फा. सं. ऐरा/20010/एमवाईटीपी/एनआईए/सीपी-I/2025-26

F.No. AERA/20010/MYTP/NIA/CP-I/2025-26

परामर्श पत्र संख्या 07/2025-26

Consultation Paper No. 07/2025-26

सत्यमेव जयते

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण

Airports Economic Regulatory Authority of India

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

IN THE MATTER OF DETERMINATION OF AERONAUTICAL TARIFF FOR NOIDA INTERNATIONAL AIRPORT (DXN) FOR THE FIRST CONTROL PERIOD (01.04.2026 – 31.03.2031)

जारी करने की तारीख : 06 मार्च, 2026

Date of Issue: 06th March, 2026

तृतीय तल/ 3rd Floor,
उड़ान भवन/ Udaan Bhawan,
सफदरजंग हवाईअड्डा/ Safdarjung Airport
नई दिल्ली/New Delhi – 110003

Stakeholders' Comments

Zurich Airport International AG (ZAIA) won the bid for development of the new greenfield airport called Noida International Airport (NIA) at Jewar in the Gautam Buddha Nagar district of Uttar Pradesh. ZAIA signed the Concession Agreement (CA) on 7th October 2020 via a special purpose vehicle namely Yamuna International Airport Private Limited (YIAPL) to develop the airport under the DBFOT (Design, Build, Finance, Operate and Transfer) model. The tenure of the concession agreement is 40 years from the Appointed Date. This term is further extendable by another period of 30 years, based on a bidding process where the Concessionaire shall have the right to match the highest bid subject to certain conditions.

Noida International Airport (NIA), a greenfield airport at Jewar, Uttar Pradesh, is categorized as a Major Airport in accordance with the provisions of the AERA Act 2008 read with AERA (Amendment) Act 2019 and 2021, since it is designed to operate with designated capacity of more than 3.5 MPPA as stipulated under Annex-II to Schedule A of the Concession agreement executed between YIAPL and the nodal agency of the Uttar Pradesh Government - Noida International Airport Limited (NIAL).

In adherence to the regulatory requirements, YIAPL initially submitted Multi-Year Tariff Proposal (MYTP) for aeronautical tariff determination for the First Control Period (FCP) on 22nd February 2024 with commencement date as 1st December 2024. However, due to certain delays in Commercial Operations Date (COD), YIAPL had intended to open the airport for commercial operations by 30th April 2025. Accordingly, YIAPL submitted a revised MYTP on 27th October 2024 for aeronautical tariff determination for the period from 30th April 2025 to 31st March 2030 as First Control Period and the period from FY 2020-21 till 29th April 2025 as pre-COD period.

Subsequently, vide email dated 2nd June 2025, YIAPL informed the Authority that it proposes to revise the COD from 30th April 2025 to 15th September 2025. Further YIAPL in their email dated 24th September 2025 indicated that the tentative COD is expected to be 1st December 2025. However, due to delays in receipt of aerodrome license, YIAPL now expects to achieve COD by Q4 of FY 2026 as indicated in its mail dated 3rd February 2026. Considering that the airport is in its final stages of completion with the aerodrome license expected soon, the Authority proposes to revise the COD from 30th April 2025 (as submitted by YIAPL) to 1st April 2026. With this revision of COD to the next Financial Year, the Authority proposes to consider the Control Period as beginning from 1st April 2026 and ending on 31st March 2031, to give effect to a full 5-year Control Period, in accordance with Section 13(2) of the AERA Act, 2008 (read with subsequent amendments in 2019 and 2020).

For this Consultation Paper, the Authority has considered the audited figures submitted by YIAPL for the period up to 31st March 2025.

The Authority, after considering all information currently available, analyzing various scenarios, considering the views of the Airport Operator and the Independent Consultant / Aviation Expert appointed by the Authority, has made the necessary adjustments in traffic and other regulatory building blocks of the revised MYTP submitted, including redrawing some figures for the revised COD based on the subsequent submissions by YIAPL and the data submitted for FY 2030-31 from the financial model submitted by YIAPL.

Accordingly, the Authority's proposals on the various aspects of the Tariff determination process have been explained in detail in this Consultation Paper.

Thus, in accordance with the provisions of Section 13(4) of the AERA Act, 2008, the written comments on Consultation Paper No. 07/2025-26 dated 6th March, 2026 are invited from the Stakeholders, preferably in electronic form, at the following address:

Director (P&S, Tariff)
Airports Economic Regulatory Authority of India (AERA),
3rd Floor, Udaan Bhawan
Safdarjung Airport, New Delhi – 110003, India
Email: director-ps@aera.gov.in, rajan.gupta1@aera.gov.in copy to secretary@aera.gov.in

Stakeholders’ Consultation Meeting	23.03.2026
Last Date for submission of comments	07.04.2026
Last Date for submission of counter comments	17.04.2026

Comments and Counter Comments will be posted on AERA website www.aera.gov.in

For any clarification/information, Director (P&S, Tariff) may be contacted at Telephone Number: +91-11-24695048

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List of Abbreviations

Abbreviation	Expansion
AAI	Airports Authority of India
ABD	Auto Bag Drop
ACI	Airports Council International
AERA/the Authority	Airports Economic Regulatory Authority of India
AGL	Airfield Ground Lighting System
AISATS	Air India SATS
AMC	Annual Maintenance Contract
ANS	Air Navigation Services
AO	Airport Operator
AOCC	Airport Operations Control Centre
ARFF	Aircraft Rescue and Fire Fighting
ARR	Aggregate Revenue Requirement
ASQ	Airport Service Quality
ASR	Airport Surveillance Radar
ATC	Air Traffic Control
ATF	Aviation Turbine Fuel
ATM	Air Traffic Movement
ATRS	Automatic Tray Retrieval System
AUCC	Airport User Consultative Committee
BCAS	Bureau of Civil Aviation Security
BCG	Boston Consulting Group
BHS	Baggage Handling System
BIAL	Bangalore International Airport Limited
BMS	Building Management System
BPCL	Bharat Petroleum Corporation Limited
CA	Concession Agreement
CAGR	Compounded Annual Growth Rate
CAM	Common Area Maintenance
CAPEX	Capital expenditure
CAPM	Capital Asset Pricing Model
CAR	Civil Aviation Requirements
CCR	Constant Current Regulator
CCTV	Closed Circuit Television
CDO	Chief Development Officer
CER	Civil Engineering Report
CFT	Crash Fire Tender
CGF	Cargo Facility, Ground Handling and Supply of Fuel to the Aircraft
CHF	Swiss Franc
CIAL	Cochin International Airport Limited
CISF	Central Industrial Security Force
CNS	Communications, Navigation and Surveillance Systems
CNS/ATM	Communications, Navigation and Surveillance Systems/Air Traffic Management
COD	Commercial Operation Date
COE	Cost of Equity
COO	Chief Operating Officer
COVID/COVID-19	Coronavirus-19
CP	Consultation Paper
CPI	Consumer Price Index
CPWD	Central Public Works Department
Cr	Crore
CSR	Corporate Social Responsibility

Abbreviation	Expansion
CUPPS	Common Use Passenger Processing Systems
CUSS	Common Use Self-Service
CUTE	Common User Terminal Equipment
CWIP	Capital Work in Progress
DBFOT	Design, Build, Finance, Operate and Transfer
DG	Diesel Generator
DGCA	Directorate General of Civil Aviation
DIAL	Delhi International Airport Limited
DSRA	Debt Service Reserve Account
DVOR	Doppler Very High Frequency Omni Range
DXN	Noida International Airport (IATA Code)
EC	Environmental Clearance
EHCR	Employee Head Count Ratio
EIL	Engineers India Limited
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
F&B	Food and Beverages
FA	Financing Allowance
FCP	First Control Period
FIA	Federation of Indian Airlines
FIDS	Flight Information Display System
FPS	Flight Processing System
FRoR	Fair Rate of Return
FV	Fair Value
FY	Financial Year
GBR	Gross Block Ratio
GDP	Gross Domestic Product
GH	Ground Handling
GHIAL/HIAL	GMR Hyderabad International Airport Limited
GOI	Government of India
GoUP	Government of Uttar Pradesh
GPU	Ground Power Unit
GSDP	Gross State Domestic Product
GSE	Ground Support Equipment
GST	Goods & Service Tax
HBS	Hold Baggage Screening
HDPE	High-Density Polyethylene
HOS	Head of Stand
HVAC	Heating, Ventilation, and Air Conditioning
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICT	Information and Communication Technology
IFK	In-flight kitchen
IGIA/DEL	Indira Gandhi International Airport
IIM	Indian Institute of Management
IMG	Inter-Ministerial Group
INR	Indian Rupee
IOSL	Indian Oil Skytanking Private Limited
IPP	Income Per Passenger
IT	Information Technology
ITP	Into-Plane Services
IWLZ	Integrated Warehousing and Logistics Zone
KIA	Kempegowda International Airport

Abbreviation	Expansion
LCC	Low-Cost Carrier
LoI	Letter of Intent
LoIA	Letter of Intent to Award
LoA	Letter of Award
MARS	Multiple Aircraft Ramp System
MCLR	Marginal Cost of Funds based Lending Rate
MEP	Mechanical, Electrical and Plumbing
MIAL	Mumbai International Airport Limited
Mn	Million
MoCA	Ministry of Civil Aviation
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoRTH	Ministry of Road Transport and Highways (India)
MoU	Memorandum of Understanding
MPPA	Million Passenger Per Annum
MRO	Maintenance, Repair and Overhaul
MT	Metric Tonne
MTOW	Maximum Take-Off Weight
MYTP	Multi Year Tariff Proposal
NAR	Non-Aeronautical Revenue
NAVAID	Navigational Aid
NCAP	National Civil Aviation Policy-2016
NHP	Network-infrastructure Hiding Protocol
NIA	Noida International Airport
NIAL	Noida International Airport Limited
NOC	No Objection Certificate
Nos	Number
O&D	Origin & Destination
O&M expenses	Operational and Maintenance expenses
OFC	Optical Fibre Cable
ORAT	Operational Readiness and Airport Transfer
PAL	Planned Activity Level
PAR	Precision Approach Radar
PAX	Passengers
PBB	Passenger Boarding Bridge
PBT	Profit Before Tax
PCA	Pre-Conditioned Air
PHE	Public Health Engineering
PIDS	Perimeter Intrusion Detection System
PLB	Passenger Loading Bridge
PMC	Project Management Consultancy
PPE	Property Plant and Equipment
PPP	Public-Private Partnership
PTB	Passenger Terminal Building
PTC	Public Transportation Centre
PV	Present Value
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RBI	Reserve Bank of India
RCC	Reinforced Cement Concrete
RCS	Regional Connectivity Scheme
RESA	Runway End Safety Area
RET	Rapid Exit Taxiway
RFP	Request for Proposal

Abbreviation	Expansion
RFQ	Request for Quotation
Rs.	Rupees
RWY	Runway
SaaS	Software as a Service
SBI	State Bank of India
SCADA	Supervisory Control and Data Acquisition
SLM	Straight Line Method
SOCC	Security Operations Control Center
SPV	Special Purpose Vehicle
Sq. m./sqm	Square meter
SSE	Substation Equipment
STP	Sewage Treatment Plant
TBLR	Terminal Building Ratio
TEFR	Techno-Economic Feasibility Report
TNLC	Terminal Navigation Landing Charges
TP	Technical Proposal
UaaS	Utility as a Service
UDAN	Ude Desh ka Aam Naagrik
UDF	User Development Fees
UPS	Uninterruptible Power Supply
USD	US Dollars
VDGS	Visual Docking Guidance System
VHT	Vertical and Horizontal Transport
VIP	Very Important Person
WDV	Written Down Value
WPI	Wholesale Price Index
WTP	Water Treatment Plant
YEIDA	Yamuna Expressway Industrial Development Authority
YIAPL	Yamuna International Airport Private Limited
Y-o-Y	Year on Year
YPP	Yield per Passenger
ZAIA	Zurich Airport International AG

1. BACKGROUND

1.1 Introduction

1.1.1 The Government of Uttar Pradesh has envisaged development of a new Greenfield Airport at Jewar in the Gautam Buddha Nagar district and has appointed Noida International Airport Limited (NIAL) as the nodal agency under the ambit of Yamuna Expressway Industrial Development Authority (YEIDA) to implement the said project.

1.1.2 Noida International Airport will be the second International Airport in the National Capital Region (NCR) and will complement Indira Gandhi International Airport (IGIA/DEL) to meet the aviation demands of the region. It will serve as the primary international airport for major cities such as Noida, Meerut, Ghaziabad, Mathura, Agra etc. and will be gateway to various pilgrimage and tourist destinations.

1.1.3 With the commencement of operations at Noida International Airport (IATA: DXN), Uttar Pradesh will have 5 International Airports in the state.

1.1.4 Given that the designated capacity of YIAPL is 12 million passengers per annum, which exceeds the threshold of 3.5 million passengers prescribed under Clause (i) of Section 2 of the AERA Act, 2008 (as amended in 2019 and 2021), Noida International Airport has been designated as a Major Airport by the Airports Economic Regulatory Authority (the Authority/AERA), vide Public Notice No. 02/2024-25 dated 02.05.2024.

1.2 Concession Agreement for development of Noida International Airport

1.2.1 Zurich Airport International AG (ZAIA) won the bid for development of the new airport at Jewar, Uttar Pradesh and signed the Concession Agreement (CA) on 7th October 2020 via a Special Purpose Vehicle (SPV) named "Yamuna International Airport Private Limited (YIAPL)". YIAPL was incorporated on 22nd January 2020 and is a 100% owned Subsidiary of ZAIA.

1.2.2 As per the agreement YIAPL will develop the airport under the DBFOT (Design, Build, Finance, Operate and Transfer) model for an initial period of 40 years from the Appointed Date.

1.2.3 The Appointed Date of the project is 1st October 2021. This term is further extendable by another period of 30 years, based on a bidding process where the Concessionaire shall have the right to match the highest bidder subject to certain conditions as specified in Clause 3.1.1 of Article 3 of the CA (Refer Annexure 1).

1.2.4 YIAPL initially submitted a Multi-Year Tariff Proposal (MYTP) for aeronautical tariff determination for the First Control Period (FCP) on 22nd February 2024 with planned commencement date as 1st December 2024. However, due to certain delays in COD, YIAPL then intended to open the airport for commercial operations by 30th April 2025. Accordingly, YIAPL has submitted a revised MYTP on 27th October 2024 for aeronautical tariff determination with the period from 30th April 2025 to 31st March 2030 considered as First Control Period and the period from FY 2020-21 till 29th April 2025 considered as pre- COD period.

1.2.5 Vide email dated 2nd June 2025, YIAPL informed the Authority that it proposes to revise the COD from 30th April 2025 to 15th September 2025. Further, YIAPL in their email dated 24th September 2025 had indicated that the tentative start for commercial operations for Noida International Airport is 1st December 2025. Via email dated 3rd February 2026, YIAPL has now clarified that the COD is expected in Q4 of FY 2025-26. Given the status of aerodrome license and other statutory approvals, the Authority proposes to shift the COD to 1st April 2026. With this revision of COD to the next Financial Year, the Authority proposes to consider the Control Period as beginning from 1st April 2026 and ending on 31st March 2031, to give effect to a full 5-

year Control Period, in accordance with Section 13(2) of the AERA Act, 2008 (read with subsequent amendments in 2019 and 2020)

1.2.6 The Concession Agreement envisages development of Noida International Airport as a world-class International Airport with modular and scalable facilities, for both domestic and international passengers, and cargo in a phased manner based on a traffic-trigger principle. Accordingly, the Concession Agreement has stipulated the capacity for different phases of development. The following table indicates the capacity as per the CA (Refer Clause 12.2.1 under Annexure 1).

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

Phasing	Traffic Design Capacity	Trigger for Phasing
Phase I	12 MPPA	
Phase II	30 MPPA	80% of Phase 1 Capacity
Phase III	50 MPPA	80% of Phase II Capacity
Phase IV	70 or More	80% of Phase III Capacity

1.2.7 Key clauses from the CA are as detailed below. A summary of clauses from the CA are listed in Annexure 1.

Table 2: Key Highlights of the Concession Agreement

Topic	Clause No.	Description
Concession requirement	2.1.(i) of Schedule B	Construction and procurement of the Aeronautical Assets including Runways, taxiways, apron, aircraft parking bays and other associated facilities.
Construction and procurement of the Terminal Building	2.1.(ii) of Schedule B & Annexure II of Schedule A	Level of service for Terminal Building – IATA Level of Service optimum standards compliant. The Unit area of the Terminal Building should be at least 30 square meter per peak hour passenger (including arrival and departure) for the design year.
		75% (Seventy-five per cent) of each of the international and domestic aircrafts gates shall be served by the boarding bridges.
		Provide international standard range of retail and other passenger services.
		Terminal design must be capable of incremental expansion with minimum impact on current operations.
City side development	1.3 (Schedule A)	Total area of the Site is 1334 hectares, out of which 24 hectares of area is earmarked for City Side Development.
	28.1.3	The revenue generated from city side development on 24 hectare land as stated in clause 1.3 of Schedule A shall not be considered for the purpose of cross subsidization of Aeronautical Tariff by AERA.
Reserved Area	3	The Concessionaire shall earmark and allocate the Reserve Area for performance of Reserved Services by the Authority and the Designated GOI Agencies and take approval from Designated GOI Agency.
Cargo facilities (Schedule B of CA)	5.1	The Concessionaire shall earmark land within the site for the development of a Cargo Facility in the Airport.
Maintenance, Repair and Overhaul (MRO)	6.1	The Concessionaire shall earmark minimum 40 acres of land within the Site for the development of an MRO Facility in the Airport as per the applicable Standards and Specifications.

Topic	Clause No.	Description
Facilities (Schedule B of CA)		
Car park	7.1	The Concessionaire shall earmark land within the Site for Car Park facility including Reserved car facility as per the applicable law and Good Industry Practice.
Concession Fee	31.1	In consideration of grant of concession, the concessionaire shall pay to the Authority (NIAL) by way of concession fee a sum of Re. 1 per annum.
Annual premium	31.2.1	Concessionaire agrees to pay to the Authority for each year commencing from the 6th (sixth) year of the occurrence of the COD for Phase 1, a premium (the “Premium") equal to INR 400.97 per pax of traffic handled at the airport (Premium Rate) multiplied by the total traffic handled at the airport during that year.
	3.6.3	The Annual Premium shall not be considered as a part of the capital outlay for the Airport or the regulatory asset base or operating expense for the purpose of the determination of the Aeronautical Charges and shall always be excluded from being considered as a part of the cost for the determination of the Aeronautical Charges.
Land License Fee	31.5.1	Concessionaire to pay the Authority an annual license fee ("License Fee") of 3.33% of land value. The land value as on 29th April 2019 has been estimated to be INR 4,326 crores. For the purpose of calculating the License fee, the land value shall be assumed to increase annually at the rate of Price Index with the base year as 1st January 2019.
	31.5.2	The Licence Fee shall be due and payable in advance every year and the first Licence Fee shall be paid by the Concessionaire from the l0th year post Appointed Date.
	31.5.2	… it is clarified that treatment of License fee shall be allowed as pass-through cost in accordance with AERA Order No. 42/2018-19 dated 5th March 2019, for the purpose of aeronautical tariff estimation.

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

Table 3: Technical and Terminal Building details submitted by YIAPL

Particulars	Details
Airside	
Runway	3900 X 45 m+7.5 m Shoulder each side, Flexible Pavement
Taxiway	1 parallel taxiway, 2 taxiway at runway ends, 1 RET and 3 parallel cross apron taxiways
Apron	Pax Apron of 165,370 Sqm (Rigid Pavement) + Isolation Bay of 7,145 sqm (Rigid Pavement) + 3,710 sqm (flexible Pavement)
Total In contact Aircraft Stands	10 Nos (4 for code C, 3 MARS, 6 code C or 3 code E)
Remote stands	15 Nos (9 for code C, 3 MARS, 6 code C or 3 code E) 2 Freighter aircraft stand for cargo aircrafts (1 code D and 1 code E freighter stands)
ATC	Height 38m, G+6 (Area 2148 sqm)
Landside	
Departure Forecourt	6 Lane (4 movement + 2 parking); Carriage width: 20m
Arrival Forecourt	6 Lane (4 movement +2 parking); Carriage width: 20m
Passenger Terminal Building	

Particulars	Details
Planned Phase 1 Capacity	12 MPPA
Total Built-up Area	137,985 Sqm.
Entry Gates (Check -in Hall)	2 Nos
Check-in-Island	2 No
Check-in counters	48 (20 nos. for Self-service Baggage Drop- all CUPPS)
ATRS	13 Nos
Baggage reclaim belt	2(Domestic) + 1(International) + 1(Swing)
Passenger Boarding Bridges	10 Nos
Baggage Screening Capacity	2 Lines (1628 bags / peak hr.)
Bus Gate Domestic	2 Nos
Bus Gate International / Swing	1 Nos
Emigration counters	9 Nos (Departure)
Immigration counters	10 Nos (Arrival)

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

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

(a) 'aeronautical service' means any service provided….

(iv) for ground handling services relating to aircraft, passengers and cargo at an airport;
(v) the cargo facility at an airport;
(vi) for supplying fuel to the aircraft at an airport

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

Cargo Operations

1.3.2 The Concession Agreement has included provisions for the development of a cargo facility within the site. Any development, addition or modification to the Cargo Facilities and its surrounding areas shall be in accordance with the Master Plan and in harmony with the overall design and environment of the Airport.

1.3.3 On 11th February 2023, YIAPL awarded the cargo license through a competitive bidding process for the design, financing, building, operation, maintenance and eventual transfer of the ICT facility to AISATS Noida Cargo Terminal Private Limited, and for the IWLZ to AISATS Noida Logistics Park Private Limited.

1.3.4 During the concession period, the Cargo Concessionaire is required to pay YIAPL a revenue share ranging from 18% to 24% along with an upfront fee of Rs. 300 crores. The IWLZ Concessionaire is required to pay an upfront fee of Rs. 320 crores payable in five equal installments within three years from the Airport COD, starting from the date of execution of the agreement.

Ground Handling (GH) Operations

1.3.5 Clause 18.2 of the Concession Agreement (Refer Annexure 1) details YIAPL obligations towards provision of infrastructure required for ground handling services at Noida International Airport.

1.3.6 Subject to the provisions of the Concession Agreement YIAPL has the right to grant License to any entity for providing Ground Handling Services at Noida International Airport on such terms and conditions to be mentioned in the License Agreement between YIAPL and the potential service provider.

1.3.7 Pursuant to above terms of the Concession Agreement, YIAPL has engaged Bird Flight Services (India) Private Limited for provision of such Ground Handling services at Noida International Airport through a bidding process resulting in revenue share ranging from 0% - 5% on scheduled domestic flights and 18% on non-scheduled domestic flights and International flights payable to YIAPL by the concessionaire through the First Control Period.

Fuel Facility Operations

1.3.8 YIAPL's obligations to provide aircraft fueling services are detailed in Clause 18.3 of the Concession Agreement (Refer Annexure 1).

1.3.9 Subject to the terms of the Concession Agreement YIAPL has the right to grant a license to any entity for the provision of Aircraft Fueling Services at Noida International Airport on terms and conditions specified in the License Agreement between YIAPL and the potential service providers.

1.3.10 YIAPL has licensed Aircraft Fueling Services to Indian Oil Skytanking Private Limited (IOSL) under the framework of designing, building, financing, operation, maintenance, and transfer for Fuel Farm operations. For this purpose, IOSL has incorporated a special purpose vehicle, namely IOSL Noida Private Limited, to undertake Fuel Farm operations. In consideration of the license granted for Fuel Farm operations, IOSL is required to pay an upfront fee of Rs. 15 crores within 30 days from the date of execution of the License Agreement. Further, Into-Plane (ITP) services have also been concessioned to IOSL, with YIAPL entitled to a revenue share of 5% of the gross revenue from the ITP concession.

2. METHODOLOGY OF TARIFF DETERMINATION OF NOIDA INTERNATIONAL AIRPORT

2.1 Tariff setting principles

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

a) To determine the tariff for aeronautical services taking into consideration:

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

Provided that different tariff structures may be determined for different airports having regard to all or any of the above considerations specified at sub-clauses (i) to (vii).

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

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

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

2.1.3 Airports Authority of India (AAI) being the sole provider of Air Navigation Systems (ANS) services across the country, shall be responsible for providing ANS at Noida International Airport (NIA). The tariff for ANS is presently regulated by the Ministry of Civil Aviation (MoCA) at the national level to ensure uniformity across airports. All assets, expenses, and revenues pertaining to ANS are accordingly considered separately by the Ministry while determining the tariff for ANS services. In the present case, as per the arrangement between YIAPL and AAI, YIAPL shall reimburse AAI for any shortfall between the revenue recovered by AAI at MoCA determined rates and the actual operating expenditure incurred by AAI, as well as for recovery of capital expenditure undertaken by AAI for providing ANS at NIA. Consequently, such reimbursement payable by YIAPL to AAI has been included in the tariff determination by the Authority as part of the aeronautical cost base of the Airport Operator (refer para 8.2.151 for detailed analysis).

2.1.4 The Methodology adopted by the Authority to determine Aggregate Revenue Requirement (ARR) is based on AERA Act, 2008 read with AERA (Amendment) Act 2019 and 2021, the AERA (Terms and Conditions for determination of Tariff for Airport Operators) Guidelines, 2011 and further Guidelines issued by AERA from time to time.

2.1.5 The Authority has adopted the Hybrid-Till mechanism for tariff determination for the First Control Period wherein, 30% of the non-aeronautical revenues is to be used for cross-subsidizing the aeronautical charges.

2.1.6 The ARR for a given Control Period, under Hybrid Till, is calculated as:

$$ARR = \sum_{t=1}^{5} ARR_t$$

$$ARR = (FRoR\ x\ RAB_t) + D_t + O_t + T_t - s\ x\ NAR_t$$

Where,

t is the tariff year in the Control Period, ranging from 1 to 5
ARR_t is the Aggregate Revenue Requirement for tariff year 't'
FRoR is the Fair Rate of Return for the Control Period
RAB_t is the Aeronautical Regulatory Asset Base for tariff year 't'
D_t is the Depreciation corresponding to the Regulatory Asset Base for tariff year 't'
O_t is the Aeronautical Operation and Maintenance expenditure for the tariff year 't'
T_t is the Aeronautical taxation expense for the tariff year 't'
s is the cross-subsidy factor for revenue from services other than Aeronautical services under the Hybrid Till methodology followed by the Authority, s = 30%.
NAR_t is the Non-Aeronautical Revenue in tariff year 't'.

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

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

Where,

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

VE_t is the passenger traffic in year 't'.

2.2 Authority's Orders applied in Tariff Proposals in this Consultation Paper

2.2.1 The Authority's Orders applied in the tariff proposals in this Consultation Paper (CP) are:

i. Order No. 13 dated 12th January 2011 (Regulatory philosophy and approach in Economic Regulation of Airport Operators) and Direction No. 5 dated 28th February 2011 (Terms and conditions for determination of tariff for Airport Operators) Guidelines, 2011.

ii. Order No. 07/2016-17 dated 13th June 2016 (Normative Approach to Building Blocks in Economic Regulation of Major Airports).

iii. Order No. 14/2016-17 dated 23rd January 2017 in the matter of aligning certain aspects of AERA's Regulatory Approach (Adoption of Regulatory Till) with the provisions of the National Civil Aviation Policy – 2016 (NCAP-2016) approved by the Government of India.

iv. Order No. 20/2016-17 dated 31st March 2017 in the matter of allowing Concession to Regional Connectivity Scheme (RCS) Flights under RCS – Ude Desh ka Aam Nagarik (UDAN) at Major Airports.

v. Order No. 35/2017-18 dated 12th January 2018 and Amendment No. 01 to Order No. 35/2017-18 dated 09th April 2018 in the matter of determination of useful life of Airport assets.

vi. Order No. 42/2018-19 dated 5th March 2019 in the matter of Determination of Fair Rate of Return (FRoR) to be provided on Cost of Land incurred by various Airport Operators in India.

2.3 Control Period

2.3.1 YIAPL has submitted the revised MYTP for the initial period covering FY 2020-21 up to 29th April 2025, followed by five-year period from 30th April 2025 to 31st March 2030.

2.3.2 The Authority notes that the Airport was originally scheduled to commence operations on 1st December 2024. However, owing to delays in project execution, YIAPL proposed 30th April 2025 as the date for commencement of commercial operations.

2.3.3 YIAPL, vide email dated 2nd June 2025, informed the Authority that it proposes to revise the COD from 30th April 2025 to 15th September 2025. Further, YIAPL in their email dated 24th September 2025 had indicated that the tentative start for commercial operations for Noida International Airport is 1st December 2025.

2.3.4 Further via email dated 3rd February 2026, YIAPL has indicated that the COD is expected in Q4 of FY 2025-26. Accordingly, the Authority considers the COD to be 1st April 2026 and to give effect to a full term of 5 years proposes to consider the First Control period from 1st April 2026 till 31st March 2031.

2.4 Past Tariff determination history

2.4.1 The Authority vide Order No. 08/2025-26 dated 29th August 2025 allowed YIAPL to levy and collect the tariff for Aeronautical Services on an Ad-hoc basis w.e.f. Commercial Date of Operation (COD) to 31st March 2026 or till the determination of the regular Aeronautical Tariff for the First Control Period, whichever is earlier.

2.4.2 Order No. 09/2025-26 dated 29th August 2025 was issued granting approval to M/s Bird Flight Services (India) Pvt Ltd (BFS) to levy and collect on an Ad-hoc basis, tariff for Ground Handling Services at the airport w.e.f. COD till 31st March 2026 or till the determination of tariff for the ISP, whichever is earlier.

2.4.3 As requested by the ISP, The Authority vide the Order No. 10/2025-26 dated 29th August 2025 has allowed M/s AISATS Noida Cargo Terminal Private Limited to levy and collect, on an Ad-hoc basis, tariff for Domestic, International and Express Cargo Handling Services at the airport w.e.f. COD till 31st March 2026 or till the determination of the regular tariff for the ISP for its First Control Period, whichever is earlier.

2.4.4 Vide the Order No. 11/2025-26 dated 9th September 2025, the Authority has allowed M/s IOSL Noida Private Limited to levy and collect the Fuel Infrastructure Charges (FIC) on an ad-hoc basis w.e.f COD upto 31st March 2026 or till the determination of regular tariff for the ISP for the First Control Period, whichever is earlier.

2.4.5 Similarly Vide the Order No. 12/2025-26 dated 9th September 2025, the Authority has allowed M/s Indian Oil Skytanking Private Limited to levy and collect the tariff for Into Plane (ITP) Services at the airport, on an ad-hoc basis, w.e.f. COD up to 31st March 2026 or till the determination of regular tariff for the ISP for the First Control Period, whichever is earlier.

2.5 MYTP submissions by YIAPL

2.5.1 As per proviso to Clause 3.1 of the Airport Guidelines, the Airport Operator(s) are required to submit to the Authority for its consideration a Multi-Year Tariff Proposal (MYTP) for the respective Control Periods within the due date as specified by the Authority. YIAPL had submitted its initial MYTP on 22nd February 2024 for the period commencing from original COD of 1st December 2024 which included the period from COD until 31st March 2025 as Pre-Control Period and thereafter for the First Control Period commencing from 1st April 2025 to 31st March 2030.

