



Ref No: YIAPL-2026-166

16th 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 Counter 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).

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

Sincerely,

Nitu Samra

A handwritten signature in blue ink, appearing to read "Nitu Samra", is written over the printed name.

Chief Financial Officer

Enclosure: Annexure A - Counter Comments by YIAPL

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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 counter comments on the comments of stakeholders 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.

1. YIAPL's response to comments received from International Air Transport Association (IATA)

1.1 Traffic Assumptions and Risk Asymmetry

YIAPL response:

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

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

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

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

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

1.2 Affordability and role of a second hub airport

YIAPL response:

It is important to note that, as a greenfield airport, higher initial tariffs are inherent due to significant upfront capital investment, unlike established airports where a substantial portion of investments has already been recovered over earlier control periods.

At the same time, YIAPL has calibrated its tariff structure to balance affordability with financial sustainability. Key factors supporting DXN's competitiveness include:

- Potential reduction in VAT on ATF by the state government
- Availability of additional capacity and peak-hour slots in a constrained NCR market
- Implementation of a Variable Tariff Plan to incentivize traffic development and airline participation

These elements, together with a phased traffic build-up, are expected to support DXN's role as a complementary airport while ensuring tariffs do not act as a barrier to growth.

It is also submitted that YIAPL, in its tariff proposal, has already factored in a degree of under-recovery based on its ARR projection and the proposed tariffs have been arrived at after carefully balancing two important considerations: first, that the airport must be able to sustain its operations, meet its obligations, and recover costs on the basis of the projected traffic volume; and second, that the tariff structure should be supportive in catchment development and demand stimulation.

1.3 Greenfield Ramp-up Costs and Early Years Cost Recovery

YIAPL response:

It is submitted that the tariffs to be determined by the Authority are for the entire First Control Period of five years, whereas the passenger traffic projections indicate that the terminal is expected to reach its designated capacity by around the end of the third year itself. Accordingly, this is not a case where the airport assets are expected to remain materially underutilised throughout the Control Period.

Further, AERA's tariff determination principles ensures the financial viability of airport operators by allowing recovery of legitimate costs incurred in providing airport services. Tariffs are determined in a manner that supports the financial sustainability and economic viability of the project. In the case of a greenfield airport, particularly during the initial years of operations, adequate recovery of the approved Aggregate Revenue Requirement (ARR) is critical to maintain operational stability, meet debt servicing obligations, sustain service quality, and ensure overall project viability.

It is also respectfully submitted that the AERA tariff determination framework is in line with AERA guidelines-2011, para 5.2 read with para 4 wherein the ARR is required to be determined in accordance with the prescribed methodology and applicable principles and not adjusted based on speculative assumptions regarding the pace of ramp-up.

1.4 CAPEX Prudence and Construction Risk Management

YIAPL response:

YIAPL has submitted its comments on the EPC claims and on the Interim expansion in Sections 3.15 and 3.14 of its comments on the Consultation Paper. It is respectfully requested that the Authority take them into consideration.

YIAPL has submitted its comments on CNS/ATM in Section 6.7 of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration.

Furthermore, it is submitted that YIAPL has maintained due transparency and furnished all requisite information during the consultation process, thereby fully supporting the Authority in carrying out the necessary due diligence.

On clause 5.1.9:

It is clarified that the Phase 1 airside layout has been developed in accordance with the phase 1 development plan for the airport which has been submitted by YIAPL in its MYTP submission. The same was approved by NIAL via Letter No. NIAL/DP/2022/367 dated 18th April 2022 and has been subsequently vetted and approved by the regulatory bodies.

On clause 5.3.80:

YIAPL has submitted its comments on this issue in Section 3.7 of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration and include this cost in the RAB.

On clause 5.1.107:

YIAPL has submitted its comments on this issue in Section 10.14 of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration and include this cost in the RAB.

On clause 5.1.112:

In the matter of cost of piling and structural steel, YIAPL has shared detailed technical note and supporting justifications with the authority as part of its submissions during the tariff determination process. It is respectfully requested that the Authority refer to the same.

On clause 5.1.148:

STP and WTP are core utility systems that are required to be available from the date of commencement of operations and meeting the requirements under varying demand conditions, peak usage patterns, safety margins, maintenance cycles, and service level requirements. In this sense, STP and WTP are as foundational to airport operations as the other airport assets. The STP and WTP have been constructed as per the phase 1 master plan and with the requirement for supporting airport operations under Phase 1.

On clause 5.1.162:

The boundary wall forms part of the airport's essential security infrastructure and is necessary for controlling access, preventing unauthorized entry, and maintaining the integrity of the airport in accordance with operational and security requirements. The wall is not constructed for the benefit or as a requirement of any non-aeronautical development and therefore it would not be appropriate to treat it as a common asset. It is also relevant to point to the regulatory precedent

in the case of other greenfield airports. In the case of Mopa, the boundary wall was classified as aeronautical under the head of Airside Buildings, Roads and Drainage Systems.

Out of the total boundary wall cost, an amount of Rs. 30.6 crore pertains to airside security fencing, including PIDS, while the balance relates to the construction of the boundary wall along the perimeter of the entire airport.

On clause 5.3.167:

VVIP terminal is planned at NIA, approved as part of the Master Plan by Noida International Airport Limited (NIAL), concessioning authority. VVIP terminal is to facilitate the arrival and departure of VVIP guests who are entitled under VVIP category (that is, exempted from Pre-Embarkation Security Check (PESC) and immigration processes of Govt. of India).

VVIP movements are subject to specific protocol, security, and operational requirements. In the absence of a dedicated facility for such movements, the handling of VVIP passengers through the regular terminal would likely result in disruption to normal airport operations, including passenger processing, security arrangements, and circulation within the terminal. The provision of a dedicated VVIP facility therefore supports orderly and efficient airport operations and helps avoid interference with regular passenger services.

Further, exclusion of such costs would ignore the fact that the airport operator is required to incur and maintain this infrastructure as part of its overall airport development and operational responsibilities. To that extent, the costs are legitimate airport costs and merit appropriate recognition in the regulatory framework. In this regard, reference may be drawn to HIAL (Third Control Period), wherein the VIP terminal was considered in the RAB.

On clause 5.3.171:

YAIPL has submitted its comments on the revenue from GPU/PCA in paragraph 10.1 on YAIPL's Comments on CP. Request the authority to refer the same.

On clause 5.3.178:

In paragraph 5.3.178, the Authority has classified the expenditure towards the 33 kV connection as "Other Utilities" under the head of Utilities. The Authority has thereafter, in paragraph 5.4.8, applied the terminal building ratio for allocation of this cost to the RAB. Accordingly, the cost has been apportioned by the Authority between aeronautical and non-aeronautical categories.

On clause 5.3.182:

It is clarified that the interim apron and pier expansion referred to by YAIPL is part of the overall Phase 2 development of the airport. The Phase 2 expansion is proposed to be undertaken in a phased manner so as to avoid disruption to regular airport operations while augmenting capacity in line with traffic growth. YAIPL submits that the terminal in the current phase is designed for a capacity of 12 MPPA and by the end of year three and so, when the traffic will reach beyond 12mn, NIA will require interim augmentation measures in an optimal manner through the deployment of appropriate operational strategies, including passenger de-peaking measures,

effective lane management, and optimization of waiting times till the expansion of future phase completes.

1.5 Non-aeronautical Allocation and Hybrid Till Treatment

YIAPL response:

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

In relation to the matter of allocation ratios, YIAPL has submitted its detailed comments in Sections 3.3, 3.4, and 3.9 of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration.

1.6 Aeronautical Allocation Ratios

YIAPL response:

YIAPL's has done its submission as per the regulatory framework of AERA and precedence of previous tariff orders. During the process of tariff determination, YIAPL has provided all requisite details to AERA with due transparency.

1.7 Tariff Structure, Annual Escalations and Variable Tariff Plan (VTP)

YIAPL response:

Regarding IATA's comments on the tariff structure and penalty for overstay, reference is drawn to paragraphs 1.2 & 3.3 of this submission.

Further, VTP is critical for a greenfield airport operating in a dual-airport region, as it facilitates early traffic stimulation. Increased passenger volumes resulting from VTP lead to lower costs per passenger, improved affordability, and the realization of economies of scale.

The VTP proposed by YIAPL is aimed at expanding the DXN catchment area by attracting a consistent flow of passengers and triggering initial volume growth. This will support the stabilization of airline operations during the early stages of the airport's development and aid in achieving the base traffic levels. Over time, this is expected to result in higher overall traffic throughput and corresponding economies of scale, ultimately leading to more efficient airport charges for both passengers and airlines.

2. YIAPL's response to comments received from Air India Limited

2.1 Traffic will be dampened by current events

YIAPL response:

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

2.2 Need for sustained, multi-year VTP (Variable Tariff Plan)

YIAPL Response:

YIAPL acknowledges Air India's support for the YIAPL's VTP submission. The VTP is designed to support traffic build-up in line with current projections by incentivizing early airline participation and network development.

It is expected to improve capacity utilization and operating leverage, thereby contributing to greater affordability for passengers and potential moderation of aeronautical charges over time.

2.3 Moderation of Aero tariffs will allow NIA to grow Parking charges

YIAPL Response:

YIAPL respectfully submits that the determination of aeronautical tariffs is required to be carried out in accordance with the applicable regulatory framework and prescribed methodology. The tariff-setting exercise cannot be based solely on a preference for lower charges in the abstract, but must appropriately balance the legitimate cost recovery requirements of the airport with the broader objective of ensuring operational sustainability and service provision.

In this regard, it is submitted that YIAPL, in its tariff proposal, has already factored in a degree of under-recovery based on its ARR projection and the proposed tariffs have been arrived at after carefully balancing two important considerations: first, that the airport must be able to sustain its operations, meet its obligations, and recover costs on the basis of the projected traffic volume; and second, that the tariff structure should not be such as to adversely affect demand for the airport.

It is further submitted that the proposed parking charges are comparable to, and in the case of contact stands, in fact lower than, those applicable at IGIA. Accordingly, the understanding that the proposed parking charges at NIA are ten times those at IGIA is not correct.

It is clarified that the 10x rate indicated in the tariff card is applicable only in cases where an aircraft overstays its authorised parking period. Such charges are in the nature of a deterrent measure intended to avoid unnecessary occupation of parking stands and the resulting capacity constraints in airside operations. Similar provisions also exist at other airports.

3. YIAPL's response to comments received from Interglobe Aviation Limited

3.1 Aeronautical charges comparison between DXN and DEL

YIAPL response:

It is requested to refer YIAPL's response on Affordability and role of second hub airport as submitted in para 1.2 of this submission.

3.2 Structure of Variable Tariff Plan

YIAPL Response

The proposed Variable Tariff Plan (VTP) is premised on the assumption that latent domestic demand exists within the region and can be effectively stimulated through calibrated tariff incentives. However, given the absence of any historical traffic base at DXN, demand elasticity remains untested and requires a structured, time-bound approach.

Accordingly, the introduction of VTP for an initial period of 2.5 years for domestic is considered appropriate. This duration balances two critical objectives:

- **Demand Stimulation:** Providing sufficient time for airlines to develop routes, build passenger awareness, and establish sustainable traffic flows.
- **Regulatory Prudence:** Ensuring that tariff incentives do not become a passive subsidy without delivering measurable traffic outcomes.

It is further emphasized that VTP must not evolve into a mechanism that merely supports incumbent operators without driving incremental demand. Therefore, qualifying conditions such as minimum frequency thresholds, operational commitments, and network development requirements have been incorporated to ensure that tariff benefits are directly linked to meaningful capacity addition and traffic growth.

This approach aligns with industry feedback (including airline submissions) that incentives must be targeted, performance-linked, and time-bound to avoid inefficient market distortions while enabling DXN to achieve a stable traffic base in its formative years.

3.3 Parking Charges

YIAPL response:

Aircraft parking stands constitute a finite and high-value airport resource, particularly in high-density airspace such as the NCR region. The proposed parking tariff structure has therefore been designed to ensure efficient utilization of available capacity and enable optimal economic realization of airport infrastructure.

Given the scarcity of parking bays across Indian airports, including comparable facilities, the pricing philosophy reflects both resource optimization and congestion management principles.

Overstay charges have been introduced to discourage unauthorized or inefficient occupation of parking stands beyond the allocated time approved by YIAPL.

It is pertinent to note that:

- Scheduled commercial operations are tightly regulated and slot-driven, with minimal deviation from approved schedules.
- Consequently, instances of unauthorized overstay by scheduled carriers are expected to be exceptional rather than systemic.

The provision is therefore intended as a deterrent mechanism, rather than a revenue-generating tool, ensuring discipline in stand utilization without adversely impacting normal airline operations.

The methodology to calculate the number of departures per night parked aircraft will be total number of departures of an airline divided by the proposed night parking. This is an aggregate metric and not intended to be interpreted on a per-aircraft basis. It is therefore evident that expecting a single aircraft to achieve the stipulated number of departures is neither practical nor intended. The framework reflects a network-level efficiency benchmark, ensuring that parking allocation is aligned with overall airline operational productivity rather than isolated aircraft utilization.

This clarification also addresses industry concerns that unrealistic per-aircraft thresholds could disincentivize hub development and efficient scheduling practices, as highlighted in stakeholder feedback.

3.4 Additional Point on Passenger numbers

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

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

4. YIAPL's response to comments received from Air Asia Group

4.1 Bilateral Rights

YIAPL response:

YIAPL acknowledges AirAsia's comment on the issue of bilateral rights. YIAPL is actively pursuing strategies to build the international segment notwithstanding this challenge, and the proposed VTP is one of the measures being undertaken in that direction.

4.2 High Airport Charges

YIAPL response:

It is requested to refer YIAPL's response on Affordability and role of second hub airport as submitted in para 1.2 of this submission.

4.3 Incentive Scheme

YIAPL response:

It is requested to refer YIAPL's response on Structure of Variable Tariff Plan as submitted in paragraph 3.2 of this submission.

5. YIAPL's response to comments received from Lufthansa German Airlines

5.1 Single Till Methodology under Section 13 of the AERA Act

YIAPL response:

It is requested to refer YIAPL's response on Non-Aeronautical allocation and Hybrid Till treatment as submitted in paragraph 1.5 of this submission.

5.2 Treatment of Pre-COD Losses

YIAPL response:

YIAPL has been established as a Special Purpose Vehicle (SPV) for the development of Noida International Airport under the DBFOT (Design, Build, Finance, Operate and Transfer) model. As the SPV for Noida International Airport, the expenditure under consideration has been incurred solely towards the development of, and operational readiness for, the airport infrastructure, which will be used by all airport users. Accordingly, the same constitutes a legitimate expense that ought to be considered in the determination of ARR for YIAPL.

YIAPL has also submitted its comments on the Authority's treatment of Pre-COD losses in Section 1.1 of YIAPL's comments on the Consultation Paper. It is requested that the Authority take the same into consideration.

5.3 Cargo Projections: Infrastructure and Operational Risks

YIAPL Response:

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

5.4 Terminal Building Level Ratio (TBLR)

YIAPL response:

Lufthansa has drawn comparison with Delhi, Mumbai and Bangalore airports. It is submitted that these airports are not comparable. They have undergone multiple phases of expansion and have a well-established catchment.

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

YIAPL had made its submission as per the actual area concessioned out for Non-Aeronautical activities in the terminal which should form the basis for determination of the Terminal Building Ratio.

YIAPL has provided detailed comments on authority's treatment of Terminal in section 3.9 of YAIPL's comments on the consultation paper. It is respectfully requested that the Authority take the same into consideration.

5.5 Personnel Costs

YIAPL response:

Lufthansa, in its comments on personnel costs, has relied on the Authority's comparison of approved personnel costs for other airports with the personnel costs submitted by YIAPL. In this regard, it is important to note that airports operate in different circumstances and are not

directly comparable in all respects. YIAPL is materially different from the airports used for comparison, inter alia, for the following reasons:

- YIAPL is a greenfield airport, built from the ground up and only now commencing operations.
- The scale and stage of operations during the First Control Period are materially different from those of the comparison airports, resulting in a different workforce composition.
- YIAPL is the sole airport within its group structure and therefore does not benefit from apportionment of manpower or corporate costs across multiple airports or centralised functions.
- The location of the airport presents its own challenges, particularly as the surrounding area is still in the process of development.

Further, with reference to the Authority's comparison with Cochin International Airport, it may be noted that the average personnel cost based on the audited financial statements of Cochin Airport is Rs 22.5 lakh for FY 2025, which, even after applying a modest growth rate of 6%, increases to approximately Rs 25.25 lakh for FY 2027. In this context, YIAPL submits that the average personnel cost projected for Noida International Airport for FY 2027 is broadly at par with that of Cochin Airport, notwithstanding the comparatively higher cost of living in the NCR region. Further, drawing reference for personnel cost to matured airports or airports from group company will not be appropriate due to distinct characteristics of NIA.

In addition, YIAPL has provided detailed submissions on the Authority's treatment of personnel costs in Section 6.1 of its comments on the Consultation Paper. YIAPL respectfully requests the Authority to take the same into consideration.

5.6 CNS/ATM Expenditure

YIAPL response:

In the matter of disallowance of 30% overhead costs pertaining to CNS/ATM services, YIAPL has provided detailed comments in Section 6.7 of its comments on the Consultation Paper. It is respectfully requested that the Authority take the same into consideration.

5.7 Integrated Warehousing and Logistics Zone (IWLZ) Revenue

YIAPL response:

It is submitted that Lufthansa's contention proceeds on an incorrect understanding of the nature, purpose, and contractual structure of the proposed Integrated Warehousing and Logistics Zone (IWLZ). The IWLZ is not the cargo terminal itself, nor does it undertake the aeronautical service of cargo handling. Rather, it is a separately concessioned commercial development intended for warehousing, logistics park, trucking-related uses, distribution, fulfilment, and other allied activities, which will support the logistics movement through all modes of transportation.

It is pertinent to note that the ICT (Cargo Terminal) Concession Agreement and the IWLZ Concession Agreement are distinct and independent arrangements. The aeronautical service falling within the ambit of cargo facilities is undertaken by the ICT concessionaire, whereas the IWLZ concessionaire is only responsible for development and operation of the warehousing and logistics zone.

Further, we request authority to kindly refer to the YIAPL submission in para 7.3 of YIAPL's comments on consultation paper.

5.8 Annual Premium Exclusion

YIAPL response:

The annual premium becomes payable only from the sixth year after commencement of operations. Accordingly, no such expense has been incurred during the pre-operative period, and therefore there does not arise any question of including the same in pre-operative costs.

It is further submitted that YIAPL has been regularly providing the Authority with the break-up of pre-operative expenses, duly reconciled with its audited financial statements.

6. YIAPL's response to comments received from Business Aircraft Operators Association (BAOA)

YIAPL response:

At the current stage of development, YIAPL has not proposed dedicated infrastructure for General and Business Aviation (GA/BA). This approach is guided by the principle of cost prudence, wherein any incremental infrastructure development directly contributes to capital expenditure and, consequently, tariff escalation.

Given that DXN is in its initial phase of operations with no established demand base, it is considered prudent to avoid upfront investments in specialized GA/BA facilities, the utilization of which remains uncertain. Instead, we propose to leverage existing common-use infrastructure to accommodate GA/BA operations in the interim.

This phased approach ensures that:

- Tariffs remain efficient and competitive during the critical demand development stage, and
- Capital deployment is aligned with demonstrated traffic requirements, thereby avoiding premature or underutilized investments.

It is acknowledged that stakeholders have highlighted the potential benefits of dedicated GA/BA infrastructure, including operational efficiency and service differentiation (as outlined in stakeholder submissions, e.g., BAOA recommendations on dedicated terminals and apron allocation in *pages 1–2*).

However, in line with a demand-led infrastructure strategy, we propose to:

- Continuously monitor the evolution of GA/BA traffic demand, and
- Reassess the requirement for dedicated facilities in subsequent control periods, once sufficient scale and commercial viability are established.

This ensures a balanced approach between long-term ecosystem development and near-term tariff discipline, consistent with AERA's principles of efficiency, non-discrimination, and user-pay frameworks.

7. YIAPL's response to comments received from APAO

7.1 APAO's comment on MRO classification

YIAPL response:

YIAPL concurs with the comments made by APAO on the classification of MRO. YIAPL has also submitted its detailed comments on the classification of MRO in Section 7.1 of YIAPL's comments on the Consultation Paper.

8. YIAPL's response to comments received from BIAL

8.1 Treatment of revenues from MRO as Aeronautical

YIAPL response:

YIAPL submits that the points raised by BIAL are pertinent and merit due consideration, and YIAPL concurs with the comments made by BIAL on the treatment of revenue from MRO. Treating revenue from MRO as aeronautical would not be in consonance with the provisions of the AERA Act. Such an approach could also discourage private investment and be detrimental to the growth-oriented objectives of the Government of India. Detailed comments on the classification of MRO have been submitted by YIAPL in Section 7.1 of its comments on the Consultation Paper.

9. YIAPL's response to comments received from Adani Airport Holdings

9.1 Treatment of revenues from MRO as Aeronautical

YIAPL concurs with the comments made by Adani Airport Holdings Ltd on the treatment of revenues from MRO. YIAPL has also submitted its detailed comments on the treatment of revenue from MRO in Section 7.1 of YIAPL's comments on the Consultation Paper.

9.2 Treatment of revenues from IWLZ

YIAPL submits that the points raised by Adani Airport Holdings Ltd are pertinent and merit due consideration, and YIAPL concurs with the comments. YIAPL strongly believes that the nature of services rendered in IWLZ do not constitute a cargo facility as envisaged in the AERA Act and treating any percent of revenue as aeronautical would not be in consonance with the provisions of the AERA Act. YIAPL has also submitted its detailed comments on the treatment of revenue from IWLZ in Section 7.3 of YIAPL's comments on the Consultation Paper.

10. YIAPL's response to comments received from Mr Sumedh Bhagwat

10.1 Strict Disallowance of Pre-COD Losses from the RAB (Ind AS 16 & 38)

YIAPL response:

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

10.2 Strict Application of Ind AS 23 on Borrowing Costs

YIAPL response:

YIAPL submits that AERA determines airport tariffs in accordance with the AERA Tariff Guidelines and the applicable regulatory framework. Accordingly, accounting treatments prescribed under Ind AS are not applied for the purposes of tariff determination. The tariff-setting process is governed by the specific principles and provisions laid down under the AERA Act and the associated guidelines.

Further, capitalisation of airport assets takes place upon achievement of the Airport Commercial Operations Date (COD), after the airport has complied with the prescribed regulatory approvals and fulfilled all required operational readiness conditions.

In addition, in the case of a greenfield airport, the Authority determines the financing allowance in accordance with the methodology and principles stipulated under the AERA Guidelines, 2011. This approach has been consistently adopted and upheld by the Authority in its previous tariff orders.

10.3 Treatment of Security Deposits and Lease Income (Ind AS 109 & 116)

YIAPL Response :

YIAPL respectfully submits that all non-aeronautical income has been disclosed to the Authority in a transparent and comprehensive manner, in line with applicable regulatory requirements. With respect to any notional income arising from accounting standards such as Ind AS 109 and Ind AS 116, it is submitted that AERA determines aeronautical tariffs strictly in accordance with the AERA Tariff Guidelines and the established regulatory framework and not based on

accounting-driven notional/fair value adjustments. It is further submitted that AERA does not recognise or allow notional income or notional expenses while determining tariffs, as such items do not represent actual, prudently incurred revenues or costs. This position has been consistently upheld by AERA in its earlier tariff orders, thereby reinforcing regulatory certainty and adherence to the cost-based tariff determination principles.

10.4 Rationalization of the Cost of Equity (CoE)

YIAPL submission:

YIAPL submits that it is a greenfield airport and is exposed to substantially higher business, demand, and traffic risks, which are inherently different from and not comparable with the risk profile of established and mature airports for the purpose of determination of the cost of equity. In recognition of these heightened and transitional risks, YIAPL, as part of its MYTP, has placed on record an independent expert study conducted by IIM Ahmedabad, which evaluates the appropriate risk premium required to be considered while estimating the cost of equity for a greenfield airport. The said study adequately captures the unique operational and financial risk characteristics associated with greenfield airport development and ramp-up phases. In this context, YIAPL requests the Authority to take due note of and consider the detailed submissions set out in paragraph 4.1 of YIAPL's comments on the Consultation Paper while undertaking its assessment and determination.

10.5 Tighter Benchmarking for O&M Escalations

YIAPL response:

Operations and Maintenance (O&M) expenses are fundamental to ensuring the safe, efficient, and continuous functioning of an airport and cannot be compromised without impacting operational readiness and service quality. In this regard, YIAPL submits that any like-to-like comparison of personnel cost per employee across airports would be inappropriate unless due regard is given to the distinct operational, structural, and developmental characteristics of Noida International Airport, which is a greenfield airport, single airport company build from scratch. Accordingly, YIAPL respectfully requests the Authority to consider the detailed submissions set out in paragraph 6.1 of YIAPL's comments on the Consultation Paper while examining personnel-related costs.

With respect to personnel costs, YIAPL further submits that an annual escalation in personnel costs as 10% is industry-consistent, empirically supported, and reflective of prevailing conditions in the Indian aviation sector. Such escalation is driven by regulatory staffing requirements, skilled manpower constraints, training and certification needs, and compliance with safety and service-level mandates, particularly for airport operators. The proposed escalation is therefore reasonable and aligned with sectoral benchmarks.

Further, in relation to the increase in power consumption, YIAPL submits that electricity consumption at an airport is directly correlated with operational activity and traffic growth. As passenger and aircraft movements increase in subsequent years, the utilisation of terminal facilities, airside infrastructure, utilities, and systems correspondingly rises, leading to higher power consumption. This increase is structural in nature and a function of growing airport operations rather than inefficiency.

YIAPL requests the Authority to take into consideration the detailed submissions made in paragraph 6.5 of YIAPL's comments on the Consultation Paper.

10.6 Maximizing Non-Aeronautical Revenue (NAR) Yields

YIAPL submission:

In paragraph 8.1 of its MYTP, YIAPL submitted that it has been proactively pursuing various opportunities in the non-aeronautical segment to enhance passenger services and user experience. The projected non-aeronautical revenues were stated to be optimistic yet reasonable, based on factors such as an expanding middle class, rising disposable incomes, favourable market trends toward premium offerings, and the ability of concessionaires to attract passenger spending. However, YIAPL also highlighted that these revenue projections are highly sensitive to underlying assumptions. Given the inherent challenges and uncertainties associated with a greenfield airport, there exists a material risk of downward revision of the non-aeronautical revenue forecasts during the initial years of operations.

Further, a direct comparison of non-aeronautical revenue between a mature airport and a greenfield or early-stage airport is not appropriate due to fundamental differences in their stage of development. Non-aeronautical revenues are highly traffic-driven and dependent on passenger volume, dwell time, and spending behaviour, which are well established only at mature airports. Established airports benefit from stabilised traffic, developed catchment areas, and long-standing commercial ecosystems, including mature retail, F&B, and concession arrangements. In contrast, greenfield airports typically operate with phased commercial development, evolving airline networks, and lower initial footfalls, constraining early revenue potential. Accordingly, any such comparison without adjusting for airport maturity will not be appropriate.

Further, YIAPL has also highlighted that YIAPL has awarded all non-Aero concessions awarded through transparent, competitive bidding with no related-party contracts, demonstrating strong governance and transparency.

In addition to above, we request authority to kindly consider the detailed submissions made in paragraph 7.6 and 7.8 of YIAPL's comments on the Consultation Paper.

10.7 Aggressive Traffic Forecasting Over Conservative Baselines

YIAPL's Response:

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

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

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