consultation Paper No. 07/2024-25:

“DIAL also submitted that in order to protect the interest of the Airport considering the competition from the upcoming Noida International Airport, DIAL projected to incur expenditure for attracting the passengers by way of various advertisements highlighting passenger experience, facilities, service quality and ratings of the Airport. Thus, DIAL has projected Advertising expenditure based on passenger traffic growth and inflation.”

It is submitted that if such expenditure was considered justified for Delhi Airport in light of the competitive impact of the upcoming Noida International Airport, then the converse should equally hold true for NIA, which, being a greenfield airport, is required to establish its market presence, build awareness, stimulate traffic and compete in an already contested catchment.

Considering the competitive environment faced by Noida International Airport, together with its greenfield nature, it is respectfully requested that the Authority allow the advertisement and marketing expenses in line with above submissions.

6.7 CNS ATM Expenditure

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

Vide para 8.2.154 and 8.2.157 Authority has proposed to not consider the component of 30% overheads and has also proposed to adjust the TNLC charges of the respective year against the CNS ATM expenses of the same year.

YIAPL's Response

Clause 22.1.1 of the Master Concession Agreement mandates YIAPL to appoint Designated GOI Agencies for the Reserved Services which includes CNS/ATM services. YIAPL hereby requests Authority to adjust TNLC as per the CNS/ATM Agreement executed between YIAPL and AAI. The proposal set forth by Authority will lead to an impact on the cashflows of airport operator as AAI will allow the adjustment to TNLC In subsequent year.

Further, in addition to CNS/ATM services, YIAPL has entered into an agreement with the India Meteorological Department (IMD) for provision of Aviation Meteorological Services in accordance with ICAO guidelines. Under the terms of this agreement, YIAPL is required to bear the cost of salaries, accommodation, conveyance, as well as procurement and maintenance of all the equipment requirements for such services. These costs were not factored into the MYTP submission.

Basis the cost estimates received from IMD , Cost towards their services will be Rs 5 Crores per annum. Since these costs pertain to reserved services, it is respectfully requested that the Authority consider and allow the same.

Further, YIAPL requests Authority to allow actual cost incurred with reference to reserved services by airport operator as the same are mandatory in pursuance of executed agreements.

As regards the proposed disallowance of 30% overheads claimed by AAI, YIAPL strongly requests the Authority to consider the issue from YIAPL's perspective. We have a situation where one statutory authority (AAI) claims an amount basis an agreement and monopoly over which YIAPL has had no bargaining or negotiating power to question or push back on any of these costs. On the other hand, another statutory authority (AERA) questions the same cost and proposes to disallow the same. This leads to only two choices for YIAPL: submit to the proposal of the Authority and dispute the payment of such costs with AAI OR request Authority to take cognizance of this situation and allow the cost in its entirety. YIAPL earnestly hopes that the Authority would adopt the latter approach and help in avoiding an unnecessary dispute like situation.

6.8 IT Cost

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

Vide para 8.2.115, Authority has proposed the IT costs for NIA for First Control Period

YIAPL's Response

During MYTP submission, YIAPL submitted the IT cost based on the estimates. Subsequently, with finalization of contracts, with better visibility on operational IT requirements, and identification of certain additional systems and services necessary for safe, secure, and efficient airport operations, the IT cost requirement has been revised. The updated costs now reflect actual contracts, committed scope and detailed assessment of IT requirements across various categories. Basis the contracts executed, updated IT cost for FY 2026- 27 is Rs. 28.26 Crores with an escalation in the subsequent years in the First Control Period. YIAPL requests Authority to kindly consider the same while issuing tariff for First Control Period.

Digital Cost :

YIAPL, being a digitally driven greenfield airport, has envisaged and implemented multiple digital initiatives such as ServiceNow, Human Resource Information System (HRIS), and Engineering & Maintenance (E&M) ticketing software with the objective of optimising resources and enhancing overall operational efficiency. These digital platforms are integral to modern airport management and support effective manpower planning and deployment, asset and maintenance management, and structured handling of incidents and service requests across airport operations. The adoption of such systems enables streamlined workflows, improved response times, enhanced operational visibility, and better governance through system-driven controls and audit trails. The expenditure incurred towards these digital initiatives is recurring in nature, being aligned with licensing, subscriptions, and ongoing usage of the platforms, and is necessary to sustain efficient, technology-enabled operations. Further, the deployment and continued use of these systems are in line with industry best practices adopted by comparable airports, facilitating reliable, safe, and efficient airport services. YIAPL hereby requests authority to consider digital cost per annum as Rs. 9.98 Crores for year 1 with an inflationary escalation in the corresponding years.

7. Non Aeronautical Revenue (NAR) for the First Control Period:

7.1 Classification of MRO by authority

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

Vide Para 9.2.117 Authority has proposed the classification of MRO services as aeronautical.

YIAPL Response:

In YIAPL's careful consideration and submission, the proposal of Authority to classify MRO services as aeronautical amounts to a "regulatory shock" and an abrupt u turn. Needless to state, an investor or potential investor seeks policy clarity and stability to create robust business plans and outlook for future. To put it mildly, the instant proposal of Authority is disruptive with all its negative connotations. Conscious of the wide-reaching ramifications of the instant proposal for the airport operators in general and NIA in particular, YIAPL engaged with **Hon'ble Dr. Justice D Y Chandrachud, former Chief Justice of India** seeking an independent opinion on the issue arising out of the instant proposal of the Authority. YIAPL places on record the extract of legal opinion in the expectation that the Authority will give due consideration and respect to the opinion expressed therein.

It is abundantly clear from the aforesaid legal opinion that the present proposal of Authority is devoid of any legal basis or ground whatsoever and stands out as a departure from the known and articulated stand of Authority on the issue. For the sake of brevity, Authority may take note of the following broad conclusions on this issue:

- The definition of "aeronautical services" under section 2(a) of AERA act is specific and exhaustive and MRO facilities do not sit within the services enlisted in any of the clauses of section 2(a).
- The present proposal deviates from the stand of Authority in earlier tariff orders where rentals from MRO facilities assigned to third party service providers have been classified as "non aeronautical" revenues.
- The proposal is at variance with the guidance of ICAO, itself invoked by the Authority as principles influencing the determination of tariff.
- The proposal is in stark variance with the judicial precedents in terms whereof the Authority must ensure regulatory consistency in adherence with the statutory framework. The colour of revenue from aeronautical service can not get changed to that of revenue from non aeronautical service by an act of delegation or leasing out by the Concessionaire.
- Granting of rights to third party MRO service providers and thus receipts therefrom are passive undertakings. The consideration so received by YIAPL is a consideration for the said rights and not to be equated with a "service" rendered.

The conclusion derived from the aforesaid legal opinion, notwithstanding, the present proposal of Authority is beyond YIAPL's comprehension for the following twin reasons:

- (a) The practice of treating MRO as a non-aeronautical activity is well entrenched globally across various airports including Zurich Airport, managed and operated by ZAIA.
- (b) AERA itself has on a previous occasion categorically mentioned MRO as non aeronautical. In this regard, reliance is placed on the minutes of meeting held on 11.12.2025 and convened by Ministry of Civil Aviation (ER Division). The said minutes are placed on record hereby vide Annexure D.

In light of the aforesaid submissions, grounded on facts and law, YIAPL strongly urges the Authority to withdraw the proposal in the interest of Airport operators in general and NIA in particular. This would be a much-needed step in the interest of regulatory clarity, stability and investor confidence in the aviation ecosystem already facing strong challenges in the face of global and local headwinds.

7.2 Determination of revenue of MRO for first control Period

[Authority’s consideration and proposal put forth in Consultation Paper:](#)

Vide Para 9.2.115, Authority has proposed the revenue for MRO by applying IPP with the Authority proposed traffic without consideration of area wise revenue computation submitted by YIAPL.

YIAPL Response and Submission:

Without prejudice to YIAPL contentions and legal position vis a vis MRO as elaborated in the preceding para, YIAPL submits that revenue from MRO was projected at INR 321 crore in the MYTP submission, which was arrived at basis the land monetization plan after considering the area and projected rates. Subsequently, based on market outreach, discussions, and responses received from prospective partners, YIAPL revised the MRO monetization plan and accordingly revised the revenue projections to INR 222 crore for the First Control Period. The revised projections were duly shared with the Authority as part of the interim submission.

YIAPL strongly contests the methodology adopted by AERA for determination of MRO revenue based on IPP, as MRO is an independent activity and the projected income constitutes passive income arising from land monetization. Such income has no linkage to airport traffic or aeronautical activities at NIA. Further, Basis the updated discussions and ongoing market outreach, YIAPL hereby submits the revised revenue for MRO as INR 115 Crores for the first control period as tabulated below:

Financial Year	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
MRO Revenue (Rs. Cr)	NIL	NIL	27	43	45

In view of the above, YIAPL respectfully requests the Authority to consider MRO revenue in line with YIAPL's updated submissions.

7.3 Classification of IWLZ by authority

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

Vide Para 9.2.16 Authority has proposed to consider 75% of IWLZ services as aeronautical services.

YIAPL Response :

YIAPL notes that Authority's proposal is based on the premise that 75% of IWLZ facility will be functionally linked to the operations of the Cargo terminal and hence classified as aeronautical in nature while balance 25% is expected to be independently utilized by third parties, not dependent on the cargo facility. YIAPL is afraid that this proposal of Authority lacks appreciation of the facts and nature of proposed IWLZ facility. The Authority has failed to take cognizance of wide divergence between the key terms of ICT Concession Agreement and IWLZ Concession Agreement as also the fact that as of the date of this response, the construction works on IWLZ facility is yet to commence. YIAPL seeks indulgence of Authority to peruse the legal opinion referred to in the earlier para wherein specific query related to IWLZ facility has been opined. YIAPL is hopeful that the Authority would find it crystal clear that:

- ICT & IWLZ Concession Agreements are independent agreements where the latter scope is confined to developing the warehousing zone, logistics park and trucking zone and integrating it with the Cargo terminal as opposed to undertaking cargo handling functions itself. (also see Note 1 below)
- IWLZ facility is merely in aid of the cargo ecosystem, cargo facilities being specifically categorized as aeronautical services under section 2(a) of AERA Act and ICT services being mandatory for handling cargo operations at the airport.
- The aeronautical service within the ambit of "cargo facilities" is undertaken by ICT Concessionaire only.
- The use of 75:25 ratio in making the allocation is a random basis without any stated logic or reasoning.
- The proposal of Authority contradicts the judicial precedent on the subject more specifically the TDSAT case of GMR Goa International Airport Limited vs Airports Economic Regulatory Authority of India.
- Upfront fee, License fee, CAM charges and Utility charges to be earned from the IWLZ facility can not be characterized as "aeronautical revenue"
- The proposal of Authority to allocate 75% of revenues under the head "aeronautical revenues" disregards the fact that YIAPL is merely receiving passive income in the nature of rental income from IWLZ Concessionaire.

YIAPL strongly requests the Authority to take note of the above submissions, appreciate the unique nature of IWLZ facility and withdraw the proposal in its entirety.

Note 1: YIAPL also notes that the Authority has attempted to include revenues under the IWLZ Concession Agreement on the premise that :

- (a) "Cargo Facility" as defined in the Master Concession Agreement along with obligation of YIAPL contained in Articles 21.1.1 and 21.1.2 includes "short term warehousing".
- (b) The scope of services of IWLZ Concession Agreement includes warehousing.

In YIAPL's view this approach of Authority is selective reliance on provisions of Master Concession Agreement ignoring the simple practical reality that ICT facility, by its very nature, is designed to provide short term warehousing. Even otherwise, under Schedule A of ICT Concession Agreement, the ICT Concessionaire is obligated to provide storage facilities, the extract whereof is reproduced below:

Quote

The ICT Project Concessionaire shall ensure that adequate storage facilities (including special facilities such as temperature control, dangerous goods storage, strong room for valuables, dedicated space for oversized cargo and other special facilities) are always made available in the ICT Facility as detailed in Schedule B. However, the ICT Project Concessionaire should appropriately supplement the capacities as needed.

Unquote

7.4 Determination of revenue of IWLZ for first control Period

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

Vide Para 9.2.17 Authority has proposed to consider upfront fee payments as commencing from Airport COD and accruing evenly over the concession period irrespective of the actual payment dates.

YIAPL Response:

YIAPL has awarded the concession for the Integrated Warehousing & Logistics Zone (IWLZ) at NIA to AISATS Noida Logistics Park Private Limited (IWLZ Concessionaire) through a competitive bidding process on a DGFOMT basis. In consideration of the rights granted to the IWLZ Concessionaire under the *Concession Agreement for Integrated Warehousing & Logistics Zone dated 30 May 2023*, executed among YIAPL, AISATS Noida Logistics Park Private Limited, and Air India SATS Airport Services Private Limited (IWLZ Concession Agreement), to undertake the construction, operation, maintenance, and management of the IWLZ facility for the duration of the concession, YIAPL received an upfront fee from the IWLZ Concessionaire.

The extract of concession agreement (IWLZ) has been reproduced below:

**ARTICLE 24
PAYMENTS TO YIAPL**

24.1. PAYMENTS

24.1.1. In consideration of the IWLZ Project Concessionaire being granted the right to undertake construction, operations, maintenance and management of the IWLZ Facility on a design, build, finance, operate, transfer basis, forming part of the IWLZ Concession Rights, subject to and in accordance with the Agreement, the IWLZ Project Concessionaire agrees to pay Upfront Fee to YIAPL in accordance with Paragraph 1 of **Schedule L** of this Agreement.

Without prejudice to YIAPL's contentions in the preceding para and as evident, YIAPL has granted rights to the IWLZ Concessionaire over the entire tenure of the concession agreement encompassing all phases from pre-construction to operation and maintenance of the concerned facility.

This upfront fee has been recognized as revenue by YIAPL on a straight-line basis over the tenure of the IWLZ Concession Agreement, in accordance with the terms of the agreement and applicable accounting standards.

However, the Authority has not taken cognizance of the above facts, including the fact that construction of the IWLZ facility has not yet commenced and the requisite infrastructure will not exist as of the airport's COD. As the facility/infrastructure will not be available on Airport COD, linking revenue recognition to the airport COD is wholly inappropriate and contrary to the terms of the IWLZ Concession Agreement as well as the governing accounting standards.

In view of above, YIAPL requests Authority to consider the revenue from IWLZ as submitted by YIAPL.

7.5 Other Incomes

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

Vide Para 9.2.146 , the Authority has proposed to consider other income at the time of tariff order after considering the submissions made by YIAPL.

YIAPL Response and submission:

During MYTP submission, YIAPL submitted the other income from two sources i.e. Interest on cash balance and Interest on Debt Servicing Reserve Account (DSRA).

With the evolved financial planning, YIAPL hereby submits the following vis a vis other income:

A) Interest on Cash Balance:

As mandated by the YIAPL's internal policy and financing agreement, the YIAPL invests only in AAA portfolio debt instruments in the market namely, overnight and liquid mutual funds. The historical return on these investments is around the repo rate which is in the range of 4.5-5% at present. In view of this, YIAPL requests Authority to consider projected Interest Income at the rate of 4.5%.

B) Interest on Debt Servicing Reserve Account (DSRA):

In pursuance of financing agreement, YIAPL is required to maintain a DSRA in relation to debt servicing obligations from COD. The DSRA requirement was originally proposed to be maintained as a cash deposit with State Bank of India.

To improve liquidity and financial planning, YIAPL now intends to replace the cash-backed DSRA with a bank guarantee/standby letter of credit, which will eliminate interest income on the DSRA balance. In view of this, there will not be any interest income from DSRA in the First Control Period.

YIAPL requests Authority to consider the above while issuing final tariff order for First Control Period for NIA.

7.6 Non-Aero Revenue for First control Period from Miscellaneous Segments

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

Vide Para 9.2.24, 9.2.43, 9.2.50, 9.2.62, 9.2.73 & 9.2.2 Authority has made revisions to YIAPL's submissions of non- aero revenue from few segments for First Control Period.

YIAPL response:

It is pertinent to note that since the operations are yet to start and YIAPL is yet to establish a catchment, there is limited visibility on the revenue streams from non-aeronautical sources. Considering the volatility and uncertainty for a greenfield airport, It is requested that Authority considers the non-aero revenue basis the submissions made to the Authority, and which will be further trued up in second control period basis the actuals.

7.7 Data & Voice Port Charges

Authority's consideration and proposal put forth in Consultation Paper

Vide para 9.2.2, the Authority has included Data & Voice port charges as 1% of NAR in the NAR projections.

YIAPL response

It is respectfully submitted that the Authority's assumption of 1% is significantly higher than the revenue likely to be realised under this head. The income from these charges is expected to be minimal.

Given the limited visibility at this stage regarding the actual revenue that may accrue from such charges, it is requested that the Authority consider the same on an actual basis at the time of true-up for the First Control Period.

7.8 : Minimum Threshold proposed by Authority for NAR

Authority's consideration and proposal put forth in Consultation Paper

As noted in para 9.2.157, the Authority has acknowledged YIAPL's submission regarding the sensitivity of Non-Aeronautical Revenue (NAR) and the inherent risks associated with greenfield airport projects. However, the Authority has proposed to carry out a true-up based on actuals at the time of tariff determination for the next control period, subject to the minimum threshold specified in Table 208.

YIAPL Response

We appreciate that Authority has duly considered YIAPL's submission on the sensitivity of NAR and risk associated thereto with the greenfield airport projects. However, notwithstanding the acknowledgment of these risks by Authority, also emphasized by NIA, the Authority has proposed a minimum threshold for NAR revenues, deeming it applicable in the case of NIA.

In this context, YIAPL respectfully requests the Authority to consider the rationale for not imposing any minimum threshold during the first control period of Noida International Airport, as outlined below:

a) High Volatility in Non-Aero revenue for a Greenfield Airport:

YIAPL has submitted projections for non-aero revenue based on the awarded concession; however, a degree of volatility remains intact. The performance of non-aero concessions is influenced by various underlying factors such as traffic, customer preferences, and choices, which are difficult to reliably estimate for a greenfield airport during the First Control Period due to the absence of historical data and established trends.

Below are the key risks posing significant challenges for non-aeronautical revenue at Greenfield Airport:

Traffic Ramp-Up and Unpredictability: For a greenfield airport, passenger traffic typically develops gradually over several years, while airline route expansion remains dynamic and demand-driven. Additionally, external factors such as geopolitical disruptions, aircraft delivery delays, and global events can materially influence traffic patterns. Consequently, traffic forecasts carry a higher degree of uncertainty, which in turn directly affects the reliability of non-aero revenue projections.

Limited Historical Data and Consumer Insights : DXN is yet to commence operations, and therefore no airport-level consumption data is available. Unlike established airports, where category performance is well understood, greenfield airports must progressively discover and adapt to evolving customer behavior over time.

Passenger Demographics and Behavioral Constraints: Given the airport's hinterland location and its proximity to cities such as Palwal, Jewar, Mathura, and Vrindavan, a higher share of first-time flyers and rural consumers is expected to use Noida International Airport. In comparison to urban centers like New Delhi, Noida, and Gurugram, a relatively smaller proportion of the population in Western Uttar Pradesh is employed in the private sector, which may influence spending patterns.

Initial traffic is anticipated to be predominantly domestic and point-to-point in nature, resulting in lower dwell times. The passenger base is also likely to be relatively price-sensitive, particularly in emerging catchment areas. Additionally, international traffic, which is a key driver of higher non-aero revenue, will take time to develop and scale up. In view of above, for greenfield airports like NIA with limited diversification, such risks are more pronounced, further reinforcing the need for conservative and flexible projections rather than front-loading aggressive revenue expectations or thresholds.

b) All concessions are awarded through transparent, competitive bidding with no related-party contracts, demonstrating strong governance and transparency

Transparency and governance are core to YIAPL's approach, on same pattern all non-aero concessions awarded through a competitive bidding process. All non-aeronautical concessions at YIAPL have been awarded exclusively through open and competitive bidding processes, and no non aeronautical concession or agreement has been entered into with any related party. This approach distinctly differentiates YIAPL from prevailing practices in other airports, where non aeronautical concessions are executed with related parties.

In line with this transparent framework, YIAPL has made comprehensive submissions to AERA detailing non aeronautical revenue projections based solely on competitively awarded concessions, along with all supporting documents and assumptions. At the same time, YIAPL has transparently highlighted that, notwithstanding best efforts to achieve projected revenues, non-aeronautical revenue outcomes remain sensitive and subject to inherent risks, particularly during the First Control Period of a greenfield airport with a volatile catchment. Further, as set out in the MYTP submissions and subsequent communications, it has been clarified that the revenue assumptions under the concession model are aggressive and sensitive to multiple variables, and therefore carry a potential risk of downward revision.

In view of the above, it is submitted that the imposition of minimum thresholds may not be appropriate under the given circumstances.

c) Risk of aggressive non aeronautical Projections highlighted in MYTP and Subsequent submissions:

In Paragraph 8.1 of the MYTP submission, YIAPL stated that it has been actively exploring a range of opportunities in the non-aeronautical segment to enhance offerings for airport users. YIAPL submitted that the non-aeronautical revenue estimates are aggressive, based on expectations of a growing middle class, increasing passenger disposable income, continued market trends favoring premium products, and the ability of concessionaires to attract passengers to these services.

However, on account of the sensitivity of the non-aeronautical revenues with respect to these assumptions and challenges of a greenfield airport, there is a risk of downward revision of these forecasts.

Vide subsequent submissions, YIAPL has again reiterated that the risk of downward revision exist due to multiple reasons including but not limited to risk covered in para (i) above.

d) Reference to Hon'ble TDSATs Judgement:

Reference is drawn to Hon'ble TDSATS judgement pronounced on 11th September 2025 in the matter of MOPA, Goa, wherein it was held that Authority should not impose the minimum threshold for the non-aeronautical revenue.

In view of above and considering the volatility and above-mentioned factors, YIAPL requests Authority to true-up non-aeronautical revenues based on actuals in the second control period.

8. Taxation for the First Control Period

8.1 : Determination of Taxation

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

Vide para 10.3.1, Authority has proposed the methodology for determination of taxation for calculating the ARR for First Control Period.

YIAPL response & submission:

YIAPL hereby requests the Authority to consider that, while determining taxation for the purpose of computing the Aeronautical Revenue Requirement (ARR) in accordance with AERA Guidelines, taxation eligibility should be correspondingly enhanced to the extent of Non-Aeronautical Revenue (NAR) utilized for cross-subsidization. In line with Clause 5.5.1 of the AERA Guidelines, taxation is required to be computed after taking into consideration all incomes deployed for ARR determination. Since NAR is also used in the computation of ARR, the same ought to have been included while determining taxation.

Further, YIAPL requests the Authority to consider, for taxation purposes, not only the revenue from NAR concessions but also other income, including interest income, that has been offered for cross-subsidisation and used in the determination of ARR, in addition to taxation from other NAR streams.

In this regard, attention is invited to the judgment dated 15.11.2018 of Hon'ble TDSAT in the matter of Mumbai International Airport Limited (MIAL) and the judgment dated 14.02.2024 in the matter of Hyderabad International Airport Limited (HIAL). .

9. Quality of Service for the First Control Period:

9.1 Quality of Service

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

Vide para 11.2.4, the Authority has proposed the applicability of Consultation Paper No. 03/2025-26 dated 18 August 2025, titled "*Formulation of Performance Standards for Major Airports relating to Quality, Continuity, and Reliability of Service and Associated Activities,*" to YIAPL, as and when the same becomes effective.

YIAPL Response

YIAPL has designed its infrastructure and operational processes in accordance with the Service Level Agreements (SLAs) specified in the Master Concession Agreement. The additional proposal issued by the Authority vide CP-03/25-26 would entail further requirements for a greenfield airport.

It is submitted that, in the case of a greenfield airport, infrastructure and operational systems remain in the stabilization phase during the initial years of operations. At present, these systems have been developed based on the parameters prescribed in the Master Concession Agreement. Consequently, it would be challenging for a greenfield airport to fully meet the proposed performance evaluation parameters immediately upon commencement of operations and during the initial years.

Accordingly, it is requested that the performance evaluation parameters may be relaxed for YIAPL, being a greenfield airport, for the first five years from the start of operations to allow adequate time for system maturity and process stabilization.

10. Miscellaneous Submissions for the First Control Period:

10.1 Revenues from GPU/PCA

Authority has directed YIAPL to include the revenues from GPU/PCA as aeronautical revenues at the time of submission of the rate card during consultation process. YIAPL has submitted the revenue projections from GPU/PCA to the Authority at the time of ATP submission.

10.2 Preoperative expenses in CWIP

Authority has directed YIAPL to submit the complete details / schedules supporting pre-operative expenditure for FY 2024-25 and FY 2025-26 during the consultation process.

Year-wise details of pre-operative expenses capitalized are enclosed as Annexure A to this submission. The figures for FY 2025-26 are based on actuals up to February 2026 (unaudited) and projections for the month of March 2026. Further, the pre-operative expenditure for FY 2025-26 is unaudited and subject to revision during the statutory audit. As several activities and services are expected to ramp up closer to the COD, the actual pre-operative expenses may be higher; the same may be appropriately considered based on capitalization prior to the issuance of the final tariff order.

10.3 Contingency cost related to Capex

For contingency costs accepted by AERA, Authority has proposed reviewing the actual awarded costs relating to finalized contracts at the Tariff Order stage and consider such costs based on an assessment of their reasonableness and efficiency.

YIAPL has incurred several costs which, at the time of the MYTP submission, were only envisaged and had not crystallised with sufficient clarity. Based on these developments, there has been a revision in the project cost.

In this regard, YIAPL has furnished the details in para 3.13 of this submission. The same captures the contingencies identified at the time of the MYTP submission which have since materialised.

It is respectfully requested that the Authority consider these costs and allow the final RAB based on the capitalisation certificate issued by the Auditor at the time of capitalisation.

10.4 R&M contracts

The Authority had directed YIAPL to submit the R&M contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process.

In this regard, YIAPL submits that the revised R&M cost based on the contracts has been submitted vide para 6.3 of this submission. YIAPL has been providing R&M contracts to the Authority from time to time since the MYTP filing.

It is respectfully requested that the Authority consider the same while evaluating the R&M costs.

10.5 O&M contracts

The Authority had directed YIAPL to submit the incremental O&M contracts awarded if any, till the date of issue of this Consultation Paper during the stakeholders' consultation process.

In this regard, YIAPL submits that the incremental O&M cost as covered In chapter 6 above and contracts that have been executed since the last submission are enclosed herewith. It is respectfully requested that the Authority consider the same while evaluating the O&M costs.

10.6 CAM charges

The Authority has directed YIAPL to submit the finalised CAM charges, where available, and provide estimates for those still under finalisation as part of the stakeholder comments, so that the same may be considered in the Tariff Order.

In this regard, YIAPL submits that the CAM charges are finalised as per executed agreements, and furnished under para 6.3 of this submission.

10.7 Space Rentals

The Authority has directed YIAPL to submit the contracts pertaining to the unawarded space rentals, to the extent such contracts have been concessioned, during the consultation process.

In this regard, YIAPL submits that the major space rentals have been awarded.

10.8 Real Estate (Admin Block)

The Authority has directed YIAPL to submit the agreements pertaining to the Real Estate (Admin Block), to the extent such agreements have been concessioned, during the consultation process.

YIAPL has not entered into any agreement for Real Estate (Admin Block) at this stage. There is currently no visibility of the construction or the revenue from the Real Estate (Admin Block) in the First Control Period.

10.9 Revenue from EV Charging

With reference to Para 5.3.151 of Consultation Paper, the Authority has directed YIAPL to provide details regarding EV charging stations at the airside. In this regard, YIAPL submits that it intends to levy charges on airlines and ground handlers for the usage of airside EV charging infrastructure. However, YIAPL has also clarified that the proposed charges are expected to be nominal. Further, in the absence of any historical data, it is presently difficult to estimate the extent of usage of EV charging stations by airlines and ground handlers during the initial years.

10.10 Details on actual cost of ORAT

The aforesaid details are included in YIAPL submission of preops as covered in para 10.2 of this response.

10.11 Revision in Cargo projections

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

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

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

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

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

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

Freighter ATM projections as per YIAPL’s earlier submissions and projections:

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

Revised Freighter ATMs as per revised projections:

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

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

10.12 Note on Capitalization:

The Authority is requested to consider the Regulated Asset Base as per the capitalization certificate which YIAPL will provide to the Authority after the capitalization. The certificate will include asset-wise costs, useful life, depreciation, and aeronautical proportion of the assets, for the Authority's consideration.

It is further submitted that the EPC contracts initially subsumed costs pertaining to both movable and immovable assets. Thereafter, pursuant to the supplementary agreement executed with the EPC contractor, the assets were segregated between movable and immovable assets along with their respective costs. The capitalisation certificate will take this segregation of assets into account.

In view of the above submissions, it is respectfully requested that the Authority give due consideration to the distinct nature of these assets and their respective useful lives, as will be appropriately reflected in the final capitalisation certificate.

10.13 Consideration to straight lining of upfront fee from ICT and Fuel Farm concessions :

YIAPL hereby requests the Authority to take cognizance of its submissions regarding the straight-lining of upfront revenue received from the ICT and Fuel Farm concessions. In this regard, it is reiterated that YIAPL has granted rights to the respective ICT/Fuel Farm Concessionaires for the entire tenure of the respective concession agreements encompassing all phases from pre construction to operation and maintenance of the respective facilities. YIAPL, therefore respectfully requests the Authority to consider the submission and rationale set out in para 1.2 of this submission and to allow straight lining of such upfront revenue from the date of execution of the respective concession agreements.

10.14 Vide Para 5.3.117 , authority proposed to not consider BHS change order

YIAPL hereby request authority to refer our submission covered in paragraph 3.15. In light of same, the cost towards change order for BHS may be considered to form part of RAB.

11. Aggregate Revenue Requirement (ARR) for the First Control Period

11.1 Determination of ARR

YIAPL Submission:

YIAPL hereby requests Authority to arrive at the ARR for YIAPL after considering the YIAPL comments and submission. Further, Vide Para 12.3.2 Authority has directed YIAPL to share annual tariff proposal (ATP) within 7 days of release of stakeholder consultation paper. In pursuance of the same, YIAPL has submitted ATP with Authority considering the ARR proposed by the Authority. In view of our submission and comments here, we request Authority to grant YIAPL an opportunity to revise/refine the Annual Tariff Proposal (ATP) along with VTP, based on the final decision of the Authority, prior to the issuance of tariff order.

Regarding the finalization of tariff structure /mix, we request Authority to kindly consider that as a greenfield airport, Noida International Airport faces inherent challenges in developing its catchment area within a dual-airport ecosystem. Achieving an appropriate balance between the User Development Fee and landing and parking charges is critical to stimulating traffic growth while optimizing revenue potential. In view of these challenges, NIA has submitted its proposed tariff mix comprising UDF and landing/parking charges and respectfully requests the Authority to consider the proposed mix for Issuance of tariff order for NIA.

To support catchment development, NIA has also proposed a Variable Tariff Proposal (VTP) with the objective of attracting passengers, incentivising airline entry, encouraging the launch of new domestic and international routes, and supporting sustainable traffic growth during the initial years of operations. These measures are proposed to support sustainable traffic build-up and effective catchment development at Noida International Airport.

Annexure A: Preoperative Expenses Breakup

CWIP	From the Audited FS					Provisional FY26		Total
	2021	2022	2023	2024	2025	Till Feb'26	For Mar'26	
Personnel Cost and Intercompany Expenses	15	33	44	56	74	90	8	320
Professional Services & IT	11	13	22	20	25	39	6	136
Insurance	-	-	6	7	5	9	2	29
IE, ORAT & others	-	0	4	11	7	52	20	94
Total incl GST	27	47	77	94	111	190	35	580

Annexure B

Details of Projected Capex for Expansion & future Phase to be carried out in First Control Period for NIA

Capex Phasing of Phase II for Noida International Airport as projected below :

Year	FY 27	FY28	FY29	FY30	FY31	Total
Value(In Crs)		320	350	660	870	2,200

Note : Out of Total Capex of INR 4000 Crores envisaged for Phase II, YIAPL has projected the total capex of 2200 Crs in first control period

Capitalisation of Partial Phase II for Noida International Airport as projected below :

Year	FY 27	FY28	FY29	FY30	FY31	Total
Value(In Crs)		-	250	-	320	570

Note : Capital expenditure towards expansion of parking stands for ~250 Crs and pier expansion of ~320 crs will be capitalised in the year FY29 and FY 31 respectively

Annexure C - Personnel Cost Headcount and Classification for Noida International Airport

Details of Head Count and classification thereto for year 1	Aeronautical	Common	Non Aero	In Nos Total Head Count
No. of Employees	328	103	19	450

No. AV-29012/95/2019-E R
Government of India
Ministry of Civil Aviation
(ER Division)

"B" Block, Rajiv Gandhi Bhavan,
Safdarjung Airport, New Delhi
Dated: 23 December, 2025

Subject: Record of Discussions (RoD) of the Meeting to discuss issues related to royalty charges being levied by Airport Operators on MRO activities - regarding.

The undersigned is directed to enclose herewith a copy of the Record of Discussions (RoD) of the Meeting held on 11.12.2025 under the Chairmanship of Secretary, M/o Civil Aviation, on the issues regarding royalty charges being levied by Airport Operators on MRO activities.

2. This issues with the approval of competent authority.

Encl.: As above.


(Soumya Budhiraja)
Assistant Director
Tele: 011-24618528

To,

1. The Chairman, Airports Authority of India (AAI)
2. The Director General, Directorate General of Civil Aviation (DGCA)
3. The Chairperson, Airports Economic Regulatory Authority of India (AERA)
4. Shri Sharad Agarwal, CEO, Air India Engineering Services Limited (AIESL)
5. Shri C.S. Tomar, President, MRO Association of India (MROAI)
6. Shri D. Anand Bhaskar, CEO & MD, AirWorks
7. Shri Ashok Gopinath, CEO, GMR Aero Technic
8. Shri Bharat Malkani CEO, Max Aerospace
9. Shri Videh Kumar Jaipuria CEO, Delhi International Airport Limited (DIAL)
10. Shri Hari Marar, CEO, Bangalore International Airport Limited (BIAL)
11. Shri Pradeep Panicker CEO, GMR Hyderabad International Airport Ltd
12. Shri Arun Bansal, CEO, Adani Airport Holdings Ltd.
13. Shri S. Suhas, Managing Director, Cochin International Airport Limited (CIAL)
14. Shri R.V. Sheshan CEO, GMR Goa International Airport Ltd.

15. Shri. Dinesh Kumar C, Managing Director, Kannur International Airport Limited
16. Shri Christoph Schnellmann, CEO, Yamuna International Airport Private Limited (YIAPL), Noida International Airport
17. Shri M. A. Abid Ruhi, Sr. Airport Director, MIHAN India Limited, Dr. Babasaheb Ambedkar International Airport, Nagpur
18. Shri Satyan Nayar, Secretary General, Association of Private Airport Operators (APAO)
19. Dr. Amit Kumar Pandey, VP & Head-Government and Regulatory Affairs, International Relations, Air India
20. Shri Parichay Datta, Senior Vice President Engineering, IndiGo

Copy to: JS (RA)

Copy for information to:

1. PSO to Secretary (CA)
2. PSO to SEA
3. PA to Dir (TS)

**Ministry of Civil Aviation
(ER Section)**

Record of Discussion

Meeting to discuss issues related to royalty charges being levied by Airport
Operators on MRO activities

Date: 11/12/2025 & **Time:** 5:30 P.M.

Venue: Conference Room, 2nd Floor, B-Block, Rajiv Gandhi Bhavan

A meeting was held under the Chairmanship of Shri Samir Kumar Sinha, Secretary, MoCA, to discuss the issues faced by the MRO industry and airlines due to the royalty imposed by airport operators.

2. At the outset, SEA welcomed the participants and set the context of the meeting. He outlined the concerns of the MRO industry and airlines due to non-uniform charges imposed under different terms such as revenue share and royalty. The discussions also covered matters such as the treatment of line maintenance activities as MRO services and the applicability of royalty on intra-group services, such as those provided by Air India to its subsidiary, Air India Express.

3. During the discussions, the following key points emerged:

- DIAL reiterated that royalty is charged only for third-party MRO services and is not applicable when an airline performs MRO activities for its own fleet.
- Airport operators and airlines indicated that the prevailing royalty rates range between 14% and 20%. No explanation was provided on the issue related to the formula on which these rates are based. Secretary (CA) suggested that the task for developing an appropriate methodology for determining these rates be assigned to AERA.
- Secretary (CA) noted that when commercial space is leased to third parties, only rental payments are typically required. Therefore, imposing an additional royalty or revenue-sharing component on MRO operators creates an extra burden and may adversely affect competition.
- Secretary (CA) further emphasized the need to resolve the issue of royalty in order to strengthen the MRO ecosystem, attract investment, and enhance competitiveness. The Secretary emphasized on discussing the modalities and mechanisms for compensating MRO service providers, considering they already pay rent and are required to offer MRO services within the airport premises.
- In response to queries regarding the short duration of land lease agreements, AAI clarified that, with Board approval, the standard lease period has now been increased from 15 years to 30 years.
- AERA confirmed that, as MRO activities fall under the non-aeronautical category, they do not currently fall within AERA's regulatory ambit.

4. Concluding the discussions, the Secretary reiterated the importance of ensuring the growth of the MRO sector without undermining commercial interests, and desired that:

- i. AERA should undertake a study on the royalty practices of airport operators, including a comparative analysis with international models.
- ii. Based on the above, AERA should work out a mechanism for determining royalty. AERA was advised that they should make recommendation with respect to PPP Airports with OMDA on a different footing.
- iii. AERA should recommend whether Line Maintenance activities and transit Inspections are MRO activities or Ground Handling activities.
- iv. AERA to make recommendations regarding Intra Group MRO Services provided. This is with respect to Air India and Air India Express as well as Air India and Alliance Air with AIESL.

5. Meeting ended with a vote of thanks to the chair.

Annexure

Sl. No.	Name and Designation	Organization
1.	Shri Sameer Kumar Sinha	M/o Civil Aviation----- <i>in chair</i>
2.	Shri Piyush Srivastava, Senior Economic Advisor	M/o Civil Aviation
3.	Shri Shankesh Mehta, Director	M/o Civil Aviation
4.	Smt. Soumya Budhiraja, Assistant Director	M/o Civil Aviation
5.	Ms. Nidhi Sandeep Vasaikar, Young Professional	M/o Civil Aviation
6.	Ms V. Vidya, Member	AERA
7.	Shri Suyash Narain, Secretary	AERA
8.	Shri Ram Krishan, Director (P&S)	AERA
9.	Shri Maneesh Kumar, JDG	DGCA
10.	Shri M. Devula, Director	DGCA
11.	Shri Sharad kumar, Member Ops	AAI
12.	Smt. Parul Sharma, Manager (Ops)	AAI
13.	Shri Praveen Kumar	AAI
14.	Shri Sharad Agarwal,	AIESL
15.	Shri Sanjay Gupta, Dy. General Manger	AIESL
16.	Shri S. K. Dash, CTO	Air India
17.	Shri Majid Siddique, Senior Manager Regulatory Affairs	Air India
18.	Shri Rajat Kumar, VP Airport Relations	IndiGo
19.	Shri Arun Kashyap, General Secretary	MRO Association
20.	Ms. Ranjitha, Executive Admin	MRO Association

21.	Shri Niraj Kumar, AVP Fin	Adani Airport Holding Limited
22.	Shri Animesh Bhatt, CAO	Jaipur Airport, Adani
23.	Shri Pushkar Nath Thakur	DIAL
24.	Shri Vijay Sharma, Head Business Services	DIAL
25.	Shri Abraham Joseph, Incharge Ops	CIAL
26.	Shri Laksh Dhingra, AVP Engg(LM)	YIAPL
27.	Smt. Trisha Bedi, Head Regulatory	YIAPL
28.	Shri Ashish Kumar, CCO	GHIAL
29.	Shri Prashanth C. S, Head Business Service	GHIAL
30.	Captain Sandeep Saraf, CEO	Shaurya Aeronautics