2.5.2 However, YIAPL had decided to shift the COD from 1st December 2024 to 30th April 2025 due to delays in completion of the project. Accordingly, YIAPL submitted the revised MYTP vide letter dated 27th October 2024 after incorporating adjustments related to various factors such as Capex, Revenues, Operating Expenditure and NAR. This revised MYTP has been taken up by the Authority for review and evaluation after factoring for updates/ additional submissions by YIAPL. Any reference to MYTP in this consultation paper refers to the revised MYTP submitted on 27th October 2024 with COD as 30th April 2025 (as submitted by YIAPL). This MYTP is available on the Airports Economic Regulatory Authority (AERA) website.

2.5.3 The Authority has appointed M/s PKF Sridhar & Santhanam LLP (M/s PKF S&S LLP), an Independent Consultant, to assess MYTP submitted by YIAPL for Noida International Airport. M/s PKF S&S LLP assisted AERA in verifying the data from various supporting documents submitted by YIAPL such as audited Financial Statements, contracts awarded for expenses and revenues for examining the building blocks in tariff determination of First Control Period and also ensuring that the treatment given to it is consistent with the Authority's methodology, approach etc.

2.5.4 The Authority through its Independent Consultant has examined the revised MYTP submitted by YIAPL and verified the data and the projections. The Authority requested various clarifications on the information shared by YIAPL to assess the reasonableness of the proposed capital expenditure, operating expenditure, non-aeronautical revenue, FRoR, etc. for finalizing this Consultation Paper. YIAPL provided additional information based on clarifications sought and queries raised by the Independent Consultant to AERA from time to time. All of this information has been used to finalize this Consultation Paper.

Revision to COD

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

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

2.5.6 In its mail dated 3rd February 2026, YIAPL has stated the following:

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

2.5.7 Hence, based on an independent assessment of the status of various statutory approvals and consequent delay in the commencement of operations, the Authority is of the considered view that the COD for the airport is likely to be 1st April 2026. Consequent to the revision in COD, the Control Period is proposed to be considered from April 2026 till March 2031. Further changes to the COD, if any, will be considered appropriately at the Tariff Order stage.

2.5.8 YIAPL, vide its email dated 3 February 2026, has submitted additional details with respect to the following and has requested the Authority to consider the same:

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

Authority's analysis of the above are included in relevant chapters relating to Traffic(refer paras 4.2.17, 4.2.18, 4.2.19, 4.2.30, 4.2.37, 4.2.42) , RAB (refer paras 5.3.181 , 5.3.182 and 5.3.232) etc.

Related Party Transactions

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

Table 4: Nature of transactions with Related Party

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

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

Support Services – Capital / Professional Services

2.5.10 The Authority notes that Zurich Airport International AG (ZAIA) is responsible for advising, operating and/or owning airports and airport-related companies throughout the world. YIAPL receives technical services from ZAIA, in connection with the construction and management of NIA which includes manpower support. As per the inter-company agreement between YIAPL and ZAIA, in lieu of the provision of said services, ZAIA charges a fee to YIAPL at an average daily rate per man day on the basis of "average wage cost plus administrative surcharges for indirect expenses" plus a mark-up of 5.00%. Until the Airport COD, the portion eligible for capitalization has been considered as part of pre-operative expenses. Post Airport COD, these expenses are considered as part of O&M expenses.

2.5.11 YIAPL submitted that it has conducted a Transfer Pricing Study to substantiate the arms-length pricing for transaction which is in the nature of receipt of technical services from ZAIA by means of deputation of manpower from holding company to oversee the construction, operations, planning and management of NIA. The Authority, through its Independent Consultant, has obtained the copy of the Study Report of FY 2022-23 and reviewed the same. It was noted that this report contains details of the nature of the transaction, functional analysis, selection of the most appropriate method, benchmarking analysis and comparable data used to support the pricing of the transaction and thereby justifies the mark-up of 5%.

Reimbursement of Expenses

2.5.12 It was noted from the Transfer Pricing Study Report that expenses like airfare, travel costs etc are recovered on a cost-to-cost basis without charging any mark-up.

2.5.13 The Authority expects the Board of Directors of YIAPL to exercise their rights and/or obligations under the Companies Act 2013, to ensure that the contracts with the Related Party are at arm's length basis and in case of any new Related Party transaction in future, the related party has experience of providing similar service in other places to ensure protection of interest of all stakeholders.

2.5.14 The timeline of various submissions made by YIAPL are as given below:

Table 5: Timelines of various submissions made by YIAPL

Activity	Date
Initial MYTP submission	22nd February 2024
Initial Requirement List	21st March 2024
Site visit	1st April 2024 to 5th April 2024
Clarifications for various building blocks	March 2024 to July 2024
Discussion of queries and responses with YIAPL	June 2024
Revised MYTP submission	27th October 2024
Initial Set of Queries sent to YIAPL after analyzing the revised MYTP submission	12th November 2024
Audited Financial Statement for the year ended 31st March 2024	18th November 2024
Site visit	11th December 2024 to 14th December 2024
Clarifications for various building blocks	December 2024 to June 2025
Change in COD intimation from YIAPL – Revised COD – 15th September 2025	2nd June 2025
Site Visit by Authority	24th June 2025
Presentation to the Authority on key issues by YIAPL team	24th July 2025
Ad-hoc order published	29th August 2025
Change in COD intimation from YIAPL – Revised COD -1st December 2025	24th September 2025
Audited Financial statements for FY 2024-25 and CWIP data up to November 2025	31st December 2025
Status update on licenses, COD, traffic, capex costs awarded etc	16th January 2026 and 3rd Feb 2026

2.6 Construct of this Consultation Paper

2.6.1 This Consultation Paper has been developed in the following order as explained below. Chapter-wise details have been summarized as follows:

- The background of the Airport is explained in Chapter 1.
- Methodology of Tariff determination has been detailed in this chapter i.e. Chapter 2.

- Chapter 3 presents the submission of YIAPL for the period from 22nd January 2020 to COD and Authority's examination and proposals on the same.
- Chapter 4 presents the submissions of YIAPL regarding Traffic Projections for the First Control Period and the Authority's examination and proposals on the same.
- Chapter 5 includes the submissions of YIAPL regarding Capital Expenditure (CAPEX), Depreciation and RAB for the First Control Period along with the Authority's detailed examination, adjustments, rationalization and proposals on the Aeronautical capital expenditure, useful lives and RAB for the First Control Period.
- Chapter 6 – 11includes the submissions of YIAPL regarding various building blocks pertaining to the First Control Period including Fair Rate of Return, Inflation, Operating Expenses, Non-aeronautical Revenue, Taxation, Quality of Service along with Authority's examination and proposals on each matter.
- Chapter 12 presents the Aggregate Revenue Requirement as determined by the Authority based on the proposals for the First Control Period.
- Chapter 13 summarizes Authority's proposals put forward for consultation.
- In Chapter 14 the Authority invites views of all the stakeholders regarding proposals put forward for tariff determination for the First Control Period in the Consultation Paper.
- Chapter 15 contains Annexures.

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

3.1 YIAPL's submissions regarding the period from 22nd January 2020 to COD

3.1.1 YIAPL has, together with the projections for the First Control period, submitted the details of shortfall for the period from 22nd January 2020 till 29th April 2025 included as part of O&M Costs. While this has not been separately presented in the MYTP as Pre-COD results, it has been added to the O&M costs of the First Control Period (in the first tariff year i.e. FY 2025-26) for arriving at the ARR for the First Control Period.

3.1.2 YIAPL has submitted certain expenses incurred prior to the COD as Pre-COD losses. These Pre-COD losses are primarily on account of expenses related to the development of airport infrastructure that are not capitalized. YIAPL has requested the Authority to consider these Pre-COD losses as part of the tariff computation.

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

Table 6: Details of Pre-COD Losses for the period from 22nd January 2020 to Airport COD as submitted by YIAPL

(Rs. in crores)

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

**Data from company formation date (22 Jan 2020) till 31 March 2021 is included in FY 21.*
#Cost for 1 April 2025 till 30 April 2025 is included in FY 2025-26.

3.2 Authority's examination regarding the period from 22nd January 2020 to COD

3.2.1 The Authority notes that although there is a gain in absolute terms during the pre-COD period, as per YIAPL, the application of the Fair Value (FV) factor results in a loss, which is requested by YIAPL to be carried forward to the First Control Period.

3.2.2 The various components of the pre-COD losses and their break-up as seen from the Financial Model submitted by YIAPL are as follows:

i. <u>Aeronautical Revenue:</u> Comprises of Upfront Fee and License Fee from fuel and cargo concession along License Fee and Fixed Fee paid by Bharat Petroleum Corporation Limited (BPCL) for the installation of a fuel pipeline and terminal receipt facility within the airport premises.

ii. <u>Aeronautical O&M expenses:</u> Comprises of personnel cost (excluding amounts that were capitalized during the pre-COD period), general administration cost, insurance cost and other costs.

iii. Non-Aeronautical Revenue: Comprises of land license fee pertaining to various concession agreements, upfront fees, bid fee received etc.

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

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

3.3 Authority's proposals regarding the period from 22nd January 2020 to COD

Based on the material before it and its analysis, the Authority proposes the following with regard to the Tariff for the period from 22nd January 2020 to Airport COD:

3.3.1 Not to consider the pre-COD losses as part of tariff for the period from Company inception to COD for Noida International Airport, Jewar.

3.3.2 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.

4. TRAFFIC FOR THE FIRST CONTROL PERIOD

4.1 YIAPL's submissions regarding Traffic for the First Control Period

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

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

<u>Passenger Traffic</u>

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

<u>ATM</u>

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

<u>Cargo</u>

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

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

Table 7: Traffic for the First Control Period submitted by YIAPL in the MYTP

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

#Passenger traffic for 11 months considering Airport COD as 30th April 2025
**Growth rates are computed based on annualized traffic of FY 2025-26.*

Table 8: Breakup of ATMs between Passenger ATMs and Cargo ATMs as submitted by YIAPL in the MYTP:

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

#ATM traffic for 11 months considering Airport COD as 30th April 2025
^As per MYTP, YIAPL has submitted the Cargo ATM for FY26 considering a period of 12 months.
**Growth rates are computed based on annualized traffic of FY 2025-26.*

4.1.4 The passenger traffic as given in Table 7 includes passengers who are exempt from UDF under the RCS category and transfer passengers.

Adjustments to arrive at Billable Passenger Traffic

4.1.5 YIAPL has arrived at billable passenger traffic, in its submission, considering certain adjustments to the passenger traffic given in Table 7. The adjustments carried out by YIAPL to arrive at Billable Passenger Traffic are as follows:

Adjustment 1: Passengers under the RCS category

4.1.6 In YIAPL's submission, passengers under the RCS category are reduced from the total domestic passenger traffic presented in Table 7 to arrive at the billable traffic. YIAPL has estimated the exempt passengers on account of RCS category to be in the range of 2.41% to 3.01% for departing passengers and in the range of 2.61% to 3.27% for arrival passengers as given in the table below:

Table 9: Percentage of passengers under the RCS category as submitted by YIAPL in its MYTP submission for the First Control Period

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

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

Table 10: Passengers under the RCS category as submitted by YIAPL in its MYTP submission for the First Control Period

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

**Considered proportionately for 11 months assuming COD of 30th April 2025*

Adjustment 2: Transfer Passengers

4.1.8 YIAPL has also reduced the departing transfer passengers in addition to exempt passengers (under RCS category) from total passengers as indicated in Table 7 to arrive at billable passengers. The relevant extract from the Traffic Study is given below:

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

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

Table 11: Transfer Passengers as considered by YIAPL in its MYTP submission for the First Control Period

Particulars (in MPPA)	Ref	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Total Passengers	I (Table 7)	5.94	9.01	11.98	15.41	18.65	**60.99**
Transfer Passengers	II = III + IV	0.30	0.59	0.90	1.31	1.77	**4.87**
a) Domestic Transfer Pax	III	0.28	0.54	0.84	1.15	1.49	**4.30**
b) International Transfer Pax	IV	0.02	0.05	0.06	0.16	0.28	**0.57**

**Considered proportionately for 11 months assuming COD of 30th April 2025.*

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

Table 12: Billable Passengers as per YIAPL for the First Control Period

Particulars (in MPPA)	Ref	Ref	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Total Passengers	A	Table 7	5.94	9.01	11.98	15.41	18.65	**60.99**
Less: Exempt Passenger Traffic (RCS)	B	Table 10	(0.18)	(0.27)	(0.35)	(0.45)	(0.45)	**(1.70)**

Particulars (in MPPA)	Ref	Ref	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
Less: Transfer Passengers	C	Table 11	(0.30)	(0.59)	(0.90)	(1.31)	(1.77)	**(4.87)**
Billable Passenger Traffic	**D=A+B+C**		**5.46**	**8.15**	**10.73**	**13.65**	**16.43**	**54.43**

Considered proportionately for 11 months assuming COD of 30th April 2025.

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

Adjustments to arrive at Billable ATMs (Passengers ATMs only)

4.1.12 The domestic ATM traffic presented in Table 7 above has been adjusted to exclude ATMs under the RCS category which are exempt from landing charges to arrive at billable ATM traffic. YIAPL has estimated the RCS Passenger ATMs based on Traffic Study. The aircraft category wise exempt ATMs as a percentage of total ATMs for the First Control Period is given in the table below.

Table 13: Exempt ATM Traffic submitted by YIAPL in its MYTP submission for the First Control Period

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

Considered proportionately for 11 months assuming COD of 30th April 2025.

YIAPL's revised submission consequent to change in COD

4.1.13 As indicated in para 2.5.8, in anticipation of the COD being shifted to Q4 of FY 2025–26, YIAPL has submitted revised traffic projections on the basis that operations are expected to commence from FY 2026–27. Accordingly, the traffic estimates pertaining to FY 2025–26 in the MYTP submission have been deferred by one year, with consequential adjustment for the subsequent years. The revised year-wise traffic projections submitted by YIAPL are presented in the table below:

Table 14: Revised PAX submitted by YIAPL for the First Control Period

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

*Excludes exempt pax

4.1.14 YIAPL has further clarified that for FY 2026–27, in respect of international passenger traffic, only 50% of the FY 2025–26 number has been considered, as international operations are expected to commence only from August–September 2026. It is noted that YIAPL has submitted passenger traffic projections only up to FY 2029–30, considering the earlier end of the control period as 31 March 2030. In view of the Authority's decision to extend the control period by one additional year, the Authority has re-drawn YIAPL's submission to include passenger traffic for FY 2030–31, so as to aid in meaningful comparison.

4.1.15 It is further noted that YIAPL has not submitted the ATM numbers pertaining to the revised passenger traffic nor has it given its revised estimates for cargo throughput / ATM. However, to aid in meaningful comparison, the Authority has re-drawn YIAPL's submission (ATM and Cargo) for the entire revised control period. The various assumptions used by the Authority to re-draw the submission is as follows:

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

Table 15: Passenger traffic drawn up by the Authority, as YIAPL submission, for the First Control Period

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

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

Table 16: ATM drawn up by the Authority, as YIAPL submission, for the First Control Period

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

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

Table 17: Cargo ATM drawn up by the Authority, as YIAPL submission, for the First Control Period

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

Table 18: Cargo throughput drawn up by the Authority, as YIAPL submission, for the First Control Period

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

4.2 Authority's examination regarding Traffic for the First Control Period

4.2.1 The Authority notes that NIA will be the second major airport in the National Capital Region (NCR) and will be competing with Indira Gandhi International Airport, Delhi (DEL) to meet the aviation demands of the region.

4.2.2 The Authority reviewed the traffic study conducted by L&B for NIA and notes that:

a) The traffic was first forecasted for the entire Delhi Region Airport System using an econometric model.

b) This air traffic demand was then segregated between DEL and NIA using various factors like airfare pricing, yields and cost for airlines and passengers.

4.2.3 As part of its examination of traffic forecast submitted by YIAPL in its MYTP submission, the Authority has reviewed the Compounded Annual Growth Rate (CAGR) for a period of 4 years for passengers, ATM and Cargo, which is presented in table below:

Table 19: 4-year CAGR of Traffic at NIA based on YIAPL's MYTP Submission

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

**Considers COD as 30th April 2025*

4.2.4 The Authority observes that the CAGR of passenger traffic at NIA is high, primarily due to the increasing allocation of passengers from DEL. This higher CAGR is also attributed to the low base effect, which is typical for greenfield airports in their initial years of operation.

4.2.5 With this background, the Authority has analyzed the projections for each of the segments, namely passengers, ATM and Cargo as follows.

<u>Passenger Traffic</u>

4.2.6 The Authority reviewed the Traffic Study conducted by L&B for NIA and notes that it employed a combination of inputs from the airlines regarding their fleet induction plan, the near-term changes planned at DEL, the anticipated opening date of NIA and long-term econometric models, in order to estimate passenger demand in the Delhi Region Airport System.

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

- **Near-Term and Short-Term Passenger Forecasts (FY 2024-25 to FY 2031-32)** – Based on inputs from the airlines, the Indian airlines fleet induction plans over the next seven years were translated into passenger growth and applied to the Delhi Region Airport System.

- **Long Term Passenger Forecasts (FY 2021-32 to FY 2061-62)** – Economic regression models were used to forecast the long-term passenger throughput within the Delhi Region Airport System. Passenger traffic was modeled separately for domestic, international, and total passengers using historical data up to FY 2019-20 and FY 2021-22. Regression models, incorporating a dummy variable for COVID-19 impact, were developed with a combination of independent variables such as GDP, GDP per capita, GSDP, crude oil prices, foreign tourist arrivals etc. Each of the regression models was plotted and compared to provide a full range of potential projections for domestic, international and total passengers in the Delhi region.

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

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

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

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

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

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

Table 20: Share of Passenger Traffic submitted by YIAPL

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

**Annualized figure for FY 2025-26*

4.2.12 The Authority observes that the expected allocation of traffic to NIA is estimated to be in the range of 6.70% to 13.80%. The Authority notes that this is an unusual situation involving two airports in proximity, which may draw passengers from nearby areas, including adjacent states. This has been accounted for by L&B as NIA's share in the incremental passenger traffic growth within the Delhi Region Airport System. The Authority also notes that as DEL attains capacity, the spill over demand will be absorbed by NIA.

4.2.13 Based on the above analysis, the Authority proposes to consider the passenger allocation to NIA as estimated in the L&B study.

4.2.14 The Authority observes that the CAGR of passenger traffic at NIA as given in Table 19 is high, primarily due to the increasing allocation of passengers from DEL and the low base effect as explained in para 4.2.4, and hence it is not directly comparable with historical trends of traffic at DEL. Hence, the Authority has undertaken a comparative analysis of the overall CAGR of the Delhi Region Airport System against the historical CAGR achieved by DEL. Given that the CAGR of DEL during the Third Control Period was affected by the Covid-19 pandemic, a comparison has been drawn with the CAGR achieved during the Second Control Period.

4.2.15 The comparison of the CAGR for the passenger segments projected for the Delhi Region Airport System as per the Traffic Study conducted by L&B for the period FY 2025-26 to FY 2029-30 with the CAGR achieved by IGI during the Second Control Period i.e., FY 2014-15 to FY 2018-19 is presented below.

Table 21: Comparison of Compounded Annual Growth Rate of Passengers for DEL and Delhi Region

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

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

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

Change in COD and revised submission of traffic

4.2.17 The Authority notes that in its revised submission (refer Table 14), YIAPL has not provided traffic projections for FY 2030–31. Pursuant to the Authority's decision (refer para 1.2.5) to consider the control period as FY 26-27 to FY 30-31, with COD expected to be from 1st April 2026, the Authority proposes to estimate the passenger traffic for FY 2030–31 by applying the applicable growth rate over the projected passenger traffic of FY 2029–30.

4.2.18 In view of the revision in the Airport COD, the Authority expects a deferred demand effect, resulting in a sharper traffic ramp-up immediately after commencement of operations. The delay in COD is likely to have created pent-up demand from the catchment area, airline capacity planning, and passenger shift from alternate airports, which is expected to materialize primarily during FY 27-28 and FY 28-29. Thereafter, the growth trajectory is moderated for FY 29-30 and FY 30-31, with lower Y-o-Y growth rates assumed, as traffic levels begin to normalize and transition from catch-up growth to steady-state expansion aligned with underlying market fundamentals.

4.2.19 For international passenger traffic in FY 2027–28, the passenger numbers have been considered at twice the level of FY 2026–27, and thereafter an appropriate growth rate has been applied. This approach has been adopted since, for FY 2026–27, it was assumed that international operations would commence only from August–September 2026 and accordingly only 50% of the originally estimated international traffic was considered. For the subsequent years, the growth rate for international passenger traffic has been assumed to be in line with the growth rate considered for domestic passenger traffic. Based on the above approach the passenger traffic computed by the Authority for the First Control period is as follows:

Table 22: PAX traffic for the First Control period as proposed by the Authority

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

** Excludes exempt pax*

Exempt passengers

4.2.20 The Authority notes that YIAPL has reduced the exempt passengers under RCS Category as per Table 10 (Adjustment 1) and transfer passengers as per Table 11 (Adjustment 2) to arrive at the billable passenger traffic.

4.2.21 The Authority observed that the percentage of transfer passengers to total departing passengers in the international segment was significantly higher than the norm – commencing at about 17.06% in FY 2025-26 and eventually becoming 51.54% as at FY 2029-30 as per the MYTP submission. The Authority, through its Independent Consultant, sought explanation from YIAPL for the significantly high proportion of transfer passengers in the international segment throughout the First Control Period. YIAPL, in its response dated 30th April 2025, has submitted the revised percentages of transfer passengers (refer Table 23) and has requested the Authority to consider the same. The Authority has reviewed the revised percentages submitted by YIAPL and proposes to consider the same as YIAPL's submission.

4.2.22 Based on the revised submission, the transfer passengers have been recomputed as given in table below for original Control Period:

Table 23: Re-computation of transfer passengers as per revised percentages given by YIAPL

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

**Considered proportionately for 11 months assuming COD of 30th April 2025.*

4.2.23 It is observed that as per the Traffic Study of L&B, a separate table (Section 7.6 of the traffic study) has been presented on exempt passengers which comprises of crew, infants, and others, for whom UDF is not applicable. It is noted that these exempt passenger categories were not included in the overall traffic figures presented in Table 7 above. The relevant extract from the Traffic Study is given below:

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

Table 24: Exempt passengers under crew, infants and others as presented by L&B in the traffic study for NIA

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

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

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

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

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

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

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

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

(a) Table 10: Passengers under the RCS category as submitted by YIAPL in its MYTP submission for the First Control Period

(b) Table 23: Re-computation of transfer passengers as per revised percentages given by YIAPL

(c) Table 24: Exempt passengers under crew, infants and others as presented by L&B

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

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

Table 25: Passenger Traffic proposed by the Authority for the First Control Period

Particulars (in MPPA)	FY27	FY28	FY29	FY30	FY31	Total
Passenger traffic (excluding exempt passengers) Table 22 (A)	6.35	9.72	14.34	17.20	18.92	66.54
Exempt Passengers as per Table 24 shifted by one year- (B)	0.39	0.54	0.72	0.93	1.12	3.69
Traffic proposed by Authority (C = A + B)	**6.74**	**10.26**	**15.06**	**18.13**	**20.04**	**70.23**
Segregated as:						
Domestic (D)	6.60	9.85	14.44	17.39	19.22	67.50

Particulars (in MPPA)	FY27	FY28	FY29	FY30	FY31	Total
International (E)	0.14	0.41	0.61	0.74	0.82	2.73
Total (F = D + E)	**6.74**	**10.26**	**15.06**	**18.13**	20.04	**70.23**
% of Y-oY increase		***52.26%***	***46.73%***	***20.41%***	10.56%	

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

Passenger ATM Traffic

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

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

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

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

4.2.35 The Authority notes that YIAPL has considered billable passenger ATM after excluding the ATM traffic that is exempt from landing charges (under the RCS Category) as per Table 13.

4.2.36 The Authority is of the view that RCS flight figures are dynamic in nature. Many a times, these flights are being discontinued by the airlines. Hence such exemption will be granted at the time of true-up on the basis of actuals. This approach is being followed by AERA uniformly.

4.2.37 The Authority proposes to consider the passenger ATM traffic projections as per the following:

a) Without excluding the exempted RCS ATMs (Refer Table 13)

b) The same percentage increase in passenger traffic as considered in Table 25 have been applied for determining passenger ATMs for the respective years of the first control period.

Based on the above, the passenger ATM traffic proposed to be considered by the Authority for the first Control Period is given below:

Table 26: Passenger ATM proposed by the Authority for the First Control Period

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

<u>Cargo ATMs</u>

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

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

North India Air Cargo Tonnage Forecast

- The air cargo tonnage forecast for the North India region and NIA were developed by Boston Consulting Group (BCG) as part of a cargo study done for NIA. North India region refers to the states of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir (including Ladakh), Uttarakhand, Uttar Pradesh, Chandigarh and Rajasthan.
- BCG relied on two main approaches:
  - <u>GDP Multiplier Approach:</u> this method looks at correlation between air cargo and GDP or GDP per capita to estimate North India's cargo potential;
  - <u>Multivariate Approach:</u> this method looks at correlation between growth of air cargo and growth of macro-economic indicators to estimate North India's cargo potential.
- BCG developed regression models using a 9-year historical period from 2011 to 2019 (avoiding the 2008 economic recession and COVID-19 pandemic) and relied on North India GDP projections for forecasting the cargo tonnage. The North India GDP was expected to grow 7.0-7.5% per annum in the near term and 5.7-6.0% in the long term.
- For the Base Case, domestic air cargo within the airport system is projected to increase from 0.5 million tonnes in FY 2020-21 to 1.7 million tonnes in FY 2039-40, representing a 6.1% CAGR. International air cargo within the airport system is projected to increase from 0.6 million tonnes in FY 2020-21 to 2.5 million tonnes in FY 2039-40, representing an 8.1% CAGR. Overall, total air cargo within the airport system is projected to increase from 1.1 million tonnes in FY 2020-21 to 4.2 million tonnes in FY 2039-40, representing a 7.2% CAGR.

Cargo Allocation Approach – based on NIA Demand Potential

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

Table 27: Unconstrained Air Cargo Tonnage Demand submitted by YIAPL

(in Mn MT)

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

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

Table 28: Air Cargo Tonnage Forecast for Noida International Airport as per L&B Report in its MYTP submission

(in Tonnes)

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

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

Table 29: Air Cargo ATM for Noida International Airport as per L&B Report

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

**For 12 months*

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

"…NIA is better located and in closer proximity to the logistics supply chain, industrial clusters, and manufacturers than DEL. It has an excellent location with regards to areas of UP like Ghaziabad, Meerut, Bhadohi, Agra, Kanpur, Aligarh, Lucknow, Moradabad, Firozabad, Khurja, etc. The shorter travel distances,

reduced cycle times, and reduced transportation costs from these suppliers could likely increase NIA's favourability..."

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

Table 30: Cargo throughput proposed by the Authority for the First Control Period

(in Tonnes)

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

Table 31: Cargo ATM Traffic proposed by the Authority for the First Control Period

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

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

Table 32: Passenger, ATM and Cargo Traffic proposed by the Authority for the First Control Period

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic Passengers (in Mn)						
Domestic PAX as per YIAPL (as per Table 15)	6.22	8.61	11.38	14.60	17.58	**58.39**
Domestic PAX proposed by the Authority (Table 25) **(A)**	6.60	9.85	14.44	17.39	19.22	**67.50**
International Passengers (in Mn)						
International PAX as per YIAPL (as per Table 15)	0.13	0.40	0.60	0.81	1.07	**3.01**
International PAX proposed by the Authority (Table 25) **(B)**	0.14	0.41	0.61	0.74	0.82	**2.73**
Total Passengers (in Mn)						
Total PAX as per YIAPL (as per Table 15)	6.35	9.01	11.98	15.41	18.65	**61.40**
Total PAX proposed by the Authority (Table 25) **(C=A+B)**	6.74	10.26	15.06	18.13	20.04	**70.23**
Domestic Passenger ATM (in Nos)						
Domestic Passenger ATM submitted by YIAPL (Table 16)	43,100	58,700	76,300	96,400	1,14,200	**3,88,700**

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Domestic Passenger ATM proposed by the Authority (Table 26) **(D)**	43,100	64,650	95,359	1,14,431	1,25,874	**4,43,413**
International Passenger ATM (in Nos)						
International Passenger ATM submitted by YIAPL (Table 16)	900	2,700	3,900	5,300	6,900	**19,700**
International Passenger ATM proposed by the Authority (Table 26) **(E)**	900	2,700	3,983	4,779	5,257	**17,618**
Total Passenger ATM (in Nos)						
Total Passenger ATM as per YIAPL (Table 16)	44,000	61,400	80,200	1,01,700	1,21,100	**4,08,400**
Total Passenger ATM proposed by the Authority (Table 26) **(F=D+E)**	44,000	67,350	99,341	1,19,210	1,31,130	**4,61,031**
Domestic Cargo ATM (in Nos)						
Domestic Cargo ATM submitted by YIAPL (Table 17)	950	970	980	1,040	1,080	**5,020**
Domestic Cargo ATM proposed by the Authority (Table 32) **(G)**	950	970	980	1040	1080	**5,020**
International Cargo ATM (in Nos)						
International Cargo ATM submitted by YIAPL (Table 17)	1,080	1,580	2,070	2,560	3,060	**10,350**
International Cargo ATM proposed by the Authority (Table 32) **(H)**	1,080	1,580	2,070	2,560	3,060	**10,350**
Total Cargo ATM (in Nos)						
Total Cargo ATM submitted by YIAPL (Table 17)	2,030	2,550	3,050	3,600	4,140	**15,370**
Total Cargo ATM proposed by the Authority (Table 32) **(I=G+H)**	2,030	2,550	3,050	3,600	4,140	**15,370**
Domestic Cargo (in MT)						
Domestic Cargo submitted by YIAPL (Table 18)	79,390	99,600	1,14,700	1,31,300	1,38,100	**5,63,090**
Domestic Cargo proposed by the Authority (Table 30) **(J)**	79,390	99,600	1,14,700	1,31,300	1,38,100	**5,63,090**
International Cargo (in MT)						
International Cargo submitted by YIAPL (Table 18)	33,316	54,100	74,700	97,500	1,22,600	**3,82,216**
International Cargo proposed by the Authority (Table 30) **(K)**	33,316	54,100	74,700	97,500	1,22,600	**3,82,216**
Total Cargo (in MT)						
Total Cargo submitted by YIAPL (Table 18)	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	**9,45,306**
Total Cargo proposed by the Authority (Table 30) **(L=J+K)**	1,12,706	1,53,700	1,89,400	2,28,800	2,60,700	**9,45,306**

4.3 Authority's proposals regarding Traffic for the First Control Period

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

4.3.1 To consider the Passenger, ATM and Cargo traffic for the First Control Period for Noida International Airport as per Table 32.

4.3.2 To true up the traffic volume (Passenger, ATM and Cargo traffic) based on the actual traffic for the First Control Period at the time of determination of the tariff for the next Control Period.

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

5.1 Background

5.1.1 RAB is an essential element in the process of Aeronautical tariff determination. The return to be provided on RAB constitutes a considerable portion of the Aggregate Revenue Requirement (ARR). To encourage the participation of the private sector in airport development and operations, investors must be fairly compensated for the capital outlays involved. At the same time, to safeguard the interests of the airport users, it must be ensured that the capital additions are efficient, their needs justified and the return on investment provided solely on the assets related to the core operations (i.e., Aeronautical Services) of the airport.

5.1.2 The Authority notes that YIAPL has proposed to plan and develop NIA, a greenfield airport in Noida, NCR in a phased manner during the tenure of the concession period. As specified in Table 1, Phase I of the airport development is required to be undertaken for a design capacity of 12 MPPA. This development includes key infrastructure such as the passenger terminal building, runway, taxiways, apron, air traffic control, cargo facilities, airside and landside access roads and other support systems. Expansion in subsequent phases will be triggered upon reaching pre-defined traffic thresholds outlined in Table 1.

5.1.3 To facilitate this development, YIAPL was required to prepare and submit a Master Plan which is in accordance with Civil Aviation Requirements (CAR) as prescribed by the DGCA, ICAO guidelines and conforming to Good Industry Practice, and in line with the specifications / requirements set out in the Master CA.

5.1.4 As per Clause 6 of Annex II to Schedule A of the Master CA,

The Master Plan is to be submitted to the Authority in 60 days from the date of this Agreement. Within 30 (thirty) days of the receipt of the Master Plan, the Authority shall provide to the Concessionaire, any comments or changes that the Authority may have on the Master Plan. If the Authority provides any comments and/or suggestions to the Master Plan, then the Concessionaire shall within 30 (thirty) days of receipt thereof, suitably incorporating such comments and/or changes suggested by the Authority in the Master Plan. This Master Plan will become a part of the Concession Agreement.

5.1.5 The Authority notes that YIAPL has prepared and submitted a draft Master Plan, and received feedback from DGCA, AAI and BCAS. YIAPL reviewed the comments and suggestions and updated the Master Plan report, wherever applicable, and submitted the final Master Plan Final Report to Noida International Airport Limited (NIAL) – the concessioning Authority on 23rd April 2021.

5.1.6 NIAL submitted this revised Master Plan to the Ministry of Civil Aviation (MoCA) for approval. MoCA, vide its letter dated 10th August 2021, conveyed the no objection / in-principle approval from DGCA, BCAS and AAI. NIAL's Board approved this Master Plan on 13th August 2021. NIAL received the in-principle approval from YEIDA Board on 17th August 2021 with the conditions to be fulfilled by YIAPL. The Master Plan showing the layout of the Airport for NIA was approved with effect from 17th August 2021 and the same was communicated through letter no NIAL/MP/247/2021 dated 17th August 2021.

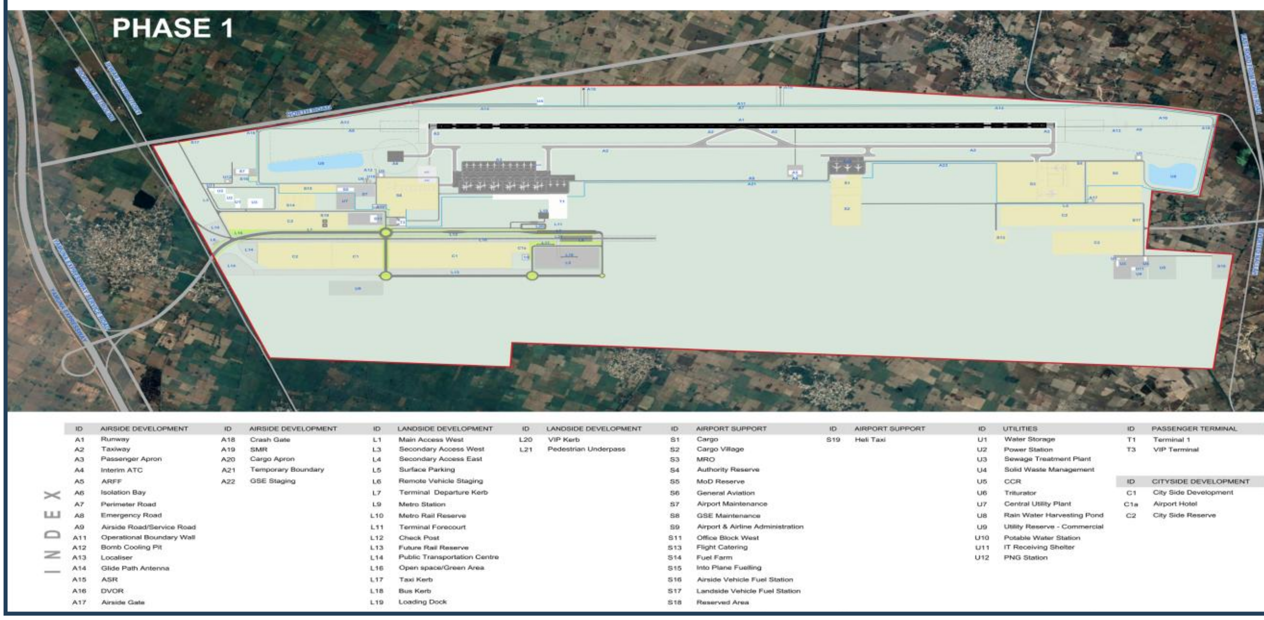
5.1.7 In accordance with Clause 12.2.1 and Annex II to Schedule A of the Master CA, YIAPL has prepared the Development Plan for Phase I of NIA in compliance with the Master Plan of NIA and the requirements set forth in the Master CA. The facilities being built at NIA for Phase 1 are as below:

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

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

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

Figure 1: Development Plan for Phase I



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

5.1.10 The Authority notes that YIAPL is mandated to develop project facilities for NIA as stipulated in Schedule C of Annexure 1 of the Master CA while complying with clause 26.7.1 of the Master CA, which requires YIAPL to achieve and maintain the Airport Service Quality (ASQ) rating of at least 4.2 out of 5.0 and / or appear within top 20 percentile of all airports, in its category.

5.1.11 The Authority along with its Independent Consultant / Aviation Expert, undertook a site visit to assess the capital expenditure proposed for the First Control Period. During the site visit, the Consultant engaged with the technical team of YIAPL to understand the planned phasing of airport infrastructure, traffic estimation methodologies and the short, medium and long-term development plans for the Airport.

5.1.12 As part of the site visit, discussions were held with the design and planning teams to understand the scope of capital expenditure submitted by YIAPL for the First Control Period. These discussions included a review of the project plan, drawings, physical progress at site and the phasing of projects to align with projected passenger traffic and operational needs.

5.1.13 Further, interactions were held with the project team of YIAPL to examine the contract award process, change order process, basis of cost estimation where contracts were yet to be awarded, contingency provisions and benchmarking against industry / normative standards for similar infrastructure projects.

5.1.14 The Authority observed that the assessment of Airport development and its phasing is a technical matter, which requires analysis by the domain expert. The Authority, through its Independent Consultant / Aviation Expert, has carried out an analysis of the submissions made by YIAPL regarding Capital Additions and RAB, and has performed the following:

i. Examined the proposal of YIAPL in terms of the designated capacity of the airport/scope with reference to Passenger Growth/Cargo Volumes/Air Traffic Movement and assessed cost effectiveness of the proposal.

ii. Examined the Building Standards, Designs and Pavement works including cost thereon submitted by YIAPL to be in line with IMG/IATA/ICAO norms.

iii. Analyzed the reasonableness of the proposed cost with reference to the Tentative Ceiling decided by the Authority vide order No. 07/2016-17 dated 13.06.2016 based on the details of the rates and quantity as per Government / Industry approved norms.

iv. Sought documentary evidence and verified the process of approval of Capital Expenditure projects including bidding process for award of various work orders and checked reasonableness of Time Schedule of Completion of work submitted by YIAPL.

v. Sought and verified various technical study reports provided by YIAPL, Drawings and Plans, BOQs, cost estimates and break-up, detailed justification and explanation, copies of Letter of Intent (LOI), Letter of Award (LOA), Purchase Orders, Work Orders, Contracts, Change Orders etc. as applicable, provided by YIAPL.

vi. Reviewed the submissions presented as part of the Capex Study Report prepared by RITES Limited (Refer Para 5.2.3 below) – consultant engaged by YIAPL.

5.1.15 The Authority, through its Independent Consultant / Aviation Expert, has sought and examined YIAPL's submission based on the following information / criteria:

- Nature of the expenditure
- Necessity / requirement of the expenditure
- Number of passengers projected for the First Control Period
- Terminal capacity projected for the First Control Period
- Other short-term and long-term plans of YIAPL
- Sustainability of airport operations
- Passenger consideration
- Safety and security of the airport
- Process of approval and sanction for various work orders / purchase orders

5.1.16 Based on the facts outlined above, the Authority, through its Independent Consultant / Aviation Expert, has examined the entire CAPEX plan in detail, considering the historical traffic trends in Delhi as a state and future traffic estimates for IGI and NIA, such that only essential, reasonable and efficient CAPEX is considered as part of RAB for the First Control Period with a view to encourage the investors while maintaining a balanced approach between the sustainable operations of YIAPL and the interest of the airport users. Further, the Authority takes cognizance of the fact that, if any excess CAPEX is allowed in this Control Period, it would be against the regulatory framework, as tariff would have no link to the services / facilities created at the Airport and the resultant high aeronautical charges would be unfair to the ultimate users.

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

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

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

5.2 YIAPL's submission regarding Capital Expenditure (CAPEX) for the First Control Period

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

Table 33: Project wise details of Capital Expenditure submitted by YIAPL in the MYTP for the First Control Period

(Rs. in crores)

Sl. No.	Asset Categories	Ref	Amount
A1	AGL System		215.50
A2	Airside Buildings		90.30
A3	Airside Roadways		53.30
A4	Runway, Apron and Taxiway		671.80
A5	Bomb Cooling Pit		0.30
A6	GSE Staging		45.90
A7	NAVAID Support Building		97.30
A	**Airside Projects**	**SUM(A1:A7)**	**1,174.50**
B1	Land Development		355.10
B2	Access Roadways		144.50
B3	Canopy		34.10
B4	Car Park		68.20
B	**Landside Development including Land Development**	**SUM(B1:B4)**	**602.00**
C1	IT Terminal Building		93.50
C2	Passenger Boarding Bridge		46.40
C3	PTB – BHS, ATRS, ABD		318.20
C4	Terminal Building		1,842.90
C	**Terminal Building**	**SUM(C1:C4)**	**2,300.90**
D	**Support Facility Buildings**		**278.40**
E1	AGL Substation		30.80
E2	Airside - HVAC Building		119.30
E3	IT		185.20
E4	Other Utilities		204.60
E	**Utilities**	**SUM(E1:E4)**	**539.80**
F1	Vehicles - Crash Fire Tenders		31.40
F2	Vehicles - Others		67.40
F	**Vehicles**	**SUM(F1:F2)**	**98.80**

Sl. No.	Asset Categories	Ref	Amount
G	**Boundary Wall**		**56.40**
H	**VIP Terminal**		**12.70**
I	**GPU/ PCA**		**31.00**
J	**Other**		**12.40**
(1)	**Sub Total**	**1=SUM(A to J)**	**5,107.10**
K	Design Consultancy & PMC Expenses		320.60
L	Insurance, ORAT and Independent Engineer		36.40
M	Pre-Operative Expense		356.40
(2)	**Sub Total**	**2=SUM(K to M)**	**713.40**
N	Contingencies		422.70
O	Financing Allowance		897.50
P	**General and Maintenance CAPEX**		**69.00**
	Grand Total	**(1+2+N+O+P)**	**7,209.80**

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

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

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

- To review and justify the reasonableness of time schedule of completion of works.

  M/s RITES Limited (RITES) has submitted its final analysis to YIAPL vide letter dated 18th October 2023.

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

<u>Additional submission by YIAPL</u>

5.2.5 As stated in para 2.5.8, YIAPL in its submission dated 3rd February 2026, has submitted the following:

"….

i) Update on award of Capex Contracts:

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

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

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

ii) Claim from EPC Contractor:

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

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

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

iii) Capex Cost for future expansion:

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

These interim expansion works are envisaged to ensure adequacy of airside and terminal interface capacity and to facilitate smooth airport operations during the FCP, in advance of the commissioning of Phase 2.

Detailed scope definition, engineering design, and procurement planning for the proposed pier and apron expansion shall be undertaken at an appropriate stage following the commencement of airport operations and once traffic trends stabilize.

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

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

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

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

Authority's examination of CAPEX

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

User Consultation

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

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

- Various Air Traffic Demand Drivers that will influence the traffic at NIA, the reasoning behind the traffic projections which is backed by traffic study done by independent consultant, higher demand, connectivity, surrounding industries and nearby tourism destinations etc.
- Critical updates on the project which included key partnerships awarded, various approvals and agreements (including Fuel farm, Cargo and Hotels)
- Clarifications on specific CAPEX planned under Phase 1, along with the additional capex to be planned as per future operational needs.

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

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

5.3.3 In evaluating the Capital Expenditure for YIAPL for the First Control Period, the Authority has considered the discussions and key observations emerging from the AUCC meeting. The Authority has reviewed the submissions made by YIAPL in relation to the CAPEX for the First Control Period and notes that the project is in the advanced stage of completion, with a majority of the contracts already awarded at the time of submission of MYTP.

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

Bidding Procedure and Scope of EPC contracts

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

I. EPC-1 – Passenger Terminal Building and associated works for construction of building of 1,37,985 sqm (Civil, MEP, IT related and PBB's)

II. EPC-2 – Runway, Apron, Taxiways along with associated airside works for making the Airport suitable for code E operations along with Land side development works including Carpark, Access roads, drainage etc.

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

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

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

- The EPC-2 contract was awarded to Tata Projects Limited at Rs. 2,689.57 crore (including GST @18%) on 8th June 2022.

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

5.3.9 The scope of EPC-1 included:

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

5.3.10 The scope of EPC-2 included:

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

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

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

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

Breakdown of CAPEX for the First Control Period

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

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

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

Table 34: Breakdown of CAPEX submitted by YIAPL for NIA for the First Control Period

(Rs. in crores)

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

**YIAPL has considered a cost of Rs. 7,209.84 crores in its Financial Model, whereas this cost has been rounded off to Rs. 7209.80 crores in the MYTP. The Authority has considered the cost of Rs. 7,209.84 crores submitted by YIAPL for its analysis.*
***YIAPL has identified multiple capital expenditure projects as common costs. These common costs have been consolidated and allocated across the other projects.*
#YIAPL has factored a GST rate of 15.07% for capitalization, after adjustment for the estimated input tax credit entitlement.

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

I. The base cost for each project aggregating to Rs. 4,356.13 crores, has been assessed based on contracts awarded, change orders issued, and contracts or procurements which are in progress. (Refer rows A to J of Table 34).

II. Common costs of Rs. 83.72 crores and GST of Rs. 667.35 crores, which are incremental to the base cost and allocated by YIAPL to each project, have been reviewed separately. (Refer column S1 and S2 of Table 34).

III. Other cost costs like Design Consultancy and PMC Expenses, Insurance, ORAT and Independent Engineer, Pre-Operative Expenses, aggregating to Rs. 713.45 crores have been individually analyzed to assess their reasonableness. (Refer rows K, L and M of Table 34).

IV. Contingencies of Rs. 422.69 crores have been reviewed in the context of current utilization, considering that, as of the date of this consultation paper, the project is in its advanced stages. (Refer row N of Table 34).
V. Financing Allowance of Rs. 897.50 crores has been analyzed separately (Refer row O of Table 34).
VI. General and Maintenance CAPEX of Rs. 69.00 crores, which is required after the commencement of airport operations, has been analyzed separately (refer row P of Table 34).

5.3.14 The Authority, through its Independent Consultant / Aviation Expert, has also examined the individual line items under each project and classified then into aeronautical, non-aeronautical and common on the nature of these projects. The common assets are further bifurcated using the Terminal Building Ratio (TBLR) or other appropriate ratios as applicable. Accordingly, only the aeronautical portion of the cost has been considered as part of aeronautical capital expenditure.

5.3.15 The Authority notes that additional submissions made by YIAPL (including those based on the revised Airport COD and revisions arising from change orders, where applicable) have been reviewed and the Authority's analysis has been given in para 5.3.181 , 5.3.182 and 5.3.232. Any further changes on account of subsequent developments, including additional change orders or revisions to assumptions, shall be examined and appropriately addressed at the time of tariff determination / true-up, subject to review of necessity of project and reasonableness and efficiency of costs.

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

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

Table 35: Cost towards Airside Projects as submitted by YIAPL

(Rs. in crores)

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

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

YIAPL's submission

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

Table 36: Detailed cost break-up of AGL System submitted by YIAPL

(Rs. in crores)

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

Authority's examination of Airfield Ground Lighting System

5.3.17 The Authority has reviewed the works executed under the EPC-2 contract, examined the contract award process and noted that the activities undertaken form an integral part of essential airport operations.

5.3.18 The Authority also notes that a change order has been issued post grant of original work, based on additional Civil Aviation Requirements (CAR) such as:

- Landing 'H' in accordance with DGCA Civil Aviation Regulation.
- To assess safety of operations even during periods of low visibility and comply with low visibility procedures such as adding "Caution 3 Lane" sign north of Passenger Apron at Taxiway C5 and C6, adding location signs and markings, adding illuminated board stating "LVP in Progress" etc.
- Replace MARS Code E tulip lead-in line marking, AGL and associated infrastructure and control features with standard 90-deg marking.

5.3.19 The cost submitted by YIAPL is justified considering the quantum of work involved like the length of cables, number of fixtures for AGL, CAT I & CAT III Approach Lighting System etc., based on CPWD / Market Rates of similar work done in other airports verified by the Independent Consultant / Aviation Expert.

5.3.20 In view of the above, the Authority proposes to consider the cost of Rs. 183.74 crores for AGL systems.

A2 - Airside Buildings (Rs. 77.02 crores)

YIAPL's submission

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

Table 37: Detailed cost break-up of Airside Buildings submitted by YIAPL

(Rs. in crores)

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

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

Authority's examination of Airside Buildings

5.3.22 The Authority has physically inspected the site and notes that the ARFF building is located directly inboard of the main taxiway system to Runway 10L-28R and is co-located with the ATC tower. Further the Authority notes that, YIAPL has also provided a substation and DG sets as secondary source of power supply considering the essentiality of ATC and ARFF.

5.3.23 The cost of the ATC Tower and ARFF building works out to Rs. 93,936 per sqm including GST. M/s RITES Limited, in its capex study report, compared the unit cost of the ATC and ARFF Tower with similar recently awarded projects at AAI airports, where the construction cost for ATC Towers was found to range between Rs. 91,928.57/sqm and Rs. 1,05,823.50/sqm. M/s RITES Limited concluded that the cost of the ATC Tower and ARFF building for YIAPL falls within this range.

5.3.24 The Authority, through its Independent Consultant / Aviation Expert, has reviewed the proposed cost for the ATC Tower and ARFF buildings, taking into consideration that the applicable CPWD/PAR benchmark rates. The Authority further notes that in addition to the base cost, YIAPL has also included cost for additional scope of various works like secondary power supply system (DG set and mini substation exclusively used for ATC Tower and ARFF building), which are in addition to the CPWD/PAR benchmark rates. Also, the Authority notes that this contract was awarded based on open competitive bidding as detailed in Para 5.3.6. Based on the analysis submitted by YIAPL, the Authority's analysis and comparison with similar work done in other airports, the proposed cost of Rs. 93,936 per sqm including GST for the ATC and ARFF buildings is considered reasonable.

5.3.25 The Authority also reviewed the cost of CFT vehicle parking and service areas and the cost of security cabins, emergency crash gate, watch towers, airside gate etc. Based on the nature and quantum of work involved, and on comparison with cost of other such similar works in comparable airports, the Authority finds the overall cost to be reasonable.

5.3.26 In view of the above, the Authority proposes to consider the cost of Rs. 77.02 crores towards Airside Buildings.

A3 - Airside Roadways (Rs. 45.45 crores)

YIAPL's submission

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

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

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

Table 38: Detailed cost break-up of Airside Roadways submitted by YIAPL

(Rs. in crores)

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

Authority's examination of Airside Roadways

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

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

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

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

Table 39: Detailed cost break-up of Runway, Apron and Taxiway submitted by YIAPL

(Rs. in crores)

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

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

Authority's examination of Runway, Apron and Taxiway

Runway

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

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

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

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

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

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

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

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

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

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

Taxiway

5.3.37 The Authority notes that YIAPL has proposed a full-length parallel taxiway, two taxiways at runway ends along with one Rapid Exit Taxiway (RET) and has further proposed three parallel cross-apron taxiways with Code E taxiway and Code C taxiway as part of its Phase 1 Development Plan.

5.3.38 The Authority has reviewed the taxiway flows as mentioned in the Master Plan and notes that these are designed to support a constant demand for service and strategic exits and are also planned in a way that would reduce Runway Occupancy Time (ROT).

Apron

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

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

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

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

"17.15.3 Notwithstanding anything contained contrary elsewhere, the Concessionaire shall:

(b) provide a separate apron of approximately 450M x 150M for parking wide bodied aircraft with office space for operation of IAF aircraft during hostilities/ exercise/ HADR missions;"

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

<u>Benchmarking cost with Authority's normative order</u>

5.3.43 The Authority has issued its Order on Normative Cost vide Order No. 07/2016-17 on 13th June 2016 which provided the normative cost for the construction of pavement (Apron, Taxiway and Runway). The Authority compared the awarded cost of EPC-2 relating to Runway, Apron and Taxiway works with inflation-adjusted normative rate and sought detailed justification from YIAPL.

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

5.3.45 YIAPL also submitted that the site proposed for construction of Airport is originally an agricultural land with low load bearing capacity soil which requires special additional treatment to the sub-base to strengthen the soil and improve the load bearing capacity. Further, the site falls in the seismic zone IV which needs to be considered while designing pavement and leads to additional thickness in pavement section than normal pavement section required for Code E operations, proper drainage system to avoid flooding / soaking of sub base and keep runway surface above the high flood level during monsoon period to ensure safe and uninterrupted operations of the Airport.

5.3.46 The Authority also noted that the tender for the work was finalized based on the open competitive bidding process. The Authority, through its Independent Consultant / Aviation Expert, notes that the cost proposed by YIAPL appears to be reasonable and justified based on the MoRTH and market rates applicable in the given circumstances.

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

A5 - Bomb Cooling Pit (Rs. 0.27 crores)

YIAPL's submission

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

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

Authority's examination of Bomb Cooling Pit

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

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

A6 - GSE Staging (Rs. 39.12 crores)

YIAPL's submission

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

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

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

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

Table 40: Detailed cost break-up of GSE Staging submitted by YIAPL

(Rs. in crores)

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

Authority's examination of GSE Staging

5.3.55 The Authority notes that the change order is proposed for the GSE maintenance building of Rs. 2.29 Crores, which is part of the Support Facility Buildings (refer project D). Accordingly, the Authority proposes to not consider this change order as part of GSE staging works but has dealt this as part of Support Facility Building works (refer para 5.3.130).

5.3.56 The Authority compared the awarded cost per sqm for the GSE Staging works with the CPWD / MORTH rates and observed that the awarded rate was marginally higher. Accordingly, the Authority sought clarification from YIAPL on the variance. YIAPL submitted that the standard CPWD / MORTH rates factor cost only for the base and surface pavement layers. However, awarded cost also includes the cost of the excavation and sub-grade preparation works, which are not part of the CPWD / MORTH rates. YIAPL further submitted that its technical team had adopted certain enhanced design and material specifications, resulting in higher composite unit rates.

5.3.57 The Authority noted YIAPL's submission and proposes to consider the cost of Rs. 36.83 crores for the development of GSE Staging.

A7- NAVAID Support Building (Rs. 82.95 crores)

YIAPL's submission

5.3.58 YIAPL submitted that the scope includes civil and electrical works for ANS infrastructure such as DVOR, LLZ Building, GP Hut, Foundations for LLZ, GP & DVOR Antennas, Footpaths etc., at a cost of Rs. 19.43 crores. This work is part of EPC-2 contract awarded by YIAPL.

5.3.59 YIAPL through AAI conducted a CNS Simulation Study for obtaining NOC for ATC. As an outcome of the study, AAI had communicated that NIA needs to have an operational ASR in the south for safe flight operations. Since this was not covered as part of the original EPC contract, a change order was issued to the EPC Contractor (as part of EPC-2 contract) at a cost of Rs. 16.91 crores for these changes.

5.3.60 YIAPL further submitted that certain additional requirements from AAI like Physical ICT Network, fibre optic cables, precision AC, AHU, Gas Suppression System, LT DG Sets etc. had to be procured, on account of which additional cost of Rs. 46.61 crores has been budgeted and included in the total cost as submitted in the MYTP over and above the cost as per EPC-2 and change order.

5.3.61 The break-up of cost for NAVAID Support Building as submitted by YIAPL is given below:

Table 41: Detailed cost break-up of NAVAID Support Building submitted by YIAPL

(Rs. in crores)

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

Authority's examination of NAVAID Support Building

5.3.62 The Authority notes the requirement of DVOR Building, GP and LLZ Hut, Foundations, Platforms etc., and the change order issued for South ASR. As per the scrutiny of the Independent Consultant / Aviation Expert, the cost appears to be reasonable and justified as compared with the CPWD/ MoRTH market rates for civil and electrical infrastructure.

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

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

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

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

Table 42: Cost proposed by Authority for Airside Projects

(Rs. in crores)

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

<u>B- LANDSIDE DEVELOPMENT INCLUDING LAND DEVELOPMENT (Rs. 513.25 crores)</u>

Table 43: Cost towards Landside Development including Land Development submitted by YIAPL

(Rs. in crores)

Sl. No.	Asset	Base Cost
B1	Land Development	302.79
B2	Access Roadways	123.22
B3	Canopy	29.07

Sl. No.	Asset	Base Cost
B4	Car Park	58.17
TOTAL = SUM (B1:B4)		**513.25**

B1 – Land Development (Rs. 302.79 crores)

YIAPL's submission

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

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

Table 44: Detailed cost break-up for Land Development submitted by YIAPL

(Rs. in crores)

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

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

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

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

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

Authority's examination of Land Development

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

5.3.70 The Authority notes the need and requirement of Enabling / Temporary works for the development of land required for airport operations, including the removal of trees and the relocation / removal of existing utilities like electricity lines, water supply pipelines, roads and drains. Given the nature of these works, the cost typically forms a portion of overall land development expenditure, which in this case, is 7% of the total land development cost. Considering the quantum of work involved, and scrutiny carried out by the Independent

Consultant / Aviation Expert based on CPWD / Market Rate analysis, the cost appears to be reasonable and justified.

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

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

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

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

Table 45: Details of land development submitted by YIAPL

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

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

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

5.3.73 The Authority, through Independent Consultant / Aviation Expert, notes that the scope of PHE and Drainage work includes storm water drain for city side as well as airside including culverts below Runway and Taxiways, parallel drain along the runway, cross drainage etc., to effectively manage the rainwater disposal for safe and smooth operations of Airport covering a total surface drainage network length of 59 kms as submitted by YIAPL. Considering the quantum of work involved as stated above, the cost submitted by YIAPL appears reasonable and justified compared to CPWD/market rates.

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

B2 - Access Roadways (Rs. 123.22 crores)

YIAPL's submission

5.3.75 YIAPL has submitted that the scope of work for Access Roadways include main west access road to Passenger Terminal Building from Yamuna Expressway, Main east access road which connects to Cargo facilities, secondary access west road providing access to the utilities and service area in the west precinct including the west fuel farm, general aviation, VIP terminal, Central Utility Plant (CUP), Office Block West (OBW) and utility facilities along with other roads include departure road, arrival road, departure exit road, service road, Landscaping along roads etc.

5.3.76 This work is part of the EPC-2 contract awarded by YIAPL, with total area of access roadways of around 2,50,000 sqm, at a cost of Rs. 113.4 crores. Additionally, YIAPL has issued a change order for Rs. 1.35 crores for the Western Entry Road alignment change.

5.3.77 Initially, NHAI had only planned to construct the road connecting the highway up to the boundary of the airport, but in order to match the road level, NHAI has now planned to extend their scope until the roundabout inside the airport boundary. A budgeted cost of Rs. 8.47 crores has been included as cost reimbursement to NHAI for the portion of road planned to be constructed by them within the Airport land.

5.3.78 The total cost submitted by YIAPL is as follows:

Table 46: Detailed cost-breakup for Access Roadways submitted by YIAPL

(Rs. in crores)

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

Authority's examination of Access Roadways:

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

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

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

Table 47: Cost for Access Roadways proposed by the Authority

(Rs. in crores)

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

B3 - Canopy (Rs. 29.07 crores)

YIAPL's submission

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

Authority's examination of Canopy

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

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

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

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

B4 - Car Park (Rs. 58.17 crores)

YIAPL's submission

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

Table 48: Detailed cost break-up for Car Park submitted by YIAPL

(Rs. in crores)

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

Authority's examination of Car Park

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

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

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

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

Table 49: Cost proposed by Authority for Landside Development including Land Development

(Rs. in crores)

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

**Considered as non-aero in the section on asset allocation refer Table 96*

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

YIAPL's submission

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

Table 50: Cost of Terminal Building as submitted by YIAPL

(Rs. in crores)

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

C1- IT Terminal Building (Rs. 79.71 crores)

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

Table 51: Detailed cost break-up for IT Terminal Building submitted by YIAPL

(Rs. in crores)

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

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

C2 - Passenger Boarding Bridges (Rs. 39.50 crores)

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

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

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

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

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

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

Table 52: Detailed cost break-up for PTB-BHS, ATRS, ABD submitted by YIAPL

(Rs. in crores)

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

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

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

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

(Rs. in crores)

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

Sl. No.	Description	Remarks	Base Cost
C4.14	Trolley	Budgeted	5.70
C4.15	Other security items	Budgeted	2.50
C4.16	Other operational procurement	Budgeted	8.50
TOTAL=SUM(C4.1:C4.16)			**1,571.48***

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

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

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

Table 54: Peak hour planning parameters as submitted by YIAPL pertaining to the Terminal Building

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

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

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

- The upper level (Level 2) is designed for check-in of departing passengers.
- Pier Mezzanine Level (PM1) is used for domestic and international arrival of passengers coming through Pier Contact Gates.
- The middle level (Level 1) is for passengers arriving from bus gates, transfers (D-D) and also as a space for technical support functions, restrooms, commercial storage areas, offices, and staff facilities. The pier portion of the Terminal Building is used as boarding bus gate for departing passengers.
- The Ground floor (Level 0) is used for immigration, baggage reclaims and passenger services, customs, recheck-in, as well as for international departure and arrival, and for bus lounges.

5.3.100 For item C4.2 "Non-OSS", YIAPL has provided the following details:

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

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

2. The east bus arrival to be designed and constructed as per Non-OSS."

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

Authority's examination of Terminal Building Projects:

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

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

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

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

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

5.3.104 As per Clause 3.3.4.1 of the Master Plan:

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

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

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

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

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

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

for other airports, ie Rs. 5.00 crores for 2 FBS units. Accordingly, the Authority proposes not to consider Rs. 5.80 crores (being Rs. 10.80 crores less Rs. 5.00 crores).

Benchmarking cost with Authority's normative order

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

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

5.3.110 The relevant extracts from this submission is reproduced below:

a) Additional cost on account of increased pile foundation

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

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

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

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

c) Superior BHS arrangement of ICS

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

When we compare the 2 systems following criteria in terms of design requirement has to be taken into consideration
a. Common check counters availability for Airline Handing
b. Throughput requirement to be achieved for the system

c. Service level requirement for distribution of bags from check in to Departure make up system
d. Space occupancy within the Terminal Building
e. Quick turnaround time for Baggage movement for transfer passengers
In terms of common check in counter availability, this can be achieved in Belt system using multiple methods but without sacrificing the bag throughput, most optimal method has been to use Belt in combination with Sortation system such as Tilt tray or cross belt sorters. The challenge when compared to the tray system still lies in maintaining the track loss percentage within acceptable levels & the requirement to have diversion after every level of screening to allow segregation. The advantage required and necessary thus lies in complete isolation of bag which can only happen in a tray/tote & reduced requirement of space/track length as the same track can be used for carrying the bags in isolated environment. With high speed of trays that can be moved on track the throughput is achievable with lesser length of actual equipment installed. Again that also reduces the time of bag with in the system thus distributing the bags to the carousal at high throughput. Modular, redundant components with in the ICS conveying system helps in reducing the downtime thus achieving higher availability. There is no track loss with in the Tray system thus the bags which are routed to level 3 room are actually rejected or time out bags that really require manual checks. This would eventually lead to reduced manhandling & operator requirement at level 3 room. Vertical space requirement with the tray system is much lesser when compared to the alternative such as tilt tray sorter while achieving the same kind of redundancy. So, in overall terms better reliability, availability, tracking of bags, higher throughput, reduced building space requirement are some of the parameters where tray system is ahead of the comparable belt-based systems. Additionally, NIA must adhere to the requirement of a 45-minute Minimum Connect Time for Domestic-to-Domestic transfer traffic as stipulated in the Concession Agreement. To ensure compliance with this requirement during Phase I of the project and in subsequent phases when the traffic volume increases to that of a mega hub, the BHS system must possess advanced specifications to enable speed and operational reliability of baggage connections. As compared to the normal BHS system, considering more intricate sub-systems like sorters carousels etc which are not used in a conventional BHS system or the quantum is less, there is an additional expenditure. Also, there is additional requirement of electricals, IT system and motors etc. Further, the steel used in this system is approx. 170 MT while in a normal system, this would range some where approx. 70 to 80 MT. This implies an additional 100MT of steel was also used..”

d) Superior specification for compliance of IGBC platinum grade

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

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

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

e) Further, cost of Full body scanner and cost of CT X-ray machines are not part of the normative benchmark, and consequently have to be excluded for comparison.

f) As detailed in Para 5.3.4, the EPC-1 contract bidding period was uniquely challenging due to the uncertainty and unpredictability on account of various issues including COVID-19 pandemic and the requirement to meet the lump-sum contract during a cycle of high commodity prices.

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

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

Table 55: Cost proposed by the Authority for Terminal Building Works

(Rs. in crores)

Sl. No.	Particulars	Base cost submitted by YIAPL	Revised cost submitted by YIAPL	Base cost proposed by Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C – B)	
C1	IT Terminal Building	79.71	79.69	79.69	-	
C2	Passenger Boarding Bridge	39.50	39.50	39.50	-	
C3	PTB – BHS, ATRS, ABD (Refer Table 52 for revised cost submitted by YIAPL)	271.40	271.31	261.81	(9.50)	Refer para 5.3.107
C4	Terminal Building (Refer Table 53 for revised cost submitted by YIAPL)	1,571.21	1,571.48	1,565.68	(5.80)	Refer para 5.3.107
TOTAL=SUM (C1:C4)		**1,961.82**	**1,962.00**	**1,946.68**	**(15.30)**	

D - SUPPORT FACILITY BUILDINGS (237.36 CRORES)

Table 56: Cost towards Support Facility Buildings as submitted by YIAPL

(Rs. in crores)

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

YIAPL's submission:

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

Table 57: Detailed cost break-up for Support Facility Building submitted by YIAPL

(Rs. in crores)

Sl. No.	Asset	Remarks	Base Cost
D.1	CISF Bachelor accommodation and on-site facilities	Awarded Cost	43.18
D.2	Various support facility buildings included in EPC-2		150.75
D.2.1	*Airport Maintenance Building (incl. civil, structural, finishing works, MEP, ICT, external development works etc.)*	*Part of EPC-2*	*37.23*
D.2.2	*Office Block West (incl. civil, structural, finishing works, MEP, ICT, external development works, IT Infrastructure for APOC, AEOC, SOCC etc.)*	*Part of EPC-2*	*82.51*
D.2.3	*Various amenities for the above two buildings including Vertical and Horizontal Transport, Building Management System, Fire Detection and Alarm System, Supervisory control and data acquisition (SCADA), CCTVs, Security Access Control System - Controllers, readers and licenses along with Master Key and Electronic Displays*	*Part of EPC-2*	*31.01*
D.3	Data Centre 2	Awarded Cost	5.83
D.4	Solid waste management	Awarded Cost	7.42
D.5	VDGS	Awarded Cost	7.68
D.6	Project Office and Extension of Project Office, along with training Centre	Awarded Cost	17.10
D.7	NIA Centre and ARFF / IT related communication system	Budgeted	5.28
	Total=SUM (D.1:D.7)		**237.25***

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

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

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

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

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

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

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

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

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

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

5.3.119 The Data Centre 2 is located near utilities area on the western side and will support hosting of all communication related IT systems and services and have the ability to provide high availability quality and a secure place for all stakeholder IT equipment. It will also provide reliable, redundant and secure wired and wireless connectivity and communications for all network reliant systems throughout and between the Passenger Terminal Building and associated buildings and facilities. This building is of 708 sqm area.

It is to be noted that Data Centre 1 is housed inside the OBW building.

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

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

D.5 – VDGS (Rs. 7.68 crores)

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

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

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

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

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

<u>Authority's examination of Support Facility Building:</u>

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

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

Table 58: Planned usage of Office Block West and Airport Maintenance Building submitted by YIAPL

		Area proposed to be used by (in sq. m.)							
Building	**Total built up area (in sqm)**	**Non-Aero Concessionaires**	**Aero Concessionaires (Ground Handling, Fuel Farm and Cargo)**	**YIAPL**	**CISF**	**Airlines**	**AAI**	**IMD**	**Others (common space, staircase, utilities & washrooms)**
Office Block West	9,805	437	-	4,881	400	-	1,889	113	2,085
Airport Maintenance Building	7,338	-	2,032	2,200	-	500	-	-	2,606

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

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

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

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

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

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

Table 59: Cost proposed by Authority for Support Facility Buildings

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C – B)	
D.1	CISF Bachelor accommodation and on-site facilities	237.36	43.18	43.18	-	Cost found reasonable.
D.2	Various support facility buildings included in EPC-2		150.75	150.75	-	Cost found reasonable.
D.3	Data Centre 2		5.82	5.82	-	Cost found reasonable.
D.4	Solid waste management		7.41	7.41	-	Cost found reasonable.
D.5	VDGS		7.68	7.68	-	Cost found reasonable.
D.6	Project Office and Extension of Project Office, along with training Centre		17.10	14.92	(2.18)	Refer para 5.3.129.
D.7	NIA Centre and ARFF / IT related communication system		5.28	5.28	-	Cost found reasonable.
	Total=SUM (D.1:D.7)	**237.36**	**237.25**	**235.04**	**(2.18)**	
A6.2	Change order for GSE Maintenance Building		2.29	2.29	-	Refer para 5.3.130.
	Grand Total	**237.36**	**239.54**	**237.32**	**(2.18)**	

E – UTILITIES (Rs. 460.23 crores)

YIAPL submission

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

Table 60: Cost towards Utilities as submitted by YIAPL

(Rs. in crores)

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

E1 - AGL Substation (Rs. 26.22 crores)

YIAPL's submission

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

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

Authority's examination of AGL Substation

5.3.135 The Authority notes the need and requirements of this work for smooth and safe operations of Airport. Considering the CPWD DSR / market rates / prevailing rates / rates considered in other similar airports of the building infrastructure works, CCR equipment, UPS, cables etc., the cost appears to be reasonable and justified. Hence, the Authority proposes to consider the cost of Rs. 26.22 crores submitted by YIAPL.

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

YIAPL's submission

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

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

Authority's examination of Airside-HVAC Building

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

E3-IT (Rs. 157.90 crores)

YIAPL's submission

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

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

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

5.3.142 The cost breakup for this work is given below:

Table 61: Detailed cost break-up for Utilities -IT submitted by YIAPL

(Rs. in crores)

Sl. No.	Description	Remarks	Base Cost
E3.1	Airport Wide Fiber Optic Cabling and Security System	Part of EPC-2	133.70
E3.2	IT - Provision of shared storage and vCenter	Part of EPC-2 Change Order	0.36
E3.3	IT - OFC Supply- NHP Provisions (IT passive network materials supply (AAI and NHP works)	Awarded Cost	10.48
E3.4	IT - OFC Supply- NHP Provisions (YIAPL Procurement of NHP Fibre)	Awarded Cost	4.16
E3.5	IT - Truck Mobile radio system	Awarded Cost	9.20
	TOTAL=SUM(E3.1:E3.5)		**157.90**

Authority's examination of Utilities-IT

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

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

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

5.3.145 YIAPL has also submitted as under:

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

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

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

E4 - Other Utilities (Rs. 174.39 crores)

YIAPL's submission

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

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

Table 62: Detailed cost break-up for Other Utilities submitted by YIAPL

(Rs. in crores)

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

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

Authority's examination of Other Utilities

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

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

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

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

Table 63: Cost proposed by the Authority for Utilities

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C – B)	
E	**Utilities**					

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL	Base Cost proposed by the Authority	Variance	Remarks
		(A)	(B)	(C)	(D = C – B)	
E1	AGL Substation	26.22	26.22	26.22	-	Cost found to be reasonable.
E2	Airside - HVAC Building	101.73	101.73	101.73	-	Cost found to be reasonable.
E3	IT	157.90	157.85	157.85	-	Cost found to be reasonable.
E4	Other Utilities	174.39	174.42	174.42	-	Cost found to be reasonable.
TOTAL = SUM (E1:E4)		**460.23**	**460.22**	**460.22**	**-**	

F – VEHICLES AND CFTS (RS. 84.27 CRORES)

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

Table 64: Cost towards Crash Fire Tenders and Other Vehicles submitted by YIAPL

(Rs. in crores)

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

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

Table 65: Detailed cost break-up for Vehicles and CFT submitted by YIAPL

(Rs. in crores)

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

F.1 Vehicles - Crash Fire Tenders

YIAPL's submission

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

Authority's examination of Vehicles Crash Fire Tenders

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

5.3.157 Accordingly, the Authority proposes to consider the cost of Rs. 26.77 crores as submitted by YIAPL.

F.2 Vehicles - Others

YIAPL's submission

5.3.158 YIAPL has submitted that this procurement includes one Threat Containment Vessel, one Suspect Luggage Containment Vessel, 2 QRT vehicles, one mobile command post, one small fire tender, one runway rubber removal vehicle, one BDDS truck, other O&M vehicles for airside and land side etc. YIAPL submitted that some of these vehicles are already received at site and the rest are expected to be received before COD and hence costs have been budgeted for some of them.

Authority's examination of Vehicles

5.3.159 The Authority notes the need and requirement of these vehicles for various critical operations like airside operations, ARFF, Threat Containment and Suspect Luggage Containment, O&M, CISF etc.

5.3.160 The Authority notes that the cost is justified based on market rates / recent procurement in other airports. The Authority further notes that the total as per the contract / breakup submitted by YIAPL aggregates only to Rs. 57.42 crores as against the cost of Rs. 57.50 crores. Considering the operational requirement, the Authority proposes to consider the cost as submitted by YIAPL of Rs. 57.42 crores for projects F.2.

5.3.161 The Authority accordingly proposes to consider the cost of Rs. 84.19 crores under project category F.

G - BOUNDARY WALL (RS. 48.10 CRORES)

Table 66: Cost towards Boundary Wall as submitted by YIAPL

(Rs. in crores)

Sl. No.	Asset	Base Cost
G	Boundary Wall	48.10

YIAPL's submission:

5.3.162 YIAPL submitted that the boundary wall work includes property boundary wall along the YIAPL Airport Land and operational boundary wall for airside safe operations and also temporary operational boundary fence along the terminal and apron for airside/landside boundary separation etc., with 80 mm Precast + Prestressed panel walls with 4 m c/c spacing of pre-cast RCC posts including Perimeter Intrusion Detection System (PIDS) as per BCAS specifications. The approximate length of the property wall is 17 kms and the length of the operational boundary wall is 11 km. The cost submitted by YIAPL, including the change order for realignment of boundary wall, is given below:

Table 67: Detailed cost break-up of Boundary Wall submitted by YIAPL

(Rs. in crores)

Sl. No.	Description	Contract Reference	Base Cost
G.1	Airport Perimeter Security Fencing (including property boundary wall, PIDS, operational boundary wall etc.,)	Part of EPC-2	28.80
G.2	Boundary wall realignment	Part of EPC-2 – Change Order	1.80
G.3	Supply and Installation of Precast Boundary Wall System at NIA	Awarded Cost	17.50
	TOTAL=SUM (G1:G.3)		**48.10**

**The total as per contract / other submissions totals to Rs. 47.81 crores, and the same has been considered by the Authority for further analysis.*

Authority's examination of Boundary Wall:

5.3.163 The Authority notes the need and requirement of these works and finds that the rate per running metre of Rs. 17,178 appears to be reasonable and comparable with CPWD PAR / Market rates.

5.3.164 Accordingly, the Authority proposes to consider the cost of Rs. 47.81 crores as submitted by YIAPL.

H - VIP TERMINAL (RS. 10.86 CRORES)

Table 68: Cost towards VIP Terminal as submitted by YIAPL

(Rs. in crores)

Sl. No.	Asset	Base Cost
H	VIP Terminal	10.86

YIAPL's submission:

5.3.165 YIAPL submitted that the VIP Terminal is planned at NIA to facilitate the arrival and departure of guests who are entitled under VIP category (i.e., Persons exempted from Pre-Embarkation Security Check (PESC) and immigration processes of Govt. of India). These include high-profile dignitaries like the President of India, Vice-President of India, Prime Minister of India, Chief Ministers of States etc. VIP terminal is approved as part of the Master Plan by Noida International Airport Limited (NIAL), the Concessioning Authority.

5.3.166 The VIP Terminal will include an entrance lobby, general lobby seating, private seating areas, food and beverage area, restrooms and private showers, conference room, check-in, security screening, government inspection areas, baggage handling areas (arrival and departure), offices, support spaces and mechanical rooms. The area of proposed Terminal is 794 sqm at a cost of Rs. 10.86 crores. This is part of EPC-2 change order.

Authority's examination of VIP Terminal:

5.3.167 The Authority notes that as per clause 19.5. of Master CA, YIAPL is required to provide and maintain, at all times, VIP lounges in the Terminal Building for the use and comfort of the guests and personnel of GOI, Designated GOI Agencies. The Master CA, however, does not require the construction of a VIP Terminal.

5.3.168 The Authority sought clarification on the above citing no requirement in the Master CA and also enquired about the planned usage of this terminal. The response by YIAPL is as below:

"…It is clarified that this is not VIP terminal instead it is VVIP terminal. VVIP terminal is planned at NIA, approved as part of the Master Plan by Noida International Airport Limited (NIAL), concessioning authority. VVIP terminal is to facilitate the arrival and departure of VVIP guests who are entitled under VVIP category (that is, exempted from Pre-Embarkation Security Check (PESC) and immigration processes of Govt. of India). This terminal will not be used for General Aviation activity. VVIP terminal can be used as ceremonial lounge (for Category-1 VVIP (President/PM)."

5.3.169 The Authority has reviewed the cost and notes that the rate works out to Rs. 1,36,776 per sqm including GST. This is slightly higher than the normative cost for PTB which is Rs. 1,30,867 per sqm. However, considering that this terminal will be with superior finishes and enhanced security / IT infrastructure designed to be used as a ceremonial lounge, the Authority proposes to consider the cost of Rs. 10.86 crores.

I - GPU/PCA (Rs. 26.50 crores)

Table 69: Cost towards GPU/PCA as submitted by YIAPL

(Rs. in crores)

Sl. No.	Asset	Base Cost
I	GPU/ PCA	26.50

**The amount as per contract / other submissions totals to Rs. 26.46 crores, and the same has been considered by the Authority for further analysis.*

YIAPL's submission:

5.3.170 YIAPL has submitted that the Ground Power Unit (GPU) and Pre-conditioned Air (PCA) will be provided to the aircrafts at the Apron in Phase I development.

Authority's examination of GPU/ PCA cost:

5.3.171 The Authority notes the need and requirement of the infrastructure for operations of Airport. In line with industry practice, GPU and PCA systems are typically considered operational equipment to be deployed, operated, and maintained by licensed Ground Handling Service Providers, not by the airport operator directly. While the facilitation, i.e., enabling the provision of necessary interfaces, space, and utility connections can be met by airport operator, the investment for GPU/PCA equipment is required to be met by the GHSPs.

The Authority also draws reference to Para 18.2.1 of the Master CA which states

"…The Concessionaire shall provide or cause to be provided, the infrastructure required for operation of the ground handling services required at the Airport for and in respect of aircrafts, passengers and cargo, which shall include ramp handling, traffic handling, aircraft handling, aircraft cleaning, loading and unloading (the "Ground Handling Services"). Such infrastructure shall include luggage conveyor belts, computer terminals, IT backbone and all other associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice…"

However, since the Airport Operator has already procured these equipment, the Authority proposes to consider the cost of Rs. 26.46 crores towards GPU / PCA, after verifying the EPC contract, which was awarded based on open competitive bidding. The Authority finds the cost to be reasonable based on review of market rates. YIAPL is directed to include the revenues from these activities as aeronautical revenues at the time of submission of the rate card during consultation process.

5.3.172 Based on the above discussions, the cost proposed to be considered by the Authority for Vehicles and CFTs, Boundary wall and GPU / PCA is as below:

Table 70: Cost proposed by the Authority for Vehicles and CFTs, Boundary Wall, VIP Terminal and GPU/PCA

(Rs. in crores)

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL*	Base Cost proposed by the Authority	Variance*	Remarks
		(A)	(B)	(C)	(D = C – B)	
F	Vehicles and CFTs	84.27	84.19	84.19	-	Cost found reasonable.
G	Boundary Wall	48.10	47.81	47.81	-	Cost found reasonable.
H	VIP Terminal	10.86	10.86	10.86	-	Cost found reasonable.
I	GPU/ PCA	26.50	26.46	26.46	-	Cost found reasonable.

Sl. No.	Particulars	Base Cost submitted by YIAPL	Revised Base Cost submitted by YIAPL*	Base Cost proposed by the Authority	Variance*	Remarks
TOTAL=SUM(F+G+H+I)		**169.73**	**169.32**	**169.32**	**-**	

J – OTHERS (12.40 CRORES)

5.3.173 YIAPL submits that there are various minor assets like computers along with computer software, vehicles, office equipment procured for the project team and to support the overall project operations in the initial period prior to commencement of operations. These assets have been capitalized in the respective years of procurement, and are disclosed as Property, Plant and Equipment in the financial statements for the year ended 31st March 2024.

5.3.174 The Authority has reviewed the submissions and notes that there is a small round-off adjustment of 0.20 crores. Accordingly, the Authority proposes to consider the cost of Rs. 12.20 crores towards minor assets grouped under item “J - Others”.

II. Examination of Common Costs and its allocation to base cost (Refer II of Para 5.3.13)

S1 - Common cost

YIAPL submitted that in Greenfield airport development, various common costs are incurred at the project level that enable multiple components of the overall infrastructure. As these costs cannot be directly assigned to any specific project component, they are distributed across all projects based on the proportion of each component's cost. The costs considered as common by YIAPL is given below:

Table 71: Detailed break-up of Common cost as submitted by YIAPL

(Rs. in crores)

Sl. No.	Asset	Base Cost
S1.1	Expenses for 33 kV Connection	21.36
S1.2	Irrigation system and water storage	19.50
S1.3	Various minor assets	42.93
	TOTAL	**83.72**

5.3.175 On 33kV connection, YIAPL submitted as follows:

“*…NIA, being a greenfield airport, needed to procure a new electricity connection from the local distribution companies (discoms). As per statutory requirements, NIA was required to pay a deposit to secure the 33kV connection. This deposit was paid by NIA to obtain the necessary electricity connection. NIA has funded the deposit through its equity and debt raised for project funding. Accordingly, NIA is eligible to get the return on the investment of such an amount which is essential for the airport to start. Accordingly, the deposit has been considered as a capital asset and considered as part of the Regulatory Asset Base (RAB). YIAPL further submitted that this classification is consistent with AERA's first control period order for Mopa (Goa), where such deposits are also treated as part of the RAB…”*

“…We have deposited a sum of 10.42 Crs towards security deposit & metering cost for ESS and similar deposit (Rs. 10.94 Crs) is required to be done for MRSS…”

5.3.176 On Irrigation system and water storage, the Authority notes that the cost comprises of 3 works as follows:

- Rs. 11.00 crores - manual irrigation system included as part of EPC-2 is proposed to be replaced with an automatic irrigation system based on operational requirement and as an environment sustainability initiative. YIAPL has submitted that the change order has been issued for this work.
- Rs. 3.20 crores for design, engineering, procurement, supply, assembly, construction, erection and installation of raw water storage tank for irrigation purposes. YIAPL submitted that the change order has been issued for this work.
- Rs. 5.30 crores for the second contract on water storage. YIAPL submitted that this cost is currently budgeted.

5.3.177 On "Various minor assets" in Table 71, YIAPL submitted that there are various minor contracts / awards less than Rs. 5 crores. These contracts have been classified based on functional nature and a list has been shared. These include various items such as:

- Costs of topographical survey, peer review studies, drainage review, survey of airport surrounding etc.
- Preparatory costs such as fencing works, environmental monitoring on site, geo tagging & carbon sequestration study of trees on site, cost for noise monitoring stations etc.

5.3.178 The Authority has reviewed the submissions provided by YIAPL and notes that these are operational requirements at the airport. The Authority has also evaluated the details of costs submitted by YIAPL which appear to be reasonable and justified. Based on the nature of these items, the Authority proposes to reclassify the category of these assets as per the table below:

Table 72: Reclassification of Common costs proposed by the Authority

(Rs. in crores)

Sl. No.	Asset submitted by YIAPL	Cost submitted by YIAPL	Revised classification proposed by the Authority	Cost proposed by the Authority
S1-1	Expenses for 33 kV Connection	21.36	Utilities (part of Hard Cost)	21.36
S1-2	Irrigation system and water storage	19.50	Utilities (part of Hard Cost)	19.50
S1-3	Various minor assets	42.93	Design Consultancy & PMC (part of Soft Cost)	16.43
			Pre-Operative Expenses (part of Soft Cost)	26.47
	Grand Total	**83.72**		**83.72**

S2 - Goods and Service Tax (GST)

5.3.179 The Authority notes that YIAPL would be eligible to claim GST Input Tax Credits on procurement of certain movable property. Accordingly, while submitting the MYTP, YIAPL has considered 15.07% of the hard cost as ineligible GST that needs to be added to cost of asset, instead of the 18% GST rate. The Authority notes this approach to be reasonable at this stage.

5.3.180 The Authority expects that YIAPL would properly account for such credits in its submissions in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 at the time of true up of the RAB for the First Control Period. The Authority will examine the accounting of input tax credits and make necessary adjustments in this regard at the time of determination of tariffs for the next Control Period.

Authority's examination of YIAPL's revised submission vide mail dated 3rd February 2026

5.3.181 The Authority notes the submission of YIAPL vide mail dated 3rd Feb 2026 regarding claims raised by the EPC contractor. The Authority also notes that these claims are presently under-going detailed examination by YIAPL and remain under negotiation as submitted in para 5.2.5. The admissibility, quantum, and final settlement value of such claims are yet to attain finality and are subject to technical validation, commercial negotiation and Board approval. In view of the inherent uncertainty and the time required for closure of the claim process, the Authority proposes not to consider these as part of RAB at this stage. The Authority proposes to consider the admissible amount, if any, based on actual settled values at the time of determination of tariff of the Second Control Period, subject to evaluation of efficiency and reasonableness of cost.

5.3.182 Via the same mail, YIAPL had proposed interim Phase-II capacity augmentation works to the quantum of Rs. 500 – 600 Crores. Towards this, the Authority also notes that interim expansion of pier and apron facilities is proposed to address projected capacity constraints as submitted in para 5.2.5. Based on the traffic projections submitted by YIAPL, passenger traffic is expected to exceed the designated built capacity of 12 MPPA during the Control Period. While this indicates the likely requirement for augmentation measures to maintain operational efficiency and service levels, these are to be planned and executed after understanding of the actual trends in traffic etc. Further, the detailed scope, technical configuration, implementation timeline and firm cost estimates for the proposed interim expansion are presently not available. In the absence of sufficient project definition and cost certainty, the Authority proposes not to include the said capex at this stage. Further, YIAPL is expected to follow the Consultation Process prescribed by the Authority with all stakeholders before finalization of project scope and cost estimates. The Authority proposes that the requirement and admissibility of such expenditure will be examined based on actual implementation and capitalization at the time of true-up during tariff determination for the Second Control Period subject to evaluation of efficiency and reasonableness.

III. Examination of Design Consultancy and PMC Expenses, Insurance, ORAT and Independent Engineer, Pre-Operative Expenses ("Soft Costs") (Refer III of Para 5.3.13)

5.3.183 The break-up of soft costs submitted by YIAPL is as per table below:

Table 73: Break-up of Soft Cost submitted by YIAPL

(Rs. in crores)

Sl. No.	Particulars	Base Cost	% of Hard Cost
	Total Hard Cost with GST	**5,217.94**	
K	Design Consultancy & PMC	320.65	6.14%
L	Insurance, ORAT and Independent Engineer	37.23	0.71%
M	Pre-Operative Expenses	355.57	6.81%

K. DESIGN CONSULTANCY & PROJECT MANAGEMENT CONSULTANCY (PMC) EXPENSES

YIAPL's submission regarding Design Consultancy and PMC expenses

5.3.184 YIAPL has submitted that the inclusion of design consultancy, contingencies, pre-operative cost, PMC, preliminary expenses for the projects is based on established practices followed by both domestic and international airports. These costs include components such as planning consultancy, project management consultancy, and other technical services, which are necessary for the efficient execution of infrastructure projects. Vendor wise details of design consultancy and PMC expenses as submitted by YIAPL is as detailed in table below:

Table 74: Detailed cost breakup of Design, Consultancy and PMC submitted by YIAPL

(Rs. in crores)

Sl. No.	Vendor	Nature of Service	Cost (Excl. GST)	Cost (Incl. GST of 15.07%)*
K.1	Vendor 1	Master Plan Advisory Services	10.68	12.29
K.2	Vendor 2	Project Management Consultant	139.47	160.49
K.3	Vendor 3	Master Architect – Design of Terminal	107.54	123.75
K.4	Vendor 4	Airfield Design Consultant	15.43	17.76
K.5	Vendor 5	Building Design Consultant	3.22	3.71
K.6	Vendor 6	Airport Development Consultancy	2.31	2.66
Total = SUM(K.1:K.6)			**278.63**	**320.65**

**The Input Tax Credit eligible on soft costs is considered to be in the same range as that on hard costs for estimation.*

5.3.185 Vendor 1 has been appointed as the Master Advisor. Their scope of work includes developing a strategy and philosophy, traffic forecasts with growth-linked triggers for phased facility development, vision for the airport and its precincts at each phase with its ultimate capacity vision, and a technical, economic, and environmental investigation of development concepts and alternatives.

5.3.186 Vendor 2 has been appointed as the Project Management Consultant to manage and coordinate the project to ensure commissioning by the deadline. This includes creating a project roadmap with risk mitigation, supervising contractors, and monitoring progress.

5.3.187 A consortium of firms, collectively referred as Vendor 3 for the purpose of this consultation paper, have been appointed as the Master Architects. Their scope of services includes design responsibility and design management for Phase 1 of Terminal 1, which is intended to accommodate a capacity of 12 MPPA. The Master Architect's responsibilities for Phase 1 encompass the following areas: the Terminal Building (including Forecourt, Plaza, Departure/Arrival kerbs, and Metro Station integration); Public and Staff Carparks; the Central Utilities Plant and associated corridors; connections to the Terminal Building and supporting facilities; as well as Landscaping, Landside development, and the approach road (from the site boundary to the Terminal). Additionally, the Master Architect is also responsible for developing the concept layout for the landside Central Terminal Area, with a focus on the physical location and footprint of key facilities and supporting infrastructure.

5.3.188 Vendor 4 has been appointed as the Airfield Design Consultant to provide integrated engineering and planning services for the airfield design, preparing EPC tender documents for the airside infrastructure associated with 12 MPPA, and coordinating designs with the terminal master architect and other relevant consultants.

5.3.189 Vendor 5 has been appointed as the building design consultant for various structures. Their scope includes designing Ancillary Buildings (Airport and Airline Administration, Office Block West, VIP Terminal, Public Transportation Center, and Data Center 2), along with other buildings.

5.3.190 Vendor 6 has been appointed as the Airport Development Consultant to develop comprehensive design reports comprising airport development concepts, a landscape master plan, and real estate development guidelines.

YIAPL has cited Tariff Order No. 27/2023-24 for Manohar International Airport, Goa, where the Authority approved costs ranging between 13% and 16% for design consultancy, PMC, and other pre-operative expenses. Similarly, in YIAPL's case, the Operator has proposed a blended cost of 14%, which, according to their submission, is in line with both domestic and international standards.

Authority's examination of Design Consultancy and PMC expenses:

5.3.191 The Authority has reviewed the contract award process for design and PMC expenses and examined the costs in relation to the scope of work. Also, as referred to in Para 5.3.216 of this consultation paper, costs aggregating to Rs. 5.25 crores are reclassified from Pre-operative expenses to Design and PMC expenses and as detailed in Para 5.3.178 of this consultation paper, costs aggregating to Rs. 16.43 crores are reclassified from Common expenses to Design and PMC expenses. The net impact, after considering the GST @ 15.07% as detailed in Para 5.3.179 above, is an addition to Design and PMC expenses of Rs. 24.95 crores. The total cost arrived at is Rs. 345.23 crores after minor round-off adjustments based on comparison of contract cost with those submitted by YIAPL.

5.3.192 The Authority has reviewed the percentage of Design and PMC as a % of hard costs. It is noted that the PMC and design cost as a percentage of hard costs is 6.62%, which appears reasonable given the nature of the project.

Table 75: Computation of Design and PMC Cost as a percentage of Hard Cost

(Rs. in crores)

Particulars	Amount
Total Hard Cost (Refer Table 94)	5,217.94
Design and PMC Cost (Refer Table 94)	345.23
Design and PMC Cost as a % of Hard Cost	6.62%

5.3.193 As a Greenfield airport, the services under this involves master advisory services, overall airport planning, the first comprehensive master plan, which includes traffic projections for all future years. Given these unique requirements, the costs appear justified within the broader context of long-term infrastructure planning and strategic airport development.

L. INSURANCE, ORAT AND INDEPENDENT ENGINEER (RS. 37.23 CRORES)

Table 76: Details of Cost incurred towards Insurance, ORAT and Independent Engineer

(Rs. in crores)

Sl. No.	Particulars	Amount
L.1	Insurance	19.45
L.2	Independent engineer	8.21
L.3	ORAT	9.59
	Total	**37.23**

Insurance (Rs. 19.45 crores)

5.3.194 YIAPL has submitted that, for the NIA project site, the following insurance policies have been taken:

- Erection All Risk
- Contractor's All Risk policy
- Standalone Terrorism Policy
- Marine policy

5.3.195 YIAPL has represented that the insurance cost is capitalized because it directly pertains to the project delivery. Capitalizing this expense aligns with the accounting principle of matching costs with the benefits they generate. Since the insurance cost is incurred to protect the project during its development phase, it is considered a necessary expenditure for the successful completion of the project. YIAPL also submits that the Authority has considered insurance expense for construction activities as capital cost in the Third Control Period order for Hyderabad Airport and other airports.

5.3.196 The Authority notes that, as per Schedule 5 of the EPC contracts with Tata Project Limited, YIAPL is responsible for procuring and maintaining certain insurance policies, including the Contractors All Risk Insurance, while Tata Projects Limited is responsible for procuring and maintaining certain other insurance policies.

5.3.197 YIAPL has stated that it needs to adhere to the requirements of the Master CA with respect to the insurance. The relevant extract is given below:

"…37.2. Insurance Cover Without prejudice to the provisions contained in Clause 37.1, the Concessionaire shall, during the Concession Period, procure and maintain Insurance Cover including but not limited to the following: a) Loss, damage or destruction of the Project Assets, including assets handed over by the Authority to the Concessionaire, at replacement value; b) comprehensive third-party liability insurance including injury to or death of personnel of the Authority or others who may enter the Airport; c) the Concessionaire's general liability arising out of the Concession; d) liability to third parties for goods or property damage; e) workmen's compensation insurance; and f) any other insurance that may be necessary to protect the Concessionaire and its employees, including all Force Majeure Events that are insurable at commercially reasonable premiums and not otherwise covered in items (a) to (e) above…"

5.3.198 The Authority notes that the insurance costs incurred by YIAPL is required for risk mitigation and project delivery. Further, the Authority notes that based on the revised COD, YIAPL has submitted that an additional cost is expected to be incurred, bringing the total to Rs. 22.18 crores. Accordingly, the Authority proposes to consider the cost of Rs. 22.18 crores as submitted by YIAPL.

Independent Engineer (Rs. 8.21 crores):

5.3.199 YIAPL has submitted an amount of Rs. 8.21 crores as being incurred to acquire services of an independent engineer as part of capital expenditure for the First Control Period. The Authority reviewed Article 27 of the Master CA ,which details the requirement for Independent Engineer as below:

"The Authority shall appoint a consulting engineering firm substantially in accordance with the selection criteria set forth in Schedule-Q, to be the independent consultant under this Agreement (the "Independent Engineer"). The appointment shall be made no later than 180 (one hundred and eighty days) days from the date of this Agreement and shall be for a period of 3 (three) years. On expiry or termination of the aforesaid appointment, the Authority shall appoint an Independent Engineer for a further term of 3 (three) years in accordance with the provisions of Schedule-Q, and such procedure shall be repeated after expiry of each appointment".

5.3.200 According to clause 3.1 of Schedule Q to the Master CA,

"In determining the nature and quantum of duties and services to be performed by the Independent Engineer during the Development Period and Construction Period, the Authority(NIAL) shall endeavour that payments to the Independent Engineer on account of fee and expenses do not exceed 1% (one per cent) of the Total Project Cost. Payments not exceeding such 1% (one per cent) shall be borne equally by the Authority and the Concessionaire in accordance with the provisions of this Agreement and any payments in excess thereof shall be borne by the Authority".

5.3.201 The Authority also reviewed the Letter of Award issued towards the same to the tune of Rs. 16.42 crores. It is noted that YIAPL has considered only 50% of such expenses, ie., Rs. 8.21 crores as part of their MYTP submission. As per the above discussions, the Authority proposes to consider the cost of Rs. 8.21 crores submitted by YIAPL for the Independent Engineer to be reasonable and justified.

ORAT (Rs. 9.59 crores)

5.3.202 YIAPL has submitted that Rs. 9.59 crores is budgeted to meet costs for ORAT in order to ensuring the smooth transition of an airport from construction to operational status. The budgeted costs includes expenses on stakeholder events and/or individual workshops with stakeholder decision making groups, content creation, PPE, transport, merchandize and handouts, e-learning, stationary and megaphones, wayfinding and geo-context, first aid and site briefing etc., Training content, external trainers, Hardware support equipment, bags, transport, refreshments, PPE, integrated trial events, support and administration, communication expenses, videography, photography, conferences, relationship management etc.

5.3.203 The Authority notes that this is a necessary expenditure for being operationally ready and proposes to consider the cost of Rs. 9.59 crores submitted by YIAPL.

Table 77: Details of Cost proposed by Authority towards Insurance, ORAT and Independent Engineer

(Rs. in crores)

Sl. No.	Particulars	Cost Submitted by YIAPL (A)	Revised cost submitted by YIAPL (B)	Cost Proposed by the Authority (C)	Variance (D = C – B)	Remarks
L.1	Insurance	19.45	22.18	22.18	-	Cost found reasonable
L.2	Independent engineer	8.21	8.21	8.21	-	Cost found reasonable
L.3	ORAT	9.59	9.59	9.59	-	Cost found reasonable
	TOTAL	**37.23**	**39.96**	**39.96**	-	

5.3.204 Given that the ORAT is presently only an estimate, the Authority expects YIAPL to submit a detailed break-up of incurred costs at the consultation stage as part of the CWIP / capitalization submissions.

M. PRE-OPERATIVE EXPENSE (RS. 355.57 CRORES)

5.3.205 YIAPL has submitted an amount of Rs. 355.57 crores as pre-operative expenses as part of CAPEX for the First Control Period in its MYTP Submission. These are expenses incurred towards development of airport before the start of the airport operations. YIAPL submits that NIA being a greenfield airport, had to build the airport team, set-up offices, establish IT systems, undertake approvals, etc. for the development of the airport before the start of the airport operations. The expenses involved in these activities have been considered as pre-operative expenses and are capitalized by YIAPL.

Table 78: Details of Pre-operative expenses submitted by YIAPL

(Rs. in crores)

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Personnel Cost	3.78	23.66	40.48	50.62	83.66	8.36	**210.56**
Professional and consultancy fees	11.16	13.24	17.64	8.53	11.40	0.26	**62.23**
Travelling and conveyance	-	0.18	0.55	0.19	0.19	0.01	**1.12**

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
R&M - IT – Preops	-	-	4.94	11.74	23.13	-	**39.80**
Intercompany operational expenses	11.60	9.55	3.97	5.05	4.72	-	**34.88**
Other Costs	-	-	3.29	3.69	-	-	**6.98**
TOTAL	**26.54**	**46.63**	**70.86**	**79.81**	**123.10**	**8.63**	**355.57**

5.3.206 The Authority, through its Independent Consultant / Aviation Expert, has compared the pre-operative expenses with the Financial Statements up to FY 2023-24 and found the same to be in agreement. The Authority also noted that while YIAPL has submitted the Financial Statements for FY 2024-25, the corresponding detailed item-wise break-ups of pre-operative expenditure have not been provided. Accordingly, YIAPL is directed to submit the complete details / schedules supporting pre-operative expenditure for FY 2024-25 during the consultation process. The Authority also notes that YIAPL has submitted the latest CWIP position for the period April 2025 - November 2025 and has requested the Authority to extrapolate the same up to the revised COD. The Authority has considered the revised COD of the Airport as 1st April 2026 (as stated in Para 1.2.5) and has accordingly extrapolated the pre-operative expenditure for FY 2025-26 up to 31st March 2026, considering that YIAPL would capitalize all assets as on 31st March 2026. The revised pre-ops considered as submitted by YIAPL up to 31st March 2026 works out to Rs. 543.93 crores. However, detailed breakups have not been provided by YIAPL. The Authority has analyzed each head of pre-operative expenses below based on the initial submission made by YIAPL, latest unaudited CWIP submitted by them and reasonableness of such expenditures, and a final table has been drawn comparing the initial and revised submission of YIAPL along with the Authority's proposal.

<u>Personnel Costs (Rs. 210.56 crores)</u>:

5.3.207 YIAPL submitted as follows:

"…It is submitted that the personnel cost under pre-ops which relates to the project construction has been considered as capital expenditure while the remaining is considered as operational expenditure. Salary capitalization is determined based on the employee's role or involvement in the capital project. This percentage reflects the employee's anticipated or agreed-upon contribution to the project over the relevant period, ensuring that the capitalized amount corresponds to their expected involvement in the asset development. It is further submitted that the pre-ops cost (including the personnel expenditure) bifurcation into capital expenditure and operational expenditure till FY24 is approved by the statutory auditors in the financial statements…"

"…The year-on-year increase in the personnel cost is on account of the increase in the employee numbers as per the project requirement. The year on year employees are 23 in FY21, 47 in FY22, 74 in FY23, 150 in FY24 and 359 in FY25. It is submitted that the employees till FY24 is as per the actuals and have increased as per the project requirement. The employee growth from 150 in FY24 to 359 in FY25 is on account of the following reasons:

(i) NIA COD is 30 April 2025 and the ORAT exercise usually starts 6 to 8 months before the COD. Accordingly, the requirement of the personnel is from the operational readiness perspective which are thus part of the capital expenditure.

(ii) Further, the airport needs to hire the employees beforehand to ensure their onboarding, training, etc. for smooth start of the operations on COD…"

5.3.208 YIAPL was requested to provide the rationale for capitalization of various department costs, and their response which included the average headcount and salary details is given in the table below:

Table 79: Department-wise headcount and average salary submitted by YIAPL (FY 2022-23 to FY 2024-25)

Department Group	Average Headcount			Average Salary		
	2023	2024	2025 (till 10 March 2025)	2023	2024	2025 (till 28 Feb 2025)
Airside Operations	3	7	10	52.80	45.93	29.21
APOC and Terminal Ops	1	3	7	-	34.63	22.60
Quality	1	1	2	-	-	44.00
CDO Office	2	4	6	157.20	119.63	122.77
CEO Office	3	4	6	227.00	231.30	136.19
Commercial non-aero	4	10	21	96.00	44.22	38.75
COO Office	4	6	44	80.10	69.40	96.75
Engineering & Maintenance	4	15	31	59.20	31.85	26.55
Finance & Accounts	7	13	14	60.50	46.86	41.31
Human Resources	2	3	5	46.90	44.19	35.48
Legal	3	5	5	48.10	66.81	41.60
ORAT & Program Development	7	9	7	54.60	45.00	47.48
Procurement & Contracts	3	4	4	23.90	22.63	25.50
Project Delivery	18	18	17	47.10	47.38	50.22
Security & Safety	1	4	25	49.60	37.52	12.59
Information Technology	8	11	13	40.20	42.51	39.77
Total	**71**	**117**	**217**			

Table 80: Department-wise rationale for capitalization as given by YIAPL

Department group	Rationale for capitalization as given by YIAPL
Airside Operations	Airside operations personnel are responsible for preparing runways, taxiways, aprons, lighting systems, signage, etc. Their involvement in testing, inspections and operational planning is essential for bringing the airport to its intended use.
APOC and Terminal Ops	The AOCC is critical for coordinating airport operations, including airside, resource allocation within terminal for aircraft operations, etc. During the construction phase, AOCC personnel are involved in setting up operational procedures, testing systems and ensuring compliance which are essential for the airport to become operational.
Quality	The Quality team ensures compliance with construction standards. Their role in testing, audits and quality assurance directly contributes to the airport's construction.
CDO Office	The Chief Development Officer (CDO) office is responsible for strategic planning, stakeholder coordination and high-level decision making for the airport construction works. As their role is directly related to airport's construction, their cost is capitalized.
CEO Office	The CEO's role during the construction phase includes strategic oversight, stakeholder engagement and high-level decision making, directly contributing to airport development. However, a portion of their responsibility also includes administrative and corporate governance tasks. Therefore, 50% capitalization is proposed for CEO office.
Commercial non-aero	The Commercial - Non-aero team is responsible for ensuring alignment between the infrastructure requirements of the concessionaires and the facility at the airport. Based on their role, 75% capitalization is proposed for commercial non-aero team.
COO Office	The COO is heavily involved in overseeing operational planning & Readiness and ensuring compliance with regulatory requirements. COO also supports in administrative and corporate management tasks. ARFF team is part of the COO function. ARFF team is a regulatory requirement for airport certification an readiness efforts during the construction phase are essential to bringing the airport to operational status. These resources are required in line with CAT 09 requirements. Based on their role in preparing the airport for operational readiness and integrating various functions, 75% capitalization is proposed.
Engineering & Maintenance	Engineering and Maintenance personnel are involved in commissioning critical airport infrastructure, including runways, terminals, lightings and utilities. Their involvement in

Department group	Rationale for capitalization as given by YIAPL
	testing, inspections and system integrations is essential airport construction and operational readiness.
Finance & Accounts	The Finance and Accounts team manages project funding, cost control, financial reporting and regulatory compliance, all of which are essential for completing the airport construction. However, some of their activities such as corporate finance and routine accounting, are operational and hence, 50% capitalization is proposed for Finance and Accounts team.
Human Resources	These are not capitalized.
Legal	The Legal team manages contracts, regulatory approvals, compliance issues and risk mitigation during the airport's development.
ORAT & Program Development	ORAT and program management personnel ensure a smooth transition from construction to full airport operations. Their activities include testing systems, training staff, conducting operational trials and coordinating stakeholders. These efforts are essential for achieving operational readiness and thus capitalized.
Procurement & Contracts	The procurement team is responsible for sourcing and managing contracts for construction materials, equipment and operational systems necessary for airport's construction. This expense is thus capitalized.
Project Delivery	The Project Delivery team manages the execution of airport construction and ensuring timelines are met through efficient scheduling. Their role in coordinating with contractors, resolving construction challenges directly contributes to asset development.
Security & Safety	Safety and security personnel establish emergency response plans, conduct risk assessments and ensure compliance with aviation security regulations. Their role in preparing airport for certification is essential for airport construction and its readiness for operation.
Information Technology	IT personnel are responsible for implementing, testing and commissioning airport systems, such as networks, cables, etc.

5.3.209 The Authority has reviewed the submissions made by YIAPL and observes the following:

- While YIAPL has given the headcount as 23 in FY 2020-21, 47 in FY2021-22, 74 in FY 2022-23, 150 in FY 2023-24 and 359 in FY 2024-25 as part of their submission dated 25th January 2025, they have revised the headcount to 71 in FY 2022-23, 117 in FY 2023-24 and 217 in FY 2024-25 in their submission made on 11th March 2025.
- YIAPL has grouped the ARFF staff as part of COO Office and submitted that the total headcount under this head is 44 staff with an average salary of Rs. 96.75 lakhs per person. This appears to be inconsistent with the average salary cost data for ARFF staff submitted by YIAPL as part of operation and maintenance expenditure.

5.3.210 The Authority, through its Independent Consultant / Aviation Expert, has considered the following approach in analyzing pre-operative expenses:

For pre-operative cost for FY 2020-21 to FY 2023-24:

- The Authority has obtained and reviewed the average headcount and average salary details and has reviewed the rationale for capitalizing these costs as submitted by YIAPL.
- Pre-Operative Expenses submitted by YIAPL has been reconciled with the Capital Work in Progress (CWIP) disclosed in the audited financial statements.
- The Authority has reviewed and excluded salaries pertaining non-aero departments included as part of pre-operative expenses

For pre-operative cost for FY 2024-25 and FY 2025-26:

- YIAPL had provided the employee cost included in the unaudited CWIP up to March 2025 in their mail dated 5th May 2025. This same has been considered as pre-ops for FY 2024-25 after review, since detailed breakup of CWIP as per audited financial statements of FY 2024-25 is awaited. From this, salaries of Non-Aero depts. have been excluded considering FY 2023-24 numbers as base with inflation of 6% p.a.

- For FY 2025-26, YIAPL has provided the CWIP up to November 2025 vide emailed dated 31st December 2025. This has then been pro-rated up to 31st March 2026 as mentioned in Para 5.3.206. Salaries of non-aero departments have been excluded from the costs so derived based on estimates.

5.3.211 Taking the above methodology into consideration, the personnel cost proposed to be considered by the Authority to be included as part of pre-operative expenses is as per the table below:

Table 81: Personnel Cost proposed by Authority to be included as part of Pre-operative costs

(Rs. in crores)

Particulars	Cost submitted by YIAPL (A)	Revised cost submitted by YIAPL (B)	Cost proposed by the Authority (C)	Variance (D=C-B)	Remarks for difference
FY 21	3.78	3.78	3.50	(0.29)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 22	23.66	23.66	22.81	(0.86)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 23	40.48	40.48	37.60	(2.88)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 24	50.62	50.62	47.31	(3.32)	Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 25	83.66	83.66	55.87	(27.78)	Adjusted based on CWIP draft numbers for FY 2024-25 as submitted by YIAPL. Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
FY 26	8.36	86.94*	81.20	(5.73)	Adjusted based on CWIP up to November 2025 pro-rated upto 31st March 2026. Commercial team and real estate personnel cost considered as non-aero and hence not considered by the Authority.
Total	**210.56#**	**289.14**	**248.28**	**(40.85)**	

* *Additional Rs. 57.96 crores submitted by YIAPL based on unaudited CWIP extrapolated up to 31st Mar 2026 as Rs. 86.94 crores*

Professional and consultancy fees (Rs. 62.23 crores):

5.3.212 YIAPL submitted that various consultants were engaged for development of the airports and their costs have been included under Professional and consultancy fees.

5.3.213 The Authority reviewed the party-wise breakup provided by YIAPL and reconciled the same with the CWIP included in the audited financial statements. The Authority raised certain queries on the items included under this head and YIAPL provided justifications for the same. Key cost elements are as given below:

- The Authority noted that YIAPL has engaged a firm of consultants to provide a cargo study at a cost of Rs. 12.03 crores. YIAPL was asked to submit a note justifying the same, response for which has been submitted as below by YIAPL:
  "…Considering the potential of cargo in catchment, NIA has been intending to develop cargo as a strategic hub which will not only help to develop airport ecosystem but also contribute to state growth. With this objective NIA had engaged BCG to develop strategic and infrastructure plan for cargo focusing on the facility size, capacity, physical infrastructure and technical capabilities of its cargo facilities which would be needed in line with the future growth. This include market assessment to define and conceptualise the infrastructure requirements, design, business model etc. Considering this expenses has been made to conceptualise the infrastructure, will help developing the ecosystem it has been considered as an expense to put the overall infrastructure to use and have been capitalised…"
- The Authority noted that YIAPL has reimbursed to YEIDA a sum of Rs. 3.38 crores towards the ground-breaking ceremony. YIAPL was asked to submit a note justifying this cost, and their submission is as below:
  "…These expenses are incurred on foundation stone ceremony by Honourable PM which was a critical event to start the construction work. These expenses were reimbursed to NIAL, concessioning authority as agreed by YIAPL board to the tune of 50%. Since the expenses were incurred to kick off the process to construct the asset and eventually put to use, this has been discussed with statutory auditors and capitalised in FY 22-23…"
- The Authority noted that YIAPL had incurred certain legal costs and requested YIAPL to submit a note on the same. YIAPL submitted that the Professional and consultancy fees includes legal cost of Rs. 3.74 crores and clarified as below:
  "…It is clarified that the legal fees is for drafting of the several contracts that airport has entered into including EPC contracts and Design and PMC contracts…"

5.3.214 For FY 2025 - YIAPL in its response dated 5th May 2025, submitted the legal and consultancy costs for the year ended 31st March 2025 totaling to Rs. 27.91 crores as against Rs. 11.40 crores submitted at the time of MYTP. Considering that no detailed breakup has been received for Rs. 27.91 crores, the Authority proposes to consider Rs. 11.40 crores as submitted by YIAPL in their MYTP submission for the purposes of this Consultation Paper. The Authority also proposes to review and true up the same based on detailed submissions, if any, that will be made by YIAPL during the consultation process, subject to evaluation of reasonableness and efficiency of costs.

For FY 2026 - Similarly, the Authority reviewed the CWIP of Rs. 10.16 crores up to November 2025 submitted by YIAPL and noted that detailed breakup / schedules have not been furnished. In the absence of the requisite details, the Authority proposes to consider Rs. 11.40 crore, being the corresponding cost submitted by YIAPL for FY 2024-25 in its MYTP, as the cost for FY 2025-26 also, in this Consultation Paper. The Authority also proposes to review and true up the same based on detailed submissions, if any, that will be made by YIAPL during the consultation process, subject to evaluation of reasonableness and efficiency of costs.

5.3.215 The Authority undertook the following rationalizations / adjustments in pre-operative cost:

- The Authority notes that YIAPL engaged a consultant at a cost of Rs. 87.55 lakhs for the assessment of city side land parcel and for product mix formulation for city-side development. The Authority notes that city-side development is non-aeronautical in nature and proposes to exclude this cost from pre-operative expenses.

5.3.216 The Authority notes that the following expenses included under pre-operative expenses are in the nature of Design and PMC and accordingly proposes to reclassify them to the respective head.

Table 82: Adjustment for Pre-Operative Expenses proposed by Authority

(Rs. in crores)

Party Name	Amount	Note on the nature of expense provided by YIAPL	Adjustment proposed by the Authority
Vendor A	3.00	Providing services for management of architect competition and providing design related consulting services.	To be reclassified as Design and PMC cost.
Vendor B	1.13	The Honorarium paid for participation in Design Competition to the unsuccessful Architects (2 Nos.) was 0.15 million USD each.	To be reclassified as Design and PMC cost.
Vendor C	1.12	The reference is given in the jury report. If we consider a 2 months effort for ideation with the single Architect the Fee would have been approximately 2 million USD for the ideation effort which is much higher than 0.15 million USD paid to other Architect for their ideations.	To be reclassified as Design and PMC cost.
Total	**5.25**		

5.3.217 Considering the responses and justifications provided by YIAPL, the Authority has proposes to consider the costs as per the table below, as part of pre-operative costs for Noida International Airport for the First Control Period.

Table 83: Cost for Consultancy, Legal and Professional Fees as proposed by Authority

(Rs. in crores)

Particulars	As submitted by YIAPL (A)	Revised submission of YIAPL (B)	Rationalisation / Adjustment of costs (C)	Reclassification as PMC (D)	Proposed by the Authority (E = B – C – D)	Remarks
FY 21	11.16	11.16	0.27	4.00	6.90	Commercial Non-Aero Costs not considered. Refer Para 5.3.216.
FY 22	13.24	13.24	0.18	1.76	11.30	
FY 23	17.64	17.64	0.43	0.29	16.92	
FY 24	8.53	8.53	-	-	8.53	Cost found reasonable
FY 25	11.40	27.91*	16.51	-	11.40	Refer Para 5.3.214, 5.3.213
FY 26	0.26	15.23**	3.83	-	11.40	Considered based on CWIP submitted for FY 2025
Total	**62.23#**	**93.72#**	**21.22**	**6.05**	**66.46**	

* *As per unaudited CWIP for FY 2025*

** *Unaudited pre-op for Apr-Nov 2025 of Rs. 10.16 crores extrapolated up to 31st Mar 2026 as Rs. 15.23 crores*

\# *YIAPL revised submission considered as Rs. 87.67 crores in Table 85 (being Rs. 93.72 crores less Rs. 6.05 Crores of reclassification)*

<u>R&M IT (Rs. 39.80 crores):</u>

5.3.218 On R&M IT, YIAPL submitted as follows:

"…The R&M IT pre-ops expenses for FY24 are primarily allocated towards the cost of the Master Systems Integrator (MSI), with the remaining amount covering minor software licenses required for construction purposes. The MSI fees amount to INR 31.46 crore (excluding GST) for construction-related activities. Additionally, minor software licenses required for project delivery brings the overall IT pre-ops expenses to INR 33.7 crore.

The MSI contract expenses are distributed as follows: INR 3.9 crore in FY23, INR 9.58 crore in FY24, and an estimated INR 17.98 crore in FY25, totaling INR 31.46 crore…."

5.3.219 The Authority notes that the Master Systems Integration is in the nature of IT cost and not a part of pre-operative expenses. Accordingly, the Authority proposes to reclassify the cost of Rs. 31.46 crores to Hard Cost as Utilities– IT.

Based on the above, the cost proposed by the Authority for R&M – IT is as below:

Table 84: Cost for R&M – IT as part of pre-operative costs as proposed by Authority

(Rs. in crores)

Particulars	As submitted by YIAPL	Rationalisation of costs	Reclassification as IT Cost*	As proposed by Authority	Remarks
FY 21	-	-	-	-	
FY 22	-	-	-	-	
FY 23	4.94	-	3.90	1.04	Reclassification as IT.
FY 24	11.74	-	9.58	2.16	Reclassification as IT.
FY 25	23.13	4.62	17.98	0.53	Reclassification as IT and rationalization of FY 2024-25 projections.
FY 26	-	-	-	-	
Total	**39.80**	**4.62**	**31.46**	**3.72**	

**The pre-operative expense above is inclusive of GST. The base amount which is proposed to be reclassified to IT (under the asset category 'Utilities') is Rs. 27.34 crores (Refer Table 89)*

<u>Intercompany operational expenses (Rs. 34.88 crores):</u>

5.3.220 YIAPL submitted a cost of Rs. 34.88 crores towards intercompany operational expenses as part of pre-operative expense and provided the following justification:

"…ZAIA holds expertise and strategic hands on experiences for airports. During the construction & Project delievery phase, YIAPL received the support from ZAIA in the area of Infrastructure project management support, Master Planning related strategic support, Strategy planning consultancy services operations, Environmental management support services etc. For all the above support provided by ZAIA, ZAIA charges on the basis of man days basis the Arm's length Price as per the benchmarking conducted…."

5.3.221 The Authority has reconciled the expenses with the related party transactions disclosed in the Financial Statements, reviewed the benchmarking of Arm's Length Pricing as presented in the Transfer Pricing Study for FY 2022-23 and accordingly, proposes to consider Rs. 34.88 Cores of inter-company expenses as part of pre-operative expenses.

Other Pre-ops (Rs. 1.12 crores for travelling and Rs. 6.98 crores for other costs such as office electricity charges):

5.3.222 The Authority has reviewed the remaining pre-operative costs (Rs. 1.12 crores for travelling expenses and Rs. 6.98 crores for other costs such as office electricity charges) with the financial statements and notes them to be reasonable and in line with the costs reported in the Financial Statements. Accordingly, the Authority proposes to consider Rs. 6.98 crores for other costs and Rs. 1.23 crores for travelling expenses, which was redrawn based on revised COD of 1st April 2026 (refer Para 5.3.206).

Debt Processing Fees (Rs. 102.46 crores)

5.3.223 YIAPL claimed financing charges of Rs. 102.46 crores paid / expected to be paid on debt as part of MYTP, clubbing the same with Financing Allowance. Subsequently, YIAPL revised this based on actual financing charges and submitted that a cost of Rs. 85.24 crores be considered as financing charges. The Authority reviewed the detailed breakup and notes that these costs were in the nature of upfront fees, syndication fees, service fee etc. The Authority further notes that as per Para 5.1.4 (e) of AERA guidelines 2011, the relevant extract of which us given below, the financing charges are to be included as part of capital cost.

"…Financing costs associated with debt considered for the determination of weighted average cost of debt, shall be considered in the capital costs of the project and not as an adjustment to the cost of debt…"

Accordingly, the Authority proposes to consider the financing charges of Rs. 85.24 crores as part of pre-operative expenses.

Based on the above discussions, the cost for pre-operative expenses proposed to be considered by the Authority for the First Control Period is given below:

Table 85: Pre-operative expenses as proposed by the Authority

(Rs. in crores)

Particulars	Ref	Base as per			Variance (D=C-B)
		YIAPL (A)	Redrawn YIAPL submission (based on revised COD and after reclassifications) (B)	Authority (C)	
Personnel Cost	Table 81	210.56	289.14	248.28	(40.85)
Professional and consultancy fees	Table 83	62.23	87.67	66.46	(21.22)
Travelling and conveyance	Para 5.3.222	1.12	1.23	1.23	-
R&M IT – Preops	Table 84	39.80	8.34	3.72	(4.62)
Intercompany operational expenses	Para 5.3.221	34.88	34.88	34.88	-
Other Costs	Para 5.3.222	6.98	6.98	6.98	-
Add: Reclassification of common costs (base cost of Rs. 26.47 crores + GST @ 15.07%)	Table 72	-	30.46	30.46	-
Debt Processing Fee	Para 5.3.223	-	85.24	85.24	-
Total		**355.57**	**543.93**	**477.24**	**(66.69)**

5.3.224 The Authority notes that the pre-operative expenses submitted by YIAPL include a range of activities essential for the development of a greenfield airport. These include costs incurred towards studies conducted for establishing cargo as a strategic hub, the preparation of a comprehensive master plan for cargo, fuel farm, and ground handling, as well as specialist consultancy services for geotechnical surveys and airspace management studies. Such expenditures are one-time in nature and are required for the planning requirements specific to greenfield airport projects. In addition, YIAPL has submitted that a part of the pre-operative phase coincided with the COVID-19 pandemic and its immediate aftermath, which introduced considerable disruption across project development cycles.

5.3.225 Given the scale of operations and additional factors detailed above, the Authority notes the overall level of pre-operative expense proposed to be reasonable and consistent with the nature and scope of a greenfield airport development. However, the Authority notes that a portion of these pre-op costs are currently based on estimates. Accordingly, YIAPL is directed to submit detailed, party and nature-wise breakup of pre-operative expenses incurred during the consultation stage.

N. CONTINGENCIES (REFER IV OF PARA 5.3.13)

Contingencies (Rs. 422.69)

5.3.226 YIAPL has submitted that contingencies of Rs. 422.69 crores is considered as part of capex for the First Control Period based on inputs from design and delivery team. The justification provided by YIAPL is as below:

"…

- *Proposed contingency covers multiple elements which are still considered as risk based on detailed risk assessment.*
- *Time to time certain changes have been identified basis inputs given by various regulatory bodies such as AAI, BCAS etc. This aspect till airport gets its necessary licenses remain a risk so has been covered through contingencies.*
- *Change orders expected during the finishing phase of the project. Few examples being MEP related, any small design changes to bring efficiencies.*
- *Additional works on access roadways (critical for airport commissioning), works for water supply line to the airport, etc.*
- *Claims by any contractors due to delay in the project which has happened due to unforeseen circumstances.*
- *Any other unforeseen risks including unexpected site conditions……"*

It is to be noted that contingency costs are in addition to the budgeted costs discussed above.

5.3.227 The Authority requested YIAPL to submit a detailed cost breakdown of the contingency cost and the breakup submitted by YIAPL is as below:

Table 86: Details for contingencies submitted by YIAPL

(Rs. in crores)

Sl. No.	Particulars as submitted by YIAPL	Amount
1	Change orders expected and under process during the finishing phase of the project. Few example being MEP related, any small design changes to bring efficiencies. Out of Rs. 136 crores, Change order for 29 crores have already been awarded. Balance are the cases where discussion is ongoing.	135.66

Sl. No.	Particulars as submitted by YIAPL	Amount
2	Time to time certain changes have been identified basis inputs given by various regulatory bodies such as AAI, BCAS etc. This aspect till airport gets its necessary licenses remain a risk so has been covered through contingencies. The total cost on account of these regulatory changes will account for approximately INR 98 cr. Following are a few anticipated items: AAI - Changes to CNS/ ATM related requirements are under discussion with AAI of INR 37 cr. excl. GST which includes the following elements: separate dedicated physical ICT networks for: a) AAI. Aero + CCTV + SACS; b) IP Telephony; and c) VHF link between ATC/ARFF and OBW, VESDA-based clean agent gas suppression system for AAI equipment rooms in ATC/ARFF and OBW, additional LT DG sets at ASR-North (1 no.-750kVA), ATC/ARFF (1 no.-1250kVA), and ASR-South (2 nos-750kVA.), etc. BCAS – NIA has considered two full body scanners in the cost estimates based on its internal assessment till the BCAS order is awaited. However, BCAS may require significantly higher number of full body scanners which needs to be considered under contingency. BCAS - Aviation Security Training Institute has been mandated vide Airport Security Program issued by BCAS on 28 March 2024. This would require min. two classrooms, one CBT room, etc. to be built at INR 3.5 cr. This is under evaluation by NIA Any other regulatory requirement, may arise during the approval stage by regulatory bodies.	98.00
3	There has been a delay of approx. 6 months in the project due to reasons beyond YIAPL's control. Reasons range from Covid-19 restrictions to the Ukraine crisis and construction-related factors such as soil parameters, water level, changes caused due to water drainage system, delayed inputs and approval from various governing bodies. These events have impacted the work of various contractors and may lead to additional compensation claims at the time of settlement of these contracts. Though it is difficult to ascertain at this stage, we have considered 3% of our hard cost at this stage in contingency.	133.68
Total		**367.34**
Add: GST @ 15.07%		55.27
Total contingency		**422.69**

5.3.228 YIAPL also submitted the following breakup for S No. 1 of Table 86 aggregating to Rs. 135.66 crores, as given in the table below:

Table 87 : Details of contingency utilisation and expected change orders

(Rs. in crores)

Sl. No.	Category	Amount (Excl. GST)	Status as last communicated by YIAPL
1	Change Order Issued TPL- BHS control room cover Slab	0.73	Change order issued
2	Change Order Issued TPL- West Façade-GFRC to Solid Aluminum	2.77	Change order issued
3	Change Order Issued TPL- Fiber connectivity from ITF to DC2	1.75	Change order issued
4	Change Order Issued TPL- Change in the foundation of the Localizer as requested by AAI	0.73	Change order issued
5	Change Order Issued TPL- MEP Utilities for concessionaire spaces	7.70	Change order issued
6	Work Order awarded to Utophia- PTC Bus Stop	7.20	Change order issued
7	Work Order - Prime Infra (Signing pending)- HT interface for Concessionaire Plots	1.53	Change order issued
8	Change order issued to Arasu- Airside Bin Centre	0.57	Change order issued
9	Change Order Issued TPL- GMP Items -EPC-1	4.29	Change order issued
10	Change Order Issued TPL- GMP Items-EPC-2	2.15	Change order issued
11	Equipment and others - MLAT & Met farm, Kitchen for Terminal Staff, Kitchen for cooking in OBW, GSE, ATC & Driver's café and cafeteria MEP works in OBW, GSE, ATC & Driver's café	21.33	Under discussion with contractor
12	IT - Cable containment in DC2, Additional digital clocks, Requirement IPDU, rack cable manager & rack accessories in MDC and FACP and GSS System Architecture	1.55	Under discussion with contractor

Sl. No.	Category	Amount (Excl. GST)	Status as last communicated by YIAPL
13	Pavement and others - Adjustment of the Operational Boundary wall & road around the Cargo Plot, changes in Roads, other Paved Areas, and associated infrastructure, pavement value engineering and additional geofabric under apron and boundary Wall lvl. Diff. around DVOR & service road	15.17	Under discussion with contractor
14	Security related - BOI & Internal Security Changes, Changes in Physical Security System- Crash rated Boom Barrier	9.67	Under discussion with contractor
15	Utility - Utility crossing under runway and taxiway AAI requirement, two rooms for TMRS, cable containment in DC2, additional requirement of 11 kV at MRSS & ESS and EV Charging and Change from manual to automatic Irrigation system	28.89	Under discussion with contractor
16	Others - Link load balancer, change in Fire Pit for Pressure Fed Fuel Fire Training, parking canopy extension, additional Changes in OBW Over and above CN-017 and additional furniture	29.61	Under discussion with contractor
	Total contingency under Sl. No. 1 in Table 86	**135.66**	

5.3.229 While YIAPL has submitted the detailed costs for Sl. No. 1 of Table 86, no detailed justification or item-wise cost breakup for S No. 2 and S No. 3 of Table 86 has been provided by YIAPL to substantiate these potential costs. Given that the project is in its final stages and nearing COD, the Authority proposes not to accept these contingency amounts without a clear and detailed breakdown of their necessity and utilization.

5.3.230 However, for S No. 1 of Table 86, where change orders have already been issued or are expected to be issued, the Authority notes that these represent actual project requirements arising during the course of construction. The Authority also takes note of YIAPL's submission in this regard:

"…Request you to consider these items, for which change orders have been issued or are currently under discussion, as hard costs instead of contingency. These items are in various stages of development/ planning and should no longer be classified as contingency…"

5.3.231 Accordingly, these amounts are proposed to be considered based on their direct relevance to project completion. The Authority observes that:

- Of this Rs. 135.66 crores presented in Table 87, it is the understanding of the Authority that serial number 5 and 6 to pertain to non-aero initiatives, and accordingly the aggregate cost of Rs. 14.90 crores is proposed to be excluded.
- The Authority proposes to consider the cost of Rs. 120.75 crores but has classified them into various heads based on functional nature which in turn are reallocated to hard costs as per table below:

Table 88: Contingency costs reallocated to hard cost as per the Authority

(Rs. in crores)

Asset Category in MYTP	Capex (Excl. GST)
Boundary Wall	15.17
Airside Projects	0.73
Terminal Building (of which 0.73 crores is towards PTB – BHS, ATRS, ABD and 7.06 crores towards Terminal Building)	7.79
Support Facility Buildings	53.66
Utilities	43.40
Total	**120.75***

** Base cost of Rs. 120.75 crores considered as Rs. 138.94 Crores including GST*

5.3.232 The Authority has examined the contingency costs based on the submissions made by YIAPL and notes that detailed cost justifications are currently not available in full, since certain contracts are yet to be finalized or awarded. While YIAPL has provided an update on awarded costs vide mail dated 3rd February 2026 (as referred to in para 5.2.5), the Authority expects that additional contracts will be finalized and awarded by the time of issuance of the Tariff Order. Accordingly, the Authority proposes to review the actual awarded costs relating to finalized contracts at the Tariff Order stage and consider such costs based on an assessment of their reasonableness and efficiency. Any spillover of contingency expenditure beyond the Control Period is proposed to be examined and considered at the time of true-up as part of tariff determination for the Second Control Period.

The Authority has carefully examined the submissions made by the Airport Operator at various stages of the tariff determination process, including those furnished as part of the MYTP, the financial model, the contracts submitted (including change orders), and the updated submissions made based on the revised COD. The Authority has also duly considered the adjustment on account of reclassifications explained in the preceding paragraphs. In addition, some minor rounding-off corrections have been made based on the actual contract values. After taking into account the foregoing, the revised submission redrawn and considered by the Authority for the purpose of comparison and further analysis is presented below:

Table 89: Revised CAPEX cost of YIAPL considered by Authority for analysis

(Rs. in crores)

Category	Asset	S. No	Submitted by YIAPL in MYTP (A)	Redrawn submission of YIAPL* (B)	Variance	Remarks for major items (other than common cost re-allocation)*
Airside Projects	**Airside Projects**	**A**	**1,174.49**	**1,170.67**	**(3.82)**	
	AGL System	A1	215.51	211.44	(4.08)	
	Airside Buildings	A2	90.34	88.63	(1.71)	
	Airside Roadways	A3	53.30	52.30	(1.01)	
	Bomb Cooling Pit	A5	0.32	0.31	(0.01)	
	GSE staging	A6	45.88	42.37	(3.50)	
	NAVAID Support building	A7	97.30	116.49	19.19	Change order issued for additional equipment to AAI Rs. 17.54 crores – (Refer Para 5.3.64)
	Runway, Apron and Taxiway	A4	671.83	659.13	(12.70)	
Landside Development Incl. Land Development	**Landside Development Incl. Land Development**	**B**	**601.98**	**590.60**	**(11.38)**	
	Land Development	B1	144.52	141.79	(2.73)	
	Access Roadways	B2	34.10	33.45	(0.64)	
	Canopy	B3	68.22	66.93	(1.29)	
	Car Park	B4	355.14	348.43	(6.72)	
Terminal Building	**Terminal Building**	**C**	**2,300.95**	**2,266.36**	**(34.59)**	
	IT Terminal Building	C1	93.51	91.71	(1.81)	
	Passenger Boarding Bridge	C2	46.36	45.48	(0.88)	
	PTB – BHS, ATRS, ABD	C3	318.22	313.04	(5.18)	Reclassification from Contingency (Refer Table 88)
	Terminal Building	C4	1,842.86	1,816.13	(26.72)	
Support Facility Buildings	**Support Facility Buildings**	**D**	**278.38**	**334.84**	**56.45**	Reclassification from Contingency (Refer Table 88)
Utilities	**Utilities**	**E**	**539.83**	**658.01**	**118.18**	

Category	Asset	S. No	Submitted by YIAPL in MYTP (A)	Redrawn submission of YIAPL* (B)	Variance	Remarks for major items (other than common cost re-allocation)*
	AGL Substation	E1	30.75	30.16	(0.59)	
	Airside - HVAC Building	E2	119.32	117.07	(2.26)	
	IT	E3	185.17	218.68	33.51	Reclassification from Contingency Rs. 43.40 crores (Refer Table 88) Reclassification from Pre-Ops Rs. 27.34 crores (Refer Table 84) Reclassification from Common Cost Rs. 40.86 crores (Refer Table 72)
	Other Utilities	E4	204.59	292.10	87.51	
Vehicles	**Vehicles**	**F**	**98.84**	**96.88**	**(1.96)**	
	Vehicles - Crash Fire Tenders	F1	67.44	66.08	(1.36)	
	Vehicles - Others	F2	31.40	30.81	(0.59)	
Boundary Wall	**Boundary Wall**	**G**	**56.41**	**72.48**	**16.06**	Reclassification from Contingency (Refer Table 88)
VIP Terminal	**VIP Terminal**	**H**	**12.73**	**12.49**	**(0.24)**	
GPU/ PCA	**GPU/ PCA**	**I**	**31.04**	**30.45**	**(0.59)**	
Other	**Other**	**J**	**12.40**	**12.20**	**(0.20)**	
Total	**Total**	**1 = SUM (A:J)**	**5,107.06**	**5,244.98**	**137.92**	
Design and PMC	**Design and PMC**	**K**	**320.65**	**345.23**	**24.58**	Reclassification from Common Cost Rs. 16.43 crores (Refer Table 72) Reclassification from Pre-op Rs. 5.25 crores (Refer Table 82)
Insurance, ORAT and Independent Engineer	**Insurance, ORAT and Independent Engineer**	**L**	**37.23**	**40.56**	**2.73**	Refer Para 5.3.198
Pre-Operative Expenses	**Pre-Operative Expenses**	**M**	**355.57**	**543.93**	**188.36**	Refer Table 85 for breakup for the revised submission
Sub Total		**2 = SUM (K:M)**	**713.45**	**929.73**	**216.28**	
Contingencies	**Contingencies**	**N**	**422.69**	**283.75**	**(138.94)**	Refer Table 88
Financing Allowance (FA)	**Financing Allowance (FA)**	**O**	**897.50**	**812.26**	**(85.24)**	Debt servicing fee considered as pre-operative expenses (Refer Para 5.3.223)
General and Maintenance CAPEX	**General and Maintenance CAPEX**	**P**	**69.00**	**69.00**	**-**	
Total		**2 = 1 + SUM (N:P)**	**7,209.70**	**7,339.72**	**130.03**	

**Ignoring minor round-off differences*

O. EXAMINATION OF FINANCING ALLOWANCE (REFER V OF PARA 5.3.13)

Financing Allowance (Rs. 897.50 crores)

5.3.233 YIAPL had submitted financing allowance as part of capital expenditure of the First Control Period as per the formula provided by the AERA Guidelines, 2011. YIAPL has also included the upfront fees / processing fees of Rs. 102.46 crores incurred on debt facilities as part of Financing Allowance. The computation of financing allowance by YIAPL has been presented below:

Table 90: Financing Allowance as submitted by YIAPL for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Rate of Interest	A	9.20%	9.20%	9.20%	9.20%	9.20%	9.20%	
Opening CWIP	B	-	115	314	754	2,159	5,775	
Capital Expenditure	C	105	128	393	1,265	3,241	1,099	
Commissioned Assets	D	-	-	-	-	-	7,130	
Closing CWIP before FA	E=B+C-D	105	244	707	2,019	5,400	-256	
Financing Allowance (FA)	F=[B+(C-D)÷2]×A	5	17	47	128	348	254	**795.04**
Debt Processing/ Upfront Fees	G	6	54	0	12	28	2	**102.46**
Closing CWIP after FA	H=E+F+G	115	314	754	2,159	5,775	-	

Authority's examination of FA

5.3.234 As per AERA Guidelines, 2011 and the Authority's principles followed in the recent tariff orders in case of Greenfield Airports, the Authority proposes to provide for Financing Allowance. The Authority considers the capital projects that are being commissioned within the First Control Period to be initial phase of capital expenditure and accordingly financing allowance will be calculated for the Projects that are capitalized within the First Control Period of the Airport.

5.3.235 The Authority has carried out a detailed review of the Capital Expenditure for both the demonstration of need and the reasonableness of costs incurred.

5.3.236 The Authority, based on the revised capital expenditure as proposed by it, has arrived at the financing allowance by applying the formula as provided under section 5.2.7 of the AERA Guidelines 2011. The following changes have been made by the Authority in this regard:

- The CWIP has been considered based on the audited financial statements for the respective years. The Authority has considered the latest CWIP numbers as submitted by YIAPL via email dated 31st December 2025 for the period April 2025 – November 2025.
- For the purpose of Cost of Debt, the Authority has adopted the actual applicable rate of interest. The actual rate of interest on debt has been submitted by YIAPL vide email dated 7th October 2025.
- The Financing Allowance has been computed considering all assets would be capitalized on 31st March 2026 (except general & maintenance capex) as mentioned in Para 5.3.206.

5.3.237 The Financing allowance as recomputed by the Authority considering the revised COD is Rs. 792.20 crores. The detailed computations are as per the table below:

Table 91: Financing Allowance calculation proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Rate of Interest	A	9.00%	9.00%	9.00%	9.00%	9.70%	10.40%	
Opening CWIP	B	-	109.90	325.52	783.19	2,568.43	4,801.79	
Capital Expenditure	C	106.52	201.09	410.70	1,652.49	1,924.04	1,770.08	
Commissioned Assets	D	1.35	4.22	0.78	11.57	31.60	6,807.60	
Financing Allowance (FA)	E=[B+(C-D)÷2]×A	4.73	18.75	47.74	144.33	340.92	235.72	**792.20**
Closing CWIP after FA	F= B+C-D+E	109.90	325.52	783.19	2,568.43	4,801.79	-	

5.3.238 Accordingly, the Authority proposes to consider Rs. 792.20 crores as Financing Allowance for the First Control Period. YIAPL is directed to submit a consolidated, year-wise detailed breakup of CWIP during the consultation stage.

5.3.239 The Authority proposes to consider the following soft costs and financing allowance for allocation to various asset categories:

Table 92: Soft costs and Financing Allowance proposed to be allocated under various asset categories as per the Authority

Particulars	Table	Ref	As per Authority
Design and PMC	Para 5.3.191	A	345.23
Insurance, ORAT and Independent Engineer	Table 77	B	39.96
Pre-Operative Expenses	Table 85	C	477.24
Financing Allowance (FA)	Table 91	D	792.20
Total		**E =SUM(A:D)**	**1,655.23**

P. EXAMINATION OF GENERAL AND MAINTENANCE CAPEX (REFER VI OF PARA 5.3.13)

General and Maintenance CAPEX (Rs. 69.00 crores)

5.3.240 The Authority notes that YIAPL, in its MYTP, has submitted capex of Rs. 69 crores as General and Maintenance Capex to be incurred at Rs. 23 crores each year for the last 3 years of the control period starting from FY 2026-27.

5.3.241 Upon seeking clarification from YIAPL about the nature of General and Maintenance Capex proposed for the First Control Period, YIAPL stated that the General and Maintenance Capex is required for routine maintenance of the airport for various requirements which consists of the recurring expenditures required for a company to continue operating at current state. These requirements may include but are not limited to the following:

- Mandatory Security related expenditure resulting from directions of the regulatory authorities including BCAS and DGCA.
- Re-laying of roads for the airports, especially post the monsoon season
- Unplanned expenditure emerging from the passenger and other requirement
- Replacement requirement due to wear and tear of plant and equipment

5.3.242 Considering the above factors and clarification received from YIAPL, the Authority noted that there was no immediate need for any significant general and maintenance Capex to be incurred by YIAPL since it is a newly constructed airport. However, to account for any security related upgrades or any regulatory requirements, the Authority proposes to consider Rs. 10 crores each year as General and Maintenance Capex for the last 3 years of this control period. Due to the revision in COD as mentioned in Para 5.3.206, the Authority has shifted the expenditure by 1 year, considering it for 3 years in total. These funds may only be utilized by YIAPL in case of specific requirements or regulatory mandates related to safety, security or other regulatory needs.

Capital Expenditure proposed by the Authority

5.3.243 Based on the above analysis, the Authority's consideration of Capital Expenditure for the First Control Period is summarized below:

Table 93: Project-Wise Capital Expenditure Proposed by the Authority after reallocations, GST and allocation of soft costs and financing allowance

(Rs. in crores)

Particulars	Ref	Base Cost (refer respective tables above)	Re-allocations from Contingency (Table 88), Common Cost (Table 72) Pre-operative cost (Table 84)	Base after re-allocation	GST @ 15.07 %	Total	Allocation of soft costs and FA (Refer Table 92)	Final Cost
Airside Projects (Refer Table 42)	A	1,016.61	0.73	1,017.34	153.34	1,170.68	372.23	1,542.91
Landside Development incl. Land Development (Refer Table 49)	B	504.77	-	504.77	76.08	580.85	184.69	765.54
Terminal Building (Refer Table 55)	C	1,946.68	7.79	1,954.46	294.59	2,249.06	715.12	2,964.18
Support Facility Buildings (Refer Table 59)	D	237.32	53.66	290.98	43.86	334.84	106.47	441.31
Utilities (Refer Table 63)	E	460.22	111.60	571.82	86.19	658.01	209.22	867.23
Vehicles (Refer Table 70)	F	84.19	-	84.19	12.69	96.88	30.81	127.69
Boundary Wall (Refer Table 70)	G	47.81	15.17	62.99	9.49	72.48	23.05	95.53

Particulars	Ref	Base Cost (refer respective tables above)	Re-allocations from Contingency (Table 88), Common Cost (Table 72) Pre-operative cost (Table 84)	Base after re-allocation	GST @ 15.07 %	Total	Allocation of soft costs and FA (Refer Table 92)	Final Cost
VIP Terminal (Refer Table 70)	H	10.86	-	10.86	1.64	12.49	3.97	16.46
GPU/ PCA (Refer Table 70)	I	26.46	-	26.46	3.99	30.45	9.68	40.13
Other (Refer Para 5.3.174)	J	12.20	-	12.20	-	12.20	-	12.20
General and Maintenance CAPEX	K	30.00	-	30.00	-	30.00	-	30.00
Total	**L = SUM (A:K)**	**4,377.11**	**188.95**	**4,566.06**	**681.88**	**5,247.94**	**1,655.23**	**6,903.17**

5.3.244 The summary showing the reconciliation of Project-Wise Capital Expenditure for the First Control Period as submitted by YIAPL as part of MYTP with the Project-Wise Capital Expenditure proposed by the Authority after reclassifications / rationalizations is detailed below:

Table 94: Comparison of project-wise Capital Expenditure submitted by YIAPL and proposed by the Authority

(Rs. in crores)

Category	Asset	Ref	As per YIAPL (A)	Redrawn submission of YIAPL (B)	As per Authority (C)	Variance (D=B-C)	Reason for variance (for major items with explanations for change in base cost)
Airside Projects	**Airside Projects**	**A**	**1,174.49**	**1,170.68**	**1,170.68**	**-**	
	AGL System	*A1*	215.51	211.44	211.44	-	
	Airside Buildings	*A2*	90.34	88.63	88.63	-	
	Airside Roadways	*A3*	53.30	52.30	52.30	-	
	Bomb Cooling Pit	*A5*	0.32	0.31	0.31	-	
	GSE staging	*A6*	45.88	42.38	42.38	-	
	NAVAID Support building	*A7*	97.30	116.49	116.49	-	
	Runway, Apron and Taxiway	*A4*	671.83	659.13	659.13	-	
Landside Development Incl. Land	**Landside Development incl. Land Development**	**B**	**601.98**	**590.60**	**580.85**	**9.75**	

Category	Asset	Ref	As per YIAPL (A)	Redrawn submission of YIAPL (B)	As per Authority (C)	Variance (D=B-C)	Reason for variance (for major items with explanations for change in base cost)
Development	*Land Development*	*B1*	144.52	141.79	132.04	9.75	*NHAI budgeted cost of Rs. 8.47 crores rationalised*
	Access Roadways	*B2*	34.10	33.45	33.45	-	
	Canopy	*B3*	68.22	66.93	66.93	-	
	Car Park	*B4*	355.14	348.43	348.42	-	
Terminal Building	**Terminal Building**	**C**	**2,300.95**	**2,266.36**	**2,249.06**	**17.30**	
	IT Terminal Building	*C1*	93.51	91.71	91.71	-	
	Passenger Boarding Bridge	*C2*	46.36	45.48	45.48	-	
	PTB – BHS, ATRS, ABD	*C3*	318.22	313.04	302.11	10.93	*BHS Change Order of Rs. 9.5 crores charged for scope revision not considered*
	Terminal Building	*C4*	1,842.86	1,816.13	1,809.76	6.37	*Body scanner cost rationalised by Rs. 6.8 crores*
Support Facility Buildings	**Support Facility Buildings**	**D**	**278.38**	**334.84**	**334.84**	**-**	
Utilities	**Utilities**	**E**	**539.83**	**658.01**	**658.01**	**-**	
	AGL Substation	*E1*	30.75	30.16	30.16	-	
	Airside - HVAC Building	*E2*	119.32	117.07	117.06	-	
	IT	*E3*	185.17	218.68	218.68	-	
	Other Utilities	*E4*	204.59	292.10	292.10	-	
Vehicles	**Vehicles**	**F**	**98.84**	**96.88**	**96.88**	**-**	
	Vehicles - Crash Fire Tenders	*F1*	67.44	66.08	66.08	-	
	Vehicles - Others	*F2*	31.40	30.81	30.81	-	
Boundary Wall	**Boundary Wall**	**G**	**56.41**	**72.48**	**72.48**	**-**	
VIP Terminal	**VIP Terminal**	**H**	**12.73**	**12.49**	**12.49**	**-**	
GPU/ PCA	**GPU/ PCA**	**I**	**31.04**	**30.45**	**30.45**	**-**	
Other	**Other**	**J**	**12.40**	**12.20**	**12.20**	**-**	
Total		***1 = SUM (A:J)***	***5,107.06***	***5,244.98***	***5,217.94***	***27.06***	
Design and PMC	**Design and PMC**	**K**	**320.65**	**345.23**	**345.23**	**-**	
Insurance, ORAT and	**Insurance, ORAT and**	**L**	**37.23**	**40.56**	**40.56**	**-**	

Category	Asset	Ref	As per YIAPL (A)	Redrawn submission of YIAPL (B)	As per Authority (C)	Variance (D=B-C)	Reason for variance (for major items with explanations for change in base cost)
Independent Engineer	**Independent Engineer**						
Pre-Operative Expenses	**Pre-Operative Expenses**	**M**	**355.57**	**543.93**	**477.24**	**66.69**	Rationalised based on CWIP / certain items considered non-aero, included debt processing cost.
Total		***2 = SUM(K:M)***	***713.45***	***929.73***	***863.03***	***66.69***	
Contingencies	**Contingencies**	**N**	**422.69**	**283.75**	**-**	**283.75**	Rationalised adhoc contingencies
Financing Allowance (FA)	**Financing Allowance (FA)**	**O**	**897.50**	**812.26**	**792.20**	**20.06**	FA adjusted based on revised CWIP
General and Maintenance CAPEX	**General and Maintenance CAPEX**	**P**	**69.00**	**69.00**	**30.00**	**39.00**	Rationalized for essential safety / security requirements
Total		**3 = 1 + 2 + SUM (N:P)**	**7,209.70**	**7,339.73**	**6,903.17**	**436.56**	

5.3.245 The Authority proposes to reduce (readjust) 1% of the uncapitalized project cost from the ARR / target revenue as re-adjustment in case any particular capital project is not completed / capitalized as per the approved capitalization schedule. It is further proposed that if the delay in completion of the project is beyond the timeline given in the capitalization schedule, due to any reason beyond the control of YIAPL or its contracting agency and was properly justified, the same would be considered by the Authority while truing up the actual cost at the time of determination of tariff for the next Control Period. The re-adjustment in the ARR is to protect the interest of the stakeholders who are paying for services provided by YIAPL and is also encouragement for YIAPL to commission / capitalize the proposed assets as per the approved CAPEX plan / schedule.

5.4 Asset Allocation of CAPEX for the First Control Period

<u>YIAPL's Submission</u>

5.4.1 YIAPL has provided the allocation of assets into different asset categories as follows.

Table 95: Category wise asset values of total additions as submitted by YIAPL

(Rs. in crores)

Category	Asset value
Aeronautical Assets	6,867.70
Non-Aeronautical Assets	342.10
Total	**7,209.80**

5.4.2 YIAPL has submitted that it has adopted the following methodology to allocate the assets between Aeronautical, Non-Aeronautical and Common assets:

a) Aeronautical assets are assumed to be those assets which are necessary or required for providing the aeronautical services at the airport
b) Non-aeronautical assets are those which are necessary for the performance of the non-aeronautical services at the airport.
c) Common assets are those assets which are not identifiable/categorized into either aeronautical asset or non-aeronautical assets.
d) Passenger Terminal Building has been considered as common asset and the asset related to terminal building are allocated in the ratio of the area of terminal building used for aeronautical and non-aeronautical services.

5.4.3 Further, YIAPL has submitted the Terminal Building Ratio of 94.05% (aeronautical portion) considering 7,828 sqm as non-aero area and 6,400 sqm as common area out of total terminal area of 1,37,985 sqm. This is substantiated by a certificate issued by an independent architect appointed by YIAPL.

Authority's examination on Asset Categorization / Asset Allocation

5.4.4 The Authority has obtained from YIAPL the Architect's Certificate certifying the Terminal building area ratio and notes that YIAPL has considered 1,23,757 sqm as aeronautical and an area of 6,400 sqm as non-aeronautical, resulting in Terminal Building Ratio (TBLR) adopted by YIAPL of 94.05%. The Authority has examined the Terminal Building Ratio submitted by YIAPL and notes that the non-aeronautical area allocation considered by YIAPL for computation of Terminal Area Ratio is low when compared to other PPP airports. Further, it was observed that the area allocation towards non-aeronautical activities at the other PPP airports such as DIAL, MIAL, BIAL and HIAL is higher than 10%. Even the IMG norms on passenger terminals recommend the non-aeronautical area allocation to be between 8-12% for any airport, while for bigger airports, i.e., with passenger traffic exceeding 10 million, commercial area could be up to 20% of the overall area. Considering that NIA is a newly established greenfield airport situated in a business destination, the Authority believes that it would attract substantial amount of traffic. The Authority encourages YIAPL to allocate a larger portion of the terminal building for non-aeronautical activities which include a wide range of amenities and services that cater to the needs and preferences of tourists visiting the region, together with ensuring that all Aeronautical requirements are met. Therefore, the Authority proposes a revised TBLR of 88%:12% for the First Control Period. This will be reviewed in the next Control Period.

5.4.5 The Authority further notes that the access roadways, canopy and vehicles are classified as aeronautical instead of common and sought justification from YIAPL. The response of YIAPL is given below:

"…1. Access roadways - As per the response above, the Access Roads in the EPC contracts relate to the access of the Passenger Terminal Building and support facilities. It is clarified that these access roads are not present in the earmarked area for city side development and parking areas. These are therefore considered as aero. It is further clarified that it has been classified under landside development only on account of its location.

2. Canopy (part of landside development including landside development) - This is the canopy over the kerb side which will be used by the passengers during pick-up and drop-off. We clarify that there are no commercial shops under this canopy. Since the usage is aeronautical, it has been considered as aero.

3. Vehicles - The proposed vehicles will be used for aeronautical purposes and hence, it has been considered as aero…"

5.4.6 The Authority, while noting YIAPL's submission, observes the following:

- The Authority notes that the access road is the only approach road available for all users. Since there is likely usage of this road for non-aeronautical purposes also,the Authority proposes to apply the Terminal Building allocation ratio.
- The Authority notes YIAPL's submission that there would be no non-aeronautical areas in the Canopy, and this only be used by passengers. However, as the Canopy forms part of the common landside infrastructure and is an extension of the terminal building, the Authority considers it appropriate to apply the terminal building ratio.
- The Authority notes that in YIAPL's submission, vehicles are proposed to be used only for aeronautical purposes, and accordingly, the Authority proposes to consider these as aeronautical assets.

5.4.7 Further, YIAPL allocated various assets on the Terminal Building Ratio of 94.05%. The Authority proposes to revise the ratio based on the Terminal Building Ratio as proposed in Para 5.4.4 above.

5.4.8 Based on the above, the year-wise aeronautical capital additions for the First Control Period is presented below:

Table 96: Aeronautical Capital Additions proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Total capital additions as proposed by the Authority (A)	Aero % as per YIAPL (B)	Aero % as proposed by the Authority (C)	Aero Cost as proposed by the Authority (D = A×C)	Aero Cost as per YIAPL^ (E)	Difference (F = D-E)
Airside Projects	1,542.91	100.00%	100.00%	1,542.91	1,643.32	(100.41)
Landside Development incl. Land Development#	765.54	85.16%	77.86%	596.04	717.27	(121.23)
Terminal Building	2,964.18	94.99%	88.00%	2,608.48	3,058.27	(449.79)
Support Facility Buildings**	441.31	94.05%	88.00%	388.35	366.34	22.01
Utilities##	867.23	95.70%	90.69%	786.45	722.88	63.56
Vehicles	127.69	100.00%	100.00%	127.69	138.29	(10.60)
Boundary Wall	95.53	100.00%	100.00%	95.53	78.93	16.59
VIP Terminal	16.46	100.00%	100.00%	16.46	17.81	(1.35)
GPU/ PCA	40.13	100.00%	100.00%	40.13	43.43	(3.29)
Other	12.20	100.00%	100.00%	12.20	12.20	-
General and Maintenance CAPEX	30.00	100.00%	100.00%	30.00	69.00	(39.00)
Total	**6,903.17**			**6,244.24**	**6,867.75**	**(623.51)**

***The Authority notes that the ratio of non-aero space as per* Table 58 *(planned utilization of certain buildings under Support Facility Building) is in the range similar to that of Terminal Building Ratio of 88% and accordingly the Authority proposes to consider the ratio of 88%.*

^ While the CAPEX prior to aeronautical allocation has been redrawn as per Table 89 (on account of reclassifications, changes arising from the revision in COD etc), the corresponding aeronautical CAPEX has not been computed and submitted by YIAPL. Accordingly, for the purpose of comparison, the Authority has used the aeronautical CAPEX as submitted by YIAPL in the MYTP.

#Aeronautical Allocation for Landside Development including Land Development

Asset	Total Cost (A)	Aero % (B)	Aero Cost (C=A×B)
Land Development	459.21	88.00%	404.11
Access Road-Ways	174.02	88.00%	153.14
Canopy	44.08	88.00%	38.79
Car Park	88.22	0.00%	-
Total	765.54		**596.04**
Weighted Aero %			**77.86%**

##Aeronautical Allocation for Utilities

Asset	Total Cost (A)	Aero % (B)	Aero Cost (C=A×B)
AGL Substation	39.76	100.00%	39.76
Airside - HVAC Building	154.29	100.00%	154.29
IT	288.21	88.00%	253.62
Utilities	384.98	88.00%	338.78
Total	867.23		**786.45**
Weighted Aero %			**90.69%**

5.4.9 The reasons for difference in the aeronautical additions as submitted by YIAPL and aeronautical additions as proposed by the Authority are mainly on account of the rationalization as proposed by the Authority in Table 94 and differences in allocation ratios as can be seen in Table 96.

5.4.10 Asset category-wise additions for the First Control Period is as presented below:

Table 97: Project Category Wise Additions proposed by the Authority after reallocations for the First Control Period

(Rs. in crores)

Particulars	Computer - Servers & Networks	Electrical Installation & Equipment	Other Buildings	P&M	Roads / Boundary wall	Runway, Taxiway, Apron	Terminal Building	Vehicles	Grand Total
Airside Projects	-	278.67	270.75	-	124.78	868.71	-	-	1,542.91
Boundary Wall	-	-	-	-	95.53	-	-	-	95.53
Landside Development including Land Development	-	-	404.11	-	153.14	-	38.79	-	596.04
Support Facility Buildings	-	-	388.35	-	-	-	-	-	388.35
Terminal Building	106.36	-	-	403.14	-	-	2,098.98	-	2,608.48
Utilities	253.62	-	194.04	338.78	-	-	-	-	786.45
Vehicles	-	-	-	40.60	-	-	-	87.09	127.69
VIP Terminal	-	-	-	-	-	-	16.46	-	16.46
GPU/ PCA	-	-	-	40.13	-	-	-	-	40.13
Other	-	-	-	12.20	-	-	-	-	12.20
General and Maintenance CAPEX –	-	-	-	30.00	-	-	-	-	30.00

Particulars	Computer - Servers & Networks	Electrical Installation & Equipment	Other Buildings	P&M	Roads / Boundary wall	Runway, Taxiway, Apron	Terminal Building	Vehicles	Grand Total
First Control Period									
Total	**359.99**	**278.67**	**1,257.25**	**864.85**	**373.45**	**868.71**	**2,154.23**	**87.09**	**6,244.24**

5.4.11 Year-wise aeronautical capital additions for the First Control Period are as presented below:

Table 98: Year-wise Aeronautical Additions proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 26^	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Terminal Building	2,154.23	-	-	-	-	-	2,154.23
Other Building	1,257.25	-	-	-	-	-	1,257.25
P&M	831.61	-	-	10.00	10.00	10.00	861.61
Runway, Taxiway, Apron	868.71	-	-	-	-	-	868.71
Roads / Boundary wall	373.45	-	-	-	-	-	373.45
Computers - Servers and Networks	359.99	-	-	-	-	-	359.99
Electrical Installation and Equipment	278.67	-	-	-	-	-	278.67
Vehicles	87.09	-	-	-	-	-	87.09
Total*	**6,210.99**	**-**	**-**	**10.00**	**10.00**	**10.00**	**6,240.99**

**YIAPL has submitted that certain assets like computers were procured and put to use by YIAPL prior to COD. It was further submitted that the cost of such assets is Rs. 12.20 crores and the WDV as at 1st Feb 2026 is Rs. 8.96 crores. (Refer Para 5.3.174). The Authority notes that the capitalization up to FY 2025 is Rs 49.52 Crores as per the Audited Financial Statements of FY 2024-25. Since the Fixed Asset Register / detailed schedule of capitalization has not yet been submitted, the Authority has considered the cost of Rs 12.2 Crores as submitted by YIAPL in the MYTP as the capitalization prior to COD. The same will be reviewed during the consultation stage*

^All assets assumed to be capitalized on 31st March 2026

5.5 Depreciation for the First Control Period

<u>YIAPL submission regarding depreciation for the First Control Period</u>

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

5.5.2 YIAPL also submitted that as per the notes in the AERA Order no. 35/ 2017-18, useful life for buildings is considered as ~37 years which is lower of the proposed useful life of 60 years or the remaining concession period of ~37 years.

5.5.3 The Aeronautical Depreciation submitted by YIAPL for the First Control Period as per MYTP (FY 2025-26 to FY 2029-30), and the revised Aeronautical Depreciation considered as YIAPL's submission based on the revised COD of 1st April 2026 for the revised First Control Period (FY 2026-27 to FY 2030-31 - refer Para 1.2.5) is given below:

Table 99: Aeronautical Depreciation submitted by YIAPL for the First Control Period as per MYTP

(Rs. in crores)

Particulars	FY26	FY27	FY28	FY29	FY30	Total
Aeronautical Depreciation	331.50	360.10	364.60	367.40	371.60	**1,795.20**

5.5.4 The revised submission prepared by the Authority is derived by shifting the depreciation values submitted by YIAPL in its MYTP by one year. While doing so, the depreciation originally considered for FY 2025–26 —

which had been pro-rated based on a COD of 30th April 2025 — has been annualized and considered for the full twelve months for FY 2026–27.

Table 100: Revised Aeronautical Depreciation considered as YIAPL's resubmission for the First Control Period based on revised COD

Particulars	FY27	FY28	FY29	FY30	FY31	Total
Aeronautical Depreciation	360.10^	360.10	364.60	367.40	371.60	**1,823.80**

^*Considered for 12 months assuming COD is 1st April 2026*

Authority's examination regarding depreciation for the First Control Period

5.5.5 The Authority reviewed the useful life considered by YIAPL for the First Control Period based on the rates prescribed by AERA vide Order No. 35/2017-18 dated 12th January 2018, in the matter of determination of useful life of Airports Assets.

5.5.6 The Authority sought clarifications on certain asset categorizations considered by YIAPL. Considering the responses received from YIAPL the Authority proposes useful life as per the table below. For assets where useful life proposed by the Authority is different from that submitted by YIAPL, the Authority has included remarks.

Table 101: Comparison of useful life of assets submitted by YIAPL and proposed by the Authority

Asset Category	Useful Life as per YIAPL	Useful Life proposed by the Authority (*considered COD of 1st April 2026*)	Remarks
AGL System	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
Airside Buildings	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01st April 2026 by the Authority instead of 30th April 2025 as per YIAPL's submission.
Airside Roadways	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
Runway, Apron and Taxiway	30.00	30.00	Useful life considered by YIAPL is in line with Order 35
Bomb Cooling Pit	10.00	35.53	Since this is an operational building, the useful life is proposed to be considered in line with other airside buildings, i.e., 36.07 years
GSE staging	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
NAVAID Support building	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01st April 2026 by the Authority instead of 30th April 2025 as per YIAPL's submission.
Land Development	36.42	35.53	The Authority notes that as per Order No. 35/2017-18 dated 12.01.2018 as amended by amendment dated 09.04.2018 issued by the Authority, where land development is done on leased land, the cost spent on land development is to be amortized over the lease period. YIAPL has considered the land development as a separate asset item and amortized it over the balance period of the concession agreement. Accordingly, the treatment is consistent with the above Order.
Access Roadways	10.00	10.00	Useful life considered by YIAPL is in line with Order 35

Asset Category	Useful Life as per YIAPL	Useful Life proposed by the Authority (*considered COD of 1st April 2026*)	Remarks
Canopy	10.00	35.53	YIAPL has submitted that Canopy is made with high tenacity polyester over Structural steel frame. Hence, the cannot be considered as a building (civil structure). Accordingly, the useful life is considered as 10 years. The Authority considers that the canopy, being integrated with the terminal structure and forming part of the overall passenger handling infrastructure, should be treated on par with the terminal building for the purpose of useful life determination.
Car Park	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
IT Terminal Building	6.00	6.00	Useful life considered by YIAPL is in line with Order 35
Passenger Boarding Bridge	10.00	15.00	In its subsequent submissions, YIAPL has requested the Authority to consider a useful life of 15 years for the Passenger Boarding Bridge, since they would be classified as Plant and Machinery
PTB – BHS, ATRS, ABD	15.00	15.00	Useful life considered by YIAPL is in line with Order 35
Terminal Building	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01st April 2026 by the Authority instead of 30th April 2025 as per YIAPL's submission.
Support Facility Buildings	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01st April 2026 by the Authority instead of 30th April 2025 as per YIAPL's submission.
AGL Substation	10.00	35.53	Since the primary component is the CCR Building, the useful life is proposed to be considered in line with other airside buildings.
Airside - HVAC Building	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01st April 2026 by the Authority instead of 30th April 2025 as per YIAPL's submission.
IT	6.00	6.00	Useful life considered by YIAPL is in line with Order 35
Utilities	10.00	15.00	In its subsequent submissions, YIAPL has requested the Authority to consider a useful life of 15 years for Utilities, since they would be classified as Plant and Machinery
Vehicles	8.00	8.00	Useful life considered by YIAPL is in line with Order 35
Vehicles - Crash Fire Tenders	15.00	15.00	Useful life considered by YIAPL is in line with Order 35
Boundary Wall	10.00	10.00	Useful life considered by YIAPL is in line with Order 35
VIP Terminal	36.42	35.53	Useful life considered by YIAPL is in line with Order 35. The reason for difference is on account of change in the COD date now considered as 01st April 2026 by the Authority instead of 30th April 2025 as per YIAPL's submission.
GPU/ PCA	10.00	15.00	Since Preconditioned Air Systems and Ground Power Unit are classified under plant and machinery, the Authority proposes to consider the useful life as 15 years

5.5.7 Considering the revised useful life as per Table 101, changes to the value of Capital Expenditure, allocation ratio and the change in beginning of Control period to 1st April, 2026 (refer Para 2.3.4), the Authority has recomputed the aeronautical depreciation of assets for the First Control Period. The following table summarizes the revised aeronautical depreciation proposed by the Authority:

Table 102: Total Aeronautical depreciation proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Terminal Building	60.64	60.64	60.64	60.64	60.64	303.19
Other Building	35.39	35.39	35.39	35.39	35.39	176.95
P&M	58.87	58.10	62.60	62.77	64.45	306.80
Runway, Taxiway, Apron	28.96	28.96	28.96	28.96	28.96	144.79
Roads / Boundary wall	37.34	37.34	37.34	37.34	37.34	186.72
Computers - Servers and Networks	60.00	60.00	60.00	60.00	60.00	299.99
Electrical Installation and Equipment	27.87	27.87	27.87	27.87	27.87	139.33
Vehicles	10.89	10.89	10.89	10.89	10.89	54.43
Total	**319.95**	**319.18**	**323.68**	**323.85**	**325.53**	**1,612.20**

5.6 Regulatory Asset Base (RAB) for the First Control Period

YIAPL's submission regarding RAB for the First Control Period

5.6.1 As per YIAPL's submission, the RAB for the First Control Period is as detailed below:

Table 103: RAB submitted by YIAPL for the First Control Period in MYTP

(Rs. in crores)

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Opening RAB	A	6,795.50	6,464.00	6,103.90	5,762.30	5,417.90	
Additions to RAB	B	-	-	23.00	23.00	23.00	**69.00**
Depreciation	C	331.50	360.10	364.60	367.40	371.60	**1,795.20**
Deletions on RAB	D	-	-	-	-	-	**-**
Closing RAB	E=A+B-C-D	6,464.00	6,103.90	5,762.30	5,417.90	5,069.30	
Average RAB	F=(A+E)÷2	6,629.80	6,284.00	5,933.10	5,590.10	5,243.60	

5.6.2 For the purpose of re-drawing YIAPL's submission to give effect to the revised COD and the extension of the Control Period by one year, the opening RAB has been shifted forward by one year. Depreciation has been considered in line with YIAPL's submission as per Table 100, and the closing RAB has accordingly been derived based on the adjusted opening RAB and the depreciation so considered.

Table 104: Revised RAB drawn up by the Authority, as YIAPL Submission, for the First Control Period

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Opening RAB	A	6,795.50	6,435.40	6,075.30	5,733.70	5,389.30	
Additions to RAB	B	-	-	23.00	23.00	23.00	**69.00**
Depreciation	C	360.10	360.10	364.60	367.40	371.60	**1,823.80**
Deletions on RAB	D	-	-	-	-	-	**-**
Closing RAB	E=A+B-C-D	6,435.40	6,075.30	5,733.70	5,389.30	5,040.70	
Average RAB	F=(A+E)÷2	6,615.45	6,255.35	5,904.50	5,561.50	5,215.00	

Authority's examination regarding RAB for the First Control Period

5.6.3 The Authority has carefully examined the calculation of RAB and YIAPL's submissions in this regard. Based on the year-wise aeronautical capital expenditure and aeronautical depreciation proposed by the Authority as given in Table 98 and Table 102, the RAB proposed to be considered by the Authority for the First Control Period is as given below:

Table 105: RAB proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY27	FY28	FY29	FY30	FY31	Total
Opening RAB (refer Table 98)	A	6,210.99	6,161.15	5,841.06	5,529.07	5,216.92	
Additions to RAB (refer Table 98)	B	-	-	10.00	10.00	10.00	**30.00**
Disposal of RAB	C	-	-	-	-	-	
Depreciation (refer Table 102)	D	319.95	319.18	323.68	323.85	325.53	**1,612.20**
Closing RAB	**E=A+B-C-D**	5,891.04	5,571.86	5,258.18	4,944.33	4,628.80	
Average RAB	**F=(A+E)÷2**	**6,051.02**	**5,731.45**	**5,415.02**	**5,101.25**	**4,786.56**	

5.6.4 The Authority notes that the aeronautical capital expenditure, aeronautical depreciation and RAB considered in this Consultation Paper are based on estimates and information available at this stage, and on the assumption that all assets (other than general maintenance CAPEX) would be capitalized as on 31st March 2026, i.e., prior to the COD of 1st April 2026. While the Authority has examined the CAPEX as submitted by YIAPL, including details drawn from contracts, budgeted costs, CWIP statements and other supporting submissions, the same is provisional in nature and subject to revision based on actual capitalization.

5.6.5 Accordingly, post capitalization in the books of accounts, the Authority directs YIAPL to submit detailed capitalization schedules, including asset-wise categorization and aeronautical/non-aeronautical allocation, based on actual capitalization.

5.6.6 It is the sole responsibility of the Airport Operator to maintain proper books of accounts and Fixed Asset Register (FAR) diligently and present accurate information in its submissions. The Authority relies on the information available in the audited financial reports & FAR for its analysis. The Authority expects that the Airport Operator would ensure the accuracy of the information captured in its books of accounts and FAR and that there is no duplication of expenses.

5.7 Authority's proposals regarding Capital Expenditure (CAPEX), Depreciation, and Regulatory Asset Base (RAB) for the First Control Period

Based on the material before it and its analysis, the Authority proposes the following with regard to CAPEX, Depreciation, and RAB for the First Control Period.

5.7.1 To consider the Terminal Building Ratio (TBLR) of 88:12 (Aeronautical: Non-Aeronautical) as detailed in para 5.4.4 and in line with IMG norms.

5.7.2 To consider financing allowance during the First Control Period as detailed in Table 91.

5.7.3 To consider the Capital Expenditure for the First Control Period in accordance with Table 93.

5.7.4 To consider the aeronautical additions for the First Control Period in accordance with Table 96.

5.7.5 To examine the accounting of input tax credits in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 and make necessary adjustments at the time of determination of tariffs for the next Control Period (as detailed in para 5.3.180).

5.7.6 To reduce (adjust) 1% of the uncapitalized project cost from the ARR in case any particular capital project is not completed / capitalized as per the approved capitalization schedule, as detailed in para 5.3.245. The same will be examined at the time of determination of tariff for the next Control Period.

5.7.7 To true-up the aeronautical capital expenditure based on actuals, cost efficiency and reasonableness, at the time of determination of tariff for Next Control Period.

5.7.8 To adopt Aeronautical Depreciation as per Table 102 for the First Control Period.

5.7.9 To true up the Depreciation of the First Control Period based on the actual asset additions and actual date of capitalization at the time of tariff determination of the next Control Period.

5.7.10 To consider average RAB for the First Control Period for NIA as per Table 105.

5.7.11 To direct YIAPL to submit the revenues earned by the airport operator from EV charging works and utility provisions for APHOs as detailed in Para 5.3.151 during the stakeholder consultation process.

5.7.12 To direct YIAPL to submit the revenues from GPU/PCA during the stakeholder consultation process as detailed in Para 5.3.171.

5.7.13 To direct YIAPL to submit a consolidated year-wise, detailed breakup of costs included in the CWIP as detailed in Para 5.3.238 and to provide a detailed, nature-wise breakup of pre-operative expenses during consultation stage as detailed in Para 5.3.225.

5.7.14 To direct YIAPL to submit detailed capitalisation schedules, including asset-wise categorisation and aeronautical/non-aeronautical allocation, based on actual capitalization as detailed in Para 5.6.4.

5.7.15 To true-up the RAB based on actuals at the time of tariff determination for the next Control Period.

6. FAIR RATE OF RETURN FOR THE FIRST CONTROL PERIOD

6.1 YIAPL's submission regarding Fair Rate of Return for the First Control Period

Cost of Debt

6.1.1 YIAPL has submitted that it has availed a Term Loan of Rs. 3,725 crores for Phase-I, in which the initial capex was projected to be Rs. 5,730 crores. The initial ratio of Debt: Equity for the funding was considered as 65:35.

6.1.2 For the purpose of this term loan, YIAPL has tied up loan with consortium of banks with SBI as the lead bank. The facility has been availed for 20 years, split as 3 years of construction period, 1 year of moratorium and 16 years of repayment. As per the facility agreement, YIAPL shall repay the entire Facility in 64 structured quarterly instalments commencing from quarter ending 31st December 2025, with last instalment due on 30th September 2041. The rate of interest was the 6-month Marginal Cost of Funds based Lending Rate (MCLR) together with the spread per annum of 155 bps.

6.1.3 Considering the anticipated reduction in rates by RBI, YIAPL has submitted cost of debt as 10% for the First Control Period.

Cost of Equity

6.1.4 YIAPL has engaged the services of Indian Institute of Management – Ahmedabad (IIM-A) to carry out a study on applicable Cost of equity. Based on this study, the Airport Operator has considered the Cost of equity as 19.17% being the mid-point of the range of cost of equity assessed (between 18.79% to 19.54%).

6.1.5 The assumptions for estimating the Cost of equity has been submitted by YIAPL as follows

- The risk-free rate which is the quoted yield for 30-year government bond is 7.33%.
- Market risk premium is assumed to be 8.50% as follows "*The global risk premium currently is estimated to be around 6.6%, comparing US equity market and treasury bond data between 1928 and 2022. India's global sovereign rating of BBB-/Baa3 allots it a country risk premium of 3.79%. However, given the global view that this risk premium is too conservative, IIMA has considered half of this as the country risk premium.*"
- The debt/equity ratio is taken to be at 0.92, as per the pre-defined debt-equity makeup of 48:52.
- Equity beta is taken in the range of 1.28 – 1.31. This is arrived at after taking the average of asset betas of comparable airports and un-levering and re-levering them to arrive at equity beta of Noida International Airport.
- Additional premium for idiosyncratic risk and illiquidity had been considered to factor the risks associated with Greenfield Airports in the range of 0.5% - 1%.

6.1.6 IIM-A in their report has stated the following as the reasoning for adding the additional premium for idiosyncratic risk and illiquidity of Noida International Airport:

"YIAPL would have a higher degree of idiosyncratic risk than many other airports because of its proximity to IGIA Delhi which increases competition for business with a well-established airport, and also because of the fact that YIAPL does not have its own separate point of call but is shared with DEL. This limits YIAPL's ability to attract direct international traffic as the travel preference of NIA's catchment is on short-haul international sectors to the Middle East and Southeast Asia, where most of the bilaterals are exhausted.

Another factor to consider idiosyncratic risk is the fixed per-passenger concession fee of INR 400.97 as against a typical revenue share model prevalent in most airports. Such a fee model imposes a greater burden on YIAPL compared to other airports where such fee could reduce in case of lower per-passenger revenues being generated.

YIAPL is exposed to significant risk resulting from Forex losses as the Rupee has been depreciating against the Swiss Franc. This further increases the risk associated with investments related to this airport.

The risk perception of YIAPL is considered relatively higher because it is solely funded by a foreign investor. This creates concerns about the absence of critical local expertise and knowledge that a domestic equity partner might bring, potentially increasing the idiosyncratic risks associated with the project

This airport is a greenfield project, which inherently makes the investment riskier compared to a similar investment in an existing airport with ongoing operations. Therefore, a higher risk premium is typically recommended for such projects.

In addition, even if we approach the analysis from the perspective of illiquidity, it is standard practice in finance to apply an illiquidity premium ranging from 2.5% to 4.0% when valuing closely held, unlisted companies. This premium reflects the higher risk and potential difficulty in selling the asset due to the lack of a liquid market, which typically lowers the asset's valuation compared to more liquid counterparts."

6.1.7 Based on the above, the Cost of Equity computed by IIM-A originated on behalf of YIAPL is as detailed below:

Table 106: Cost of equity as per YIAPL's submission

Parameter	Ref.	Percentage
Risk-Free Rate	A	7.33%
Risk Premium	B	8.50%
Debt-Equity ratio	C	0.92
Equity Beta	D	1.28 – 1.31
Initial Cost of Equity (before premium for idiosyncratic risk and illiquidity)	E=A+(B×D)	18.25% - 18.53%
Additional Premium Idiosyncratic risk and Illiquidity	F	0.5% -1%
Modified Cost of Equity (after premium for idiosyncratic risk and illiquidity)	G=E+F	18.75% - 19.53%
Cost of Equity (Median)	Average G	19.17%

Fair Rate of Return as submitted by YIAPL

6.1.8 Based on the above Cost of Debt, Cost of Equity and normative gearing ratio of 48:52, the Fair Rate of Return (FRoR) has been computed by YIAPL as below:

Table 107: Fair Rate of Return (FRoR) submitted by YIAPL for the First Control Period

Particulars	Ref.	Percentage
Cost of Equity	A	19.17%
Cost of Debt	B	10.00%
Weighted Average Gearing of Equity	C	52.00%
Weighted Average Gearing of Debt	D	48.00%
Weighted Average Cost of Capital	E =(A×C)+(B×D)	14.77%

6.2 Authority's examination regarding Fair Rate of Return for the First Control Period

Cost of Debt

6.2.1 The Authority, through its Independent Consultant, has verified the Facility Agreement executed with the consortium of banks led by SBI (Term Loan 1). As per the agreement, given the current credit rating of YIAPL as "A", the applicable interest rate post-COD shall be the 6-month MCLR plus spread of 155 basis points (bps).

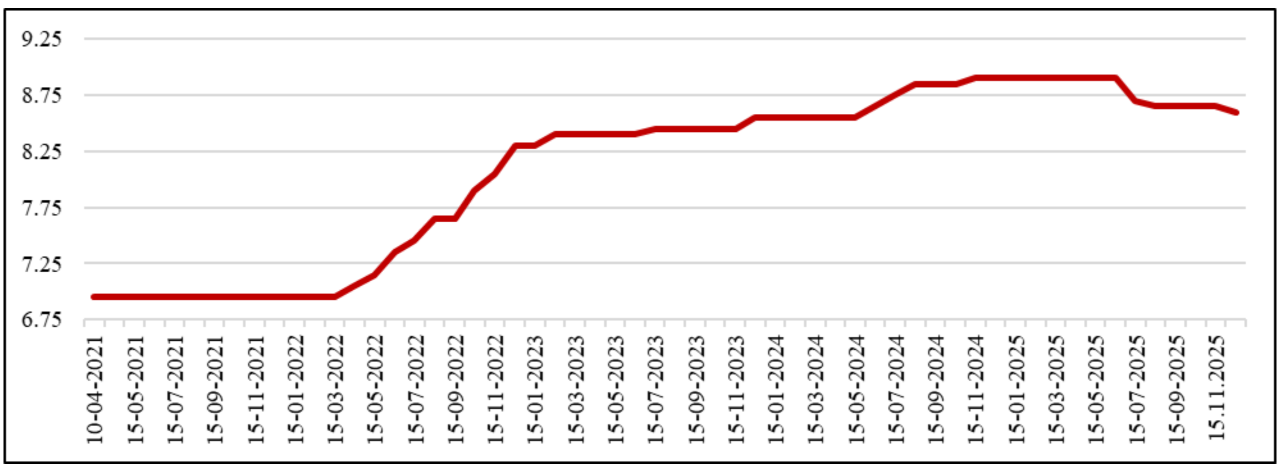
6.2.2 It is noted from the revised MYTP submitted by YIAPL that there is a cost overrun in the overall project cost. On enquiry, the Authority was informed that the cost over-run is to be funded through a mix of debt and equity in the ratio of 50:50. The Authority has reviewed the arrangements for this additional funding with SBI, EXIM India Bank, IIFCL and notes that the applicable interest rates for the additional debt is 6-month MCLR plus 150 bps.

6.2.3 The Authority is in the process of benchmarking the cost of debt for all major airports based on the External Credit Rating of the Airport which shall suggest a suitable spread over a reliable benchmark at the beginning of the Control Period.

6.2.4 The Authority notes that while the original term loan carries an interest rate of 6-month MCLR plus 155 bps, and the additional funding is contracted at 6-month MCLR plus 150 bps, the Authority considers SBI 6-month MCLR plus 150 bps to be a reasonable benchmark for NIA.

6.2.5 The Authority has also reviewed the SBI 6-month MCLR during period from FY 2021-22 to FY 2025-26 (till December 2025) and notes that the rates have gone down in the last two months as can be seen in the graph below.

Figure 2: Change in SBI 6-month MCLR during the period from FY 2021-22 to FY 2025-26 (till Dec'25)



6.2.6 Based on the 6-month MCLR of 8.60% as on 15th December 2025, the effective interest rate works out to 10.15%. Considering this effective interest rate and the trend of MCLR as per figure above, YIAPL's submission of 10% is within a reasonable range.

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

Cost of Equity

6.2.8 YIAPL engaged the services of IIM-A to conduct a study on the applicable Cost of Equity for Noida International Airport. Based on the findings of this study, the Airport Operator has considered Cost of Equity in the range between 18.75% and 19.53%. For the purpose of FRoR computation, YIAPL has adopted the midpoint of this range, i.e., 19.17%, in its MYTP submission. The range of Cost of Equity has been derived by holding the base Cost of Equity (prior to adjustments for idiosyncratic risk and illiquidity) constant across scenarios. The only variation arises from the application of an additional risk premium—0.5% in one scenario and 1.0% in the alternate scenario—resulting in two Cost of Equity outcomes of 18.75% and 19.53%, respectively.

6.2.9 It is noted that the Authority had in the past undertaken a study through the Indian Institute of Management – Bangalore (IIM-B) for determining the cost of equity of 5 airports, namely - BIAL, DIAL, GHIAL, CIAL and MIAL. The Authority, through its Independent Consultant, has made a comparison between the asset beta as per the study report of IIM-A for Noida International Airport with the independent study (for 5 airports) referred to above. The list of airports taken for computation of asset beta in both study reports are enumerated in table below:

Table 108: Comparison of airports taken into consideration for study on Cost of Equity

Operator	Country	AERA STUDY – 5 AIRPORTS – IIM-B*	NIA STUDY-IIM-A*
Auckland International Airport Limited	New Zealand	Y	Y
Airport Of Thailand Public Limited Company	Thailand	Y	Y
Flughafen Zurich AG	Switzerland	N	Y
Sydney Airport Holdings Private Limited	Australia	Y	N
Malaysia Airport Holdings Berhad	Malaysia	Y	N
Gatwick Airport	United Kingdom	Y	N
Dublin Airport	Ireland	Y	N
GMR Airports Infrastructure Ltd	India	N	Y
Flughafen Wien AG	Austria	N	Y
Xiamen International Airport Co Ltd	China	N	Y
Shenzhen Airport Co Ltd	China	N	Y

**N = Not considered in the study ; Y = considered in the study*

6.2.10 The Authority further notes the following:

- In the study done by IIM-B for 5 airports, Chinese airports were excluded from the comparison noting that data pertaining to Chinese Airports was unreliable, however, in IIM-A report for Noida International Airport, Chinese airports were considered in the peer group.
- One of the comparative peer airports taken by IIM-A for Noida International Airports was GMR Airports Infrastructure Limited. This entity is the dedicated entity responsible for the development, management, and operation of airports within the GMR Group. It includes airports like Indira Gandhi International Airport (Delhi), Rajiv Gandhi International Airport (Hyderabad), and other airport projects both within India and abroad. GMR Airports Infrastructure Limited is a holding company having many subsidiary and associate companies. Among the associate companies are non-airport companies in the group which are consolidated into GMR Airports Infrastructure Limited.

- Further, although, the study report of IIM-A specifically excludes airports whose "passenger capacity is more than 50 million", DIAL which is being managed by GMR Airports Infrastructure Limited has passenger capacity far exceeding 50 million. Hence considering the company in the peer group as comparable, as per the methodology set by IIM-A itself, is not appropriate.

6.2.11 The Authority has also examined the rationale submitted by IIM-A for adding the premium for idiosyncratic risk and illiquidity. IIM-A's comments, together with the Authority's analysis, are as follows:

Table 109: Rationale submitted by IIM-A for inclusion of premium for idiosyncratic risk and illiquidity and the Authority's analysis of the same.

Sl. No.	Excerpts from NIA COE Report (IIM-A)	Authority's Analysis
1	The average R-squared of the CAPM regressions for the peer group of companies is around 0.33. This implies that of the total risk of airport assets, systematic risk accounts for only 33%, whereas the idiosyncratic risk accounts for the remaining 67%. In other words, the idiosyncratic risk is 67% / 33% = 203% of the systematic risk. Since the risk premium for the systematic risk of YIAPL is about 10%, providing for a risk premium for just 50% of the idiosyncratic risk, the unlisted risk premium would be around 5%.	Analysis on various factors of idiosyncratic risk are detailed in Sl. No. 2-7 of this table.
2	YIAPL would have a higher degree of idiosyncratic risk than many other airports because of its proximity to IGIA Delhi which increases competition for business with a well-established airport, and also because of the fact that YIAPL does not have its own separate point of call but is shared with DEL. This limits YIAPL's ability to attract direct international traffic as the travel preference of NIA's catchment is on short-haul international sectors to the Middle East and Southeast Asia, where most of the bilateral are exhausted.	While it is acknowledged that, in absolute terms, international traffic at NIA may initially be limited, there is a commitment from multiple airlines toward developing international connectivity, as noted by the fact that MOUs have been signed with various carriers indicating future international operations. Furthermore, in the domestic segment, NIA is expected to witness a robust growth trajectory, with a high CAGR anticipated. Importantly, as noted by the Authority in its latest order for IGIA, the Delhi airport is projected to reach saturation toward the end of Noida International Airport's First Control Period. Consequently, the spillover of traffic from IGIA will need to be accommodated by NIA, thereby establishing a strong and assured demand base for the airport. Hence, the demand fundamentals for NIA remain strong and unquestionable
3	Another factor to consider idiosyncratic risk is the fixed per-passenger concession fee of INR 400.97 as against a typical revenue share model prevalent in most airports. Such a fee model imposes a greater burden on YIAPL compared to other airports where such fee could reduce in case of lower per-passenger revenues being generated.	The fixed per-passenger concession fee of INR 400.97 is a result of a commercial agreement between the airport operator (YIAPL) and the concession granting authority, finalized during the competitive bidding process. It was a key determinant in awarding the contract to YIAPL, reflecting the operator's confidence in its business model. Additionally, this fee is payable only from the 6th year of operations, ensuring that it does not impact the airport's financials during the current Control Period. This structure was designed to align with the long-term viability of the airport and hence, this factor does not justify a higher cost of equity (COE).

Sl. No.	Excerpts from NIA COE Report (IIM-A)	Authority's Analysis
		Also, a fixed per-pax fee provides cost certainty and predictability instead of other models which may be volatile. Even though the fee is fixed per pax, it still linked to passenger traffic. In case of a downturn, total outflows reduce proportionately (unlike a fixed annual minimum guarantee). Therefore, some downside protection is inherently built in compared to a fixed lump sum or guaranteed revenue share model
4	YIAPL is exposed to significant risk resulting from Forex losses as the Rupee has been depreciating against the Swiss Franc. This further increases the risk associated with investments related to this airport.	While fluctuations in the INR-CHF exchange rate pose some exposure to foreign exchange (Forex) risk, this cannot be considered as a significant factor for the following reasons: **Financial Hedging Strategies:** YIAPL has the option to mitigate Forex risk through well-established financial instruments like forward contracts, swaps, or natural hedging mechanisms. **Long-Term Investment View:** Currency fluctuations are typically cyclical. The financial impact can be spread over the long-term operational horizon of the airport, diluting immediate concerns. **Contractual Decisions:** The decision to source financing in foreign currency was a strategic choice by YIAPL to leverage favorable rates. It is part of their commercial agreement and does not warrant changes in regulatory considerations like the cost of equity (COE). Also, choice of funding is a promoter level business risk and should not be part of cost that can be passed on to the passenger. At the end of the day, the Airport Operator is an Indian Company and cannot be treated differently as compared to any other operator because of having a 100% foreign shareholding. Regulatory framework is ownership agnostic. In conclusion, Forex risks, while present, are manageable through proper financial planning and do not justify adjustments to the COE.
5	The risk perception of YIAPL is considered relatively higher because it is solely funded by a foreign investor. This creates concerns about the absence of critical local expertise and knowledge that a domestic equity partner might bring, potentially increasing the idiosyncratic risks associated with the project	The concern regarding YIAPL's risk perception due to the absence of a domestic partner is without merit, given Zurich Airport's proven track record in managing global airport operations. Flughafen Zürich AG currently operates and manages airports worldwide, including in Brazil, Chile, Curaçao, and Colombia, demonstrating expertise in diverse international environments. Notably, Zurich Airport was a key partner in the development and successful operation of Bangalore International Airport (BIAL) in India. Furthermore, the grant of the concession agreement for Noida International Airport amidst intense competition reaffirms Zurich Airport's qualifications and capabilities to manage world-class airports independently. As indicated earlier, investor profile constitutes an investment risk and should not be factored into costs recoverable from passengers. Ultimately, the Airport Operator is an Indian company and must be treated at par

Sl. No.	Excerpts from NIA COE Report (IIM-A)	Authority's Analysis
		with any other operator, irrespective of its foreign shareholding. The regulatory framework remains ownership-agnostic. Hence, profile of the investor, does not justify adjustments to the COE.
6	This airport is a greenfield project, which inherently makes the investment riskier compared to a similar investment in an existing airport with ongoing operations. Therefore, a higher risk premium is typically recommended for such projects.	The Authority notes that the report submitted by IIM A for NIA highlights that Greenfield airports are a riskier investment. Greenfield airports, though often viewed as riskier investments, face similar risks to other large-scale infrastructure projects. Risks such as construction delays, traffic uncertainties, and regulatory changes are inherent in many infrastructure projects, not just greenfield airports. These risks are mitigated through extensive feasibility studies, government support, and financing mechanisms like work-in-progress funding. The long-term investment horizon typical of such projects, coupled with strong demand growth in the aviation sector, makes greenfield airports as viable and stable an investment as other infrastructure developments. Further, to mitigate the risk of funds being locked up, the Authority provides for a Financing Allowance on work-in-progress assets for Greenfield airport projects like NIA, addressing potential liquidity concerns. The Authority also provides for regulated and steady revenues for cost recovery in both greenfield and brownfield airports alike. Accordingly, the emphasis placed on the greenfield nature of the project, as a basis for seeking a higher risk premium, is not justified.
7	In addition, even if we approach the analysis from the perspective of illiquidity, it is standard practice in finance to apply an illiquidity premium ranging from 2.5% to 4.0% when valuing closely held, unlisted companies. This premium reflects the higher risk and potential difficulty in selling the asset due to the lack of a liquid market, which typically lowers the asset's valuation compared to more liquid counterparts.	In the context of Noida International Airport, applying a standard illiquidity premium may not be entirely applicable due to the unique characteristics of the project. The airport's development is backed by a strong government partnership, with Zurich Airport, which brings substantial expertise in airport operations. This, combined with India's growing aviation sector, enhances the long-term investment potential and attractiveness of NIA, which could reduce the perceived illiquidity premium. The high demand for air travel in the region, along with the strategic location of NIA in the Delhi NCR region, suggests that the airport's long-term value is likely to increase, further diminishing the need for a significant illiquidity discount. Therefore, illiquidity may not be a prominent factor in the risk assessment of NIA.

6.2.12 The Authority observes that, in the Indian context, several PPP airports which are unlisted like YIAPL have undergone ownership transfers. These airports continue to attract substantial investor interest and operate under similar regulatory frameworks. Therefore, the Authority finds no basis for applying an additional risk premium on account of illiquidity or idiosyncratic risks, as such risks are neither unique to YIAPL nor materially different from those faced by other PPP airports in India.

6.2.13 The Authority further notes that the Cost of Equity for determining the Fair Rate of Return must remain broadly consistent across PPP airports in India. This is because the parameters underpinning the CAPM framework—such as the Risk-Free Rate and Market Risk Premium—are determined in the Indian macroeconomic context and do not vary significantly among airports operating under similar policy, regulatory, and market conditions. Moreover, the process of benchmarking and averaging across multiple airports ensures that individual variations in risk perception are normalized, resulting in a fair and comparable estimate of the Cost of Equity.

6.2.14 In light of the above and considering that the IIM-A study relies on certain assumptions and peer selections that are not fully aligned as discussed in the above paragraphs, the Authority does not find it appropriate to adopt the Cost of Equity proposed therein. Instead, for ensuring consistency and comparability across regulated airports, the Authority proposes to consider a Cost of Equity of 15.18%, representing the average Cost of Equity for BIAL, DIAL, GHIAL, MIAL, and CIAL as determined under the independent study undertaken by IIM-B. This approach maintains methodological continuity, reflects sectoral realities, and ensures equitable treatment of all PPP airports during the First Control Period.

Fair Rate of Return (FRoR)

6.2.15 Based on the cost of equity of 15.18%, the Authority proposes to consider FRoR for Noida International Airport as per table given below:

Table 110: Fair Rate of Return proposed by the Authority for the First Control Period

Particulars	Ref.	Percentage
Cost of Debt	A	10%
Cost of Equity	B	15.18%
Weights for Debt	C	48%
Weights for Equity	D	52%
FRoR	E=(A×C)+(B×D)	12.69%

6.3 Authority's proposals relating to Fair Rate of Return for Noida International Airport for the First Control Period

Based on the materials before it and its analysis, the Authority proposes the following with respect to FRoR for the First Control Period

6.3.1 To consider Cost of Debt as 10% as per YIAPL's submission as per para 6.2.7.

6.3.2 To true up the Cost of Debt for the First Control Period based on actual (or) SBI average 6-month MCLR plus 150 bps (whichever is lower) at the time of tariff determination for the Second Control Period.

6.3.3 To consider Cost of Equity at 15.18%.

6.3.4 To consider FRoR of 12.69% for Noida International Airport for the First Control Period as per Table 110.

7. INFLATION FOR THE FIRST CONTROL PERIOD

7.1 YIAPL's submission regarding Inflation for the First Control Period

7.1.1 YIAPL has considered inflation as per RBI's "Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 82nd Round" released on 8th June 2023 for the First Control Period as summarized in the table below:

Table 111: Inflation rates submitted by YIAPL for the First Control Period

Particulars	FY26	FY27	FY28	FY29	FY30
WPI Inflation	4.00%	4.00%	4.00%	4.00%	4.00%
CPI Inflation	4.90%	4.90%	4.90%	4.90%	4.90%

7.2 Authority's examination regarding Inflation for the First Control Period

7.2.1 The Authority has examined the submission made by YIAPL on inflation to be considered during the First Control Period and notes that YIAPL has considered WPI and CPI from the RBI's 82nd round of survey. However, the Authority proposes to consider the recent "*Survey of Professional Forecasters on Macroeconomic Indicators - Results of the 98th Round*" released on 6th February 2026 published by the Reserve Bank of India (RBI).

7.2.2 The Authority also notes that YIAPL has computed inflation by considering a weight of 70% and 30% respectively for WPI and CPI, thereby arriving at an inflation rate of 4.27%. The Authority, however, proposes to consider only the WPI inflation as has been followed by the Authority in other similar airports.

7.2.3 Accordingly, the Authority proposes to consider the mean WPI (All commodities) inflation forecast for FY 2026-27 as given in the 98th Round of Professional Forecasters on Macroeconomic Indicators.

7.2.4 Further, the Authority assumes that the inflation rate would be stable and remain constant from FY 2026-27 till FY 2030-31. Accordingly, the following table shows the inflation rates as proposed by the Authority for the First Control Period.

Table 112: Inflation rates proposed by the Authority for the First Control Period

Particulars	FY27	FY28	FY29	FY30	FY31
WPI Inflation	3.00%	3.00%	3.00%	3.00%	3.00%

7.3 Authority's proposal regarding Inflation for the First Control Period

Based on the materials before it and its analysis, the Authority proposes the following for the First Control Period:

7.3.1 To consider Inflation for the First Control Period for Noida International Airport as per Table 112.

8. OPERATION AND MAINTENANCE EXPENSES FOR THE FIRST CONTROL PERIOD

8.1 YIAPL's submission regarding Operation and Maintenance (O&M) Expenses for the First Control Period

8.1.1 YIAPL has submitted the forecast for Operation and Maintenance (O&M) expenses, including personnel cost, utility cost, general administration cost, CNS/ATM expenditure and repairs & maintenance costs, in line with its obligations under Article 17 of the Concession Agreement, which sets out the Operation and Maintenance requirements for the airport.

8.1.2 YIAPL has considered the following drivers as a basis to arrive at the forecasted O&M expenses for the First Control Period:

- **Inflation** – YIAPL has considered an inflation of 4.27%, calculated using a 70:30 weightage between WPI Inflation (4.00%) and CPI Inflation (4.90%) as per the RBI's Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 82nd Round dated 8th June 2023, towards all relevant expenses. Additionally, YIAPL has applied WPI inflation on "Materials, Equipment and Supplies Cost" and CPI inflation on "CNS/ATM Expenditure".
- **Real Increase** – YIAPL has considered a year-on-year increase of 10% towards Personnel Cost, 5% towards General Administration Cost and Advertisement Cost, and 3% towards Utility Cost and Airport Operator Support Fee.
- YIAPL has further submitted that most of the airport's operating costs are fixed, as the infrastructure is required regardless of the volume of passenger traffic. Therefore, considering that Noida International Airport is a greenfield airport, YIAPL has informed that traffic would increase gradually, while some fixed operating costs will be incurred from Airport COD onwards due to their inelasticity to passenger traffic.

8.1.3 Further, YIAPL has also submitted a report on "*Independent Study on Operation and Maintenance (O&M) Expenses*" (herein referred to as "O&M Study Report") conducted by R. Subramanian and Company LLP dated October 2023. The objectives of this report, as indicated therein are:

- Understanding the existing process followed at NIA for operation and maintenance activities, including key systems, procedures, and cost elements.
- Understanding the infrastructure/operations/facilities proposed to be implemented at NIA
- Deriving O&M expenses (component-wise) for the First Control Period, which is proposed to be submitted as part of the MYTP to the Regulator, AERA.

The report also aims to benchmark O&M expenses against similar airports (based on data availability) and establishes principles for classifying and segregating expenses based on appropriate drivers.

8.1.4 The summary of Total O&M expenses, before allocation into aeronautical and non-aeronautical expenses, as submitted by YIAPL for the First Control Period, has been presented in the table below:

Table 113: Total Operation and Maintenance (O&M) expenses submitted by YIAPL

(Rs. in crores)

Sl. No.	Particulars	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
A	Personnel Cost	104.80	127.60	142.10	160.80	185.00	**720.30**

Sl. No.	Particulars	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
B	Contracted Services (Manpower outsourcing cost)	46.40	54.90	59.40	64.10	69.20	**294.00**
C	Materials, equipment and supplies cost	18.50	19.20	20.00	20.80	21.60	**100.10**
D	Utility cost	63.50	76.60	87.00	90.30	98.30	**415.70**
E	General administration cost	7.00	12.80	13.50	14.10	14.90	**62.30**
F	R&M cost	149.70	157.00	168.40	169.50	179.20	**823.80**
G	Advertisement cost	3.50	3.70	3.90	4.10	4.30	**19.50**
H	Insurance cost	2.80	3.70	3.90	4.10	4.20	**18.70**
I	Airport operator support fee	-	-	-	-	-	**-**
J	Corporate Environment Responsibility (CER)	4.50	4.60	4.70	4.90	5.00	**23.70**
K	Collection charges	11.00	11.00	11.00	11.00	11.00	**55.00**
L	Other cost	11.70	14.20	15.50	16.50	18.00	**75.90**
M	CNS/ATM expenditure	89.57	85.60	82.30	80.20	76.70	**414.37**
N	CSR expense	0.56	-	-	-	1.10	**1.66**
O	Interest on working capital	-	0.50	1.50	2.80	4.30	**9.10**
P	Concession Fee**	-	-	-	-	245.90	**245.90**
	Total#	**539.24**	**574.40**	**617.00**	**647.90**	**698.40**	**3,076.94**

**Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30th April 2025.*
***Although concession fee has been included in the Total O&M expenses, the same is not considered as part of aeronautical O&M expenses submission of YIAPL in line with the Clause 32.3.4 of the Concession Agreement.*
#Although the total of the Total O&M expenses as reflected in the MYTP is Rs. 3,076.94 crores, the computed total amounts to Rs. 3,280.03 crores.

8.1.5 YIAPL has considered the following basis to estimate the O&M expenses for the First Control Period:

A. Personnel Cost

8.1.6 Personnel Cost includes employee salary, employee transportation, staff welfare expenses and recruitment charges. The basis for estimation used by YIAPL is as detailed below:

- **Employee Salary** – Estimated based on the department-wise employee headcount and the average cost per employee. The average cost per employee has been estimated at Rs. 0.25 crores for FY 2025-26 and thereafter it has been escalated y-o-y at 10% as detailed in para 8.1.2. YIAPL has also stated that it has offered competitive market compensation structure to attract skilled employees.
- **Employee Transportation** – The transportation cost per employee per annum has been estimated as Rs. 65,233 in FY 2025-26 and thereafter escalated y-o-y at the inflation rate of 4.27% as detailed in para 8.1.2.
- **Staff Welfare Expenses** – Staff welfare expenses relate to cost of staff training amongst other expenses. YIAPL has estimated this expense at 3% of the average cost per employee for the respective year.
- **Recruitment Charges** – YIAPL has estimated recruitment charges at 7% of the average cost per employee for the respective years. This estimate accounts for the expenses associated with new hires with an assumed annual attrition rate of 5%.

8.1.7 YIAPL has allocated the Personnel Cost to Aeronautical and Non-Aeronautical expense based on the Employee Head Count Ratio (EHCR).

B. <u>Contracted Services (Manpower Outsourcing Cost)</u>

8.1.8 YIAPL anticipates that it would require outsourced manpower primarily for landside security, housekeeping, horticulture, trolley management, hospitality, managed IT delivery, wildlife management, medical facilities, etc.

8.1.9 YIAPL has estimated the Manpower Outsourcing Cost based on the outsourced manpower requirement and average salaries under each segment of outsourced manpower. It has also submitted that the outsourced manpower requirement has been estimated based on a detailed exercise across the different outsourcing segments.

8.1.10 The cost of Contracted Services (Manpower Outsourcing Cost) has been allocated between Aeronautical and Non-Aeronautical expense based on the Employee Head Count Ratio (EHCR).

C. <u>Materials, Equipment and Supplies Cost</u>

8.1.11 Material, Equipment and Supplies Cost relate to the cost of consumables, stores and spares, mainly for airport infrastructure.

8.1.12 YIAPL has estimated this cost as a percentage of the gross block, i.e. 0.28% and has segregated the expense into Aeronautical and Non-Aeronautical using the Gross Block Ratio (GBR).

D. <u>Utility Cost</u>

8.1.13 Utility Cost comprises of power and water cost which were estimated by YIAPL after netting off recoveries from the concessionaires.

8.1.14 YIAPL has considered Utility Cost net of recoveries as 100% Aeronautical.

8.1.15 The detailed assumptions used for power and water costs are explained in the following paragraphs:

<u>Power Cost</u>

8.1.16 YIAPL has segregated Power Cost into electricity cost and DG power cost.

8.1.17 For electricity cost, YIAPL has projected consumption to be 101.93 million units in FY 2025-26 and 129.60 million units in FY 2026-27, based on its assessment of the power requirement at the airport. The consumption for the remaining tariff years of the First Control Period has been estimated considering an annual increase of 8%. YIAPL has submitted that the unit rate of electricity ranges from Rs. 7.66 per kWh in FY 2025-26 to Rs. 8.11 per kWh in FY 2029-30.

8.1.18 The DG power cost has been projected at Rs. 5.15 crores for FY 2025-26 and thereafter with an annual escalation of 10%.

8.1.19 The Power Costs have been adjusted for recovery from concessionaires, ranging from 30% to 40% during the Control Period.

<u>Water Cost</u>

8.1.20 YIAPL has categorized water costs into potable and non-potable segments. The expenses for each category have been calculated based on the projected consumption per passenger and the unit cost of water, which is increased in accordance with inflation.

8.1.21 YIAPL has projected recovery from the concessionaire to range between 30% and 40% for potable water, and to be 10% for non-potable water during the Control Period.

E. General Administration Cost

8.1.22 General Administration Cost submitted by YIAPL encompasses professional and consultancy fees, travel and conveyance expenses and office costs. The details regarding the same are as given below:

Table 114: Breakup of General Administration Cost along with the basis of estimation as submitted by YIAPL

Particulars	Details including basis of estimation
Professional and Consultancy Fees	Include legal advisory, accounts advisory, finance consultancy, HR consultancy, and commercial consultancy. Estimated considering per pax cost of Rs. 6.67 during the first tariff year and escalation of 5%
Travel and Conveyance Expenses	Estimated considering per pax cost of Rs. 4.90 during the first tariff year and escalation of 5%
Office Costs	Estimated considering per pax cost of Rs. 2 during the first tariff year and CPI inflation of 4.9%

8.1.23 YIAPL has further indicated that during the initial years of operation, the General Administration Cost is expected to be higher due to the need to establish processes and workflows to manage the anticipated high growth in traffic, as projected by the study on traffic conducted by L&B for NIA.

8.1.24 General Administration Cost has been allocated between Aeronautical and Non-Aeronautical expense based on the Terminal Building Ratio (TBLR).

F. Repairs and Maintenance (R&M) Cost

8.1.25 YIAPL proposes to incur R&M costs related to airport infrastructure which includes the runways, apron, taxiways, terminal building, plant and machinery (BHS, HVAC, PTB, etc.), lighting systems, IT assets, etc.

8.1.26 As per YIAPL submission, the R&M Cost has been segregated into three sub-categories – R&M for infrastructure, R&M for IT assets and R&M covered under Annual Maintenance Contracts.

8.1.27 YIAPL has allocated the R&M Cost between Aeronautical and Non-Aeronautical expenses in the Terminal Building Ratio (TBLR).

G. Advertisement Cost

8.1.28 YIAPL has submitted that since NIA is a greenfield airport operating in a competitive market, it will need to employ an aggressive marketing strategy with high advertising costs to attract traffic in the initial years which will in turn help in achieving the forecasted traffic growth.

8.1.29 The Advertisement Cost has been estimated as Rs. 3.50 crores for FY 2025-26 and has been forecasted to increase by 5% annually thereon. This expense has been allocated between Aeronautical and Non-Aeronautical expense in the Terminal Building Ratio (TBLR).

H. Insurance Cost

8.1.30 YIAPL has considered insurance for every aspect of infrastructure and operation that is essential to ensure proper functioning of the airport.

8.1.31 The Insurance Cost for FY 2025-26 has been estimated at 0.05% of the gross block of assets and thereafter escalated in line with inflation as given in para 8.1.2. Insurance Cost has been allocated between Aeronautical and Non-Aeronautical expense based on the Gross Block Ratio (GBR).

I. Airport Operator Support Fee (allocation of corporate costs)

8.1.32 Airport Operator Support Fee relates to the allocation of corporate costs to NIA for the services rendered by the parent company, Zurich Airport International AG (ZAIA). The corporate cost allocation has been divided into two parts – Intercompany Operational Expenses (expenses during the construction period) and Airport Operator Support Fee (manpower related expenses during the operation period).

8.1.33 YIAPL has submitted that the Airport Operator Support Fee is chargeable on man-day basis and is allocated into Aeronautical and Non-Aeronautical expenses based on the Employee Head Count Ratio (EHCR).

J. Corporate Environment Responsibility (CER) Expenditure

8.1.34 In accordance with the conditions outlined in the Environment Clearance (EC) Letter issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC), YIAPL is required to allocate expenses towards Corporate Environment Responsibility (CER). Consequently, YIAPL has projected an annual expenditure of approximately Rs. 11 crores for each tariff year of the First Control Period for CER. As this is a statutory obligation, YIAPL has classified the CER expenses as entirely aeronautical.

K. Collection Charges

8.1.35 YIAPL has projected the collection charges for UDF to be Rs. 5 per passenger throughout the First Control Period. Given that these charges are payable only if airlines remit the UDF payment within 15 days, YIAPL has assumed that collection charges will be applicable only for 70% of eligible passengers. Further, YIAPL has considered that Collection Charges would be 100% Aeronautical.

L. Other Costs

8.1.36 “Other Costs” include all other expenses incurred in carrying out the airport's day-to-day activities and normal business operations including costs incurred towards Airport Service Quality (ASQ) survey program, International Standards Organization (ISO) Certification, Environmental and Health & Safety (EH&S) Certifications, cost for communications, waste removal charges, etc.

8.1.37 YIAPL has estimated “Other Costs” to be 3% of the total operating costs excluding concession fees, CNS/ATM expenses and CSR expenses. This expense has been allocated between Aeronautical and Non-Aeronautical expenses based on the Terminal Building Ratio (TBLR).

M. CNS/ATM Expenditure

8.1.38 Clause 22.1.1 of the Concession Agreement mandates the Airport Operator to appoint Designated GOI Agencies for the Reserved Services which includes CNS/ATM services.

8.1.39 As per Clause 22.2 of the Concession Agreement read with Clause 7.4 of the agreement between YIAPL and AAI for the provision of CNS/ATM Services at NIA, YIAPL has to make the following payments to AAI:

i. Annual operational expenditure for providing CNS/ATM services at NIA net of Terminal Navigation Landing Charges (TNLC) revenue earned by AAI at NIA in the previous year.
ii. Capital expenditure of Rs. 129.30 crores for the development of CNS/ATM facilities required for Phase I of the project payable in equated annual instalments of Rs. 22.90 crores over a duration of 10 years starting from COD at an annual percentage rate (APR) of 12%.

8.1.40 Considering that the expenditure pertains to reserved services, this expense has been allocated as 100% Aeronautical.

N. CSR Expense

8.1.41 YIAPL has considered this expense as 2% of its trailing 3-year average profit, in line with the provisions of Companies Act, 2013. The Aeronautical Profit was used as the base for computing the Aeronautical CSR expenses.

O. Interest on Working Capital

8.1.42 YIAPL has projected interest on working capital at the rate of 10% based on the assumption that working capital loan will be availed and utilized for the mismatch in cashflows related to receivables and payables. This expense has been allocated to Aeronautical and Non-Aeronautical expenses on the basis of the Gross Block Ratio (GBR).

P. Concession Fee

8.1.43 Although the Concession Fee is not included in the Aeronautical O&M expenses, it has been included in the Total O&M expenses table in the MYTP for FY 2029-30. However, as per the Concession Agreement, the Concession Fee is payable only from the 6th year of the occurrence of Airport COD, i.e. FY 2030-31.

8.1.44 Summary of the expense classification, allocation basis and percentages used to allocate expenses between Aeronautical and Non-Aeronautical is given in the table below:

Table 115: Classification and Allocation of O&M expenses submitted by YIAPL for the First Control Period

Sl. No.	Particulars	Expense Classification	Allocation Basis	Allocation %				
				FY 26	FY 27	FY 28	FY 29	FY 30
A	Personnel Cost	Common	EHCR	86.61%	86.96%	87.18%	87.50%	87.90%
B	Contracted Services (Manpower Outsourcing Cost)	Common	EHCR	86.61%	86.96%	87.18%	87.50%	87.90%
C	Materials, Equipment and Supplies Cost	Common	GBR	95.21%	95.21%	95.23%	95.25%	95.27%
D	Utility Cost	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
E	General Administration Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
F	R&M Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
G	Advertisement Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
H	Insurance Cost	Common	GBR	95.21%	95.21%	95.23%	95.25%	95.27%
I	Airport Operator Support Fee	Common	EHCR	86.61%	86.96%	87.18%	87.50%	87.90%
J	Corporate Environment Responsibility (CER)	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
K	Collection Charges	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
L	Other Cost	Common	TBLR	94.05%	94.05%	94.05%	94.05%	94.05%
M	CNS/ATM Expenditure	Aeronautical	-	100.00%	100.00%	100.00%	100.00%	100.00%
N	CSR Expense	*refer para 8.1.41*						
O	Interest on Working Capital	Common	GBR	95.21%	95.21%	95.23%	95.25%	95.27%

8.1.45 Based on the above assumptions, YIAPL has submitted the following Aeronautical Operation and Maintenance (O&M) Expenses for the First Control Period.

Table 116: Aeronautical Operation and Maintenance (O&M) expenses submitted by YIAPL

(Rs. in crores)

Sl. No.	Particulars	FY 26*	FY 27	FY 28	FY 29	FY 30	Total
A	Personnel Cost	90.78	111.00	123.90	140.70	162.70	**629.08**
B	Contracted Services (Manpower outsourcing cost)	40.21	47.70	51.80	56.10	60.80	**256.61**
C	Materials, equipment and supplies cost	17.60	18.30	19.00	19.80	20.60	**95.30**
D	Utility cost	63.44	76.60	87.00	90.30	98.30	**415.64**
E	General administration cost	6.56	12.10	12.70	13.30	14.00	**58.66**
F	R&M cost	140.79	147.70	158.40	159.40	168.50	**774.79**
G	Advertisement cost	3.29	3.50	3.60	3.80	4.00	**18.19**
H	Insurance cost	2.65	3.60	3.70	3.90	4.00	**17.85**
I	Airport operator support fee	3.88	4.00	4.10	4.30	4.40	**20.68**
J	Corporate Environment Responsibility (CER)	10.96	11.00	11.00	11.00	11.00	**54.96**
K	Collection charges	1.91	2.90	3.80	4.80	5.80	**19.21**
L	Other cost	11.00	13.40	14.60	15.50	16.90	**71.40**
M	CNS/ATM expenditure	89.57	85.60	82.30	80.20	76.70	**414.37**
N	CSR expense	-	-	-	-	-	**-**
O	Interest on working capital	-	0.50	1.50	2.80	4.30	**9.10**
P	Concession Fee	-	-	-	-	-	**-**
	Total#	**482.60**	**537.70**	**577.40**	**605.80**	**651.90**	**2,855.40**

** Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30th April 2025.*
#Although the total of the aeronautical O&M expenses as reflected in the MYTP is Rs. 2,855.40 crores, the computed total amounts to Rs. 2,855.84 crores.

8.2 Authority's examination regarding Operation and Maintenance (O&M) Expenses for the First Control Period

8.2.1 The Authority has examined the basis and estimation of O&M expenses submitted by YIAPL for the First Control Period. The Authority notes that YIAPL has analyzed O&M expenses considering infrastructure requirements, personnel cost, equipment maintenance requirements, utility cost, security measures and other factors.

8.2.2 The Authority observes that the Aeronautical O&M expenses shown in Table 116 does not align with the figures derived by applying the allocation ratios as per Table 115 to the Total O&M expenses as per Table 113 for certain specific heads namely 'Airport Operator Support Fee,' 'Corporate Environment Responsibility' and 'Collection Charges'. However, the computation appears consistent for the other expense heads. The Authority notes that this was on account of linking errors in Table 113. For instance, while the caption reads "*Corporate Environment Responsibility*" the amount against this head actually pertains to "*Airport Operator Support Fee*" and the amounts shown against "*Collection Charges*" actually relate to "*Corporate Environment Responsibility*". Consequently, the amounts pertaining to "*Collection Charges*" have not been captured in Table 113.

8.2.3 The Authority further notes that the total Aeronautical O&M expenses as per MYTP submission is Rs. 2,855.40 crores (refer Table 116), which does not match the total Aeronautical O&M expenses of Rs. 2,846.36 crores as per the Financial Model submitted along with the MYTP by YIAPL. The difference was due to various reasons including linking errors, round off, etc. Considering the various differences and errors, the Authority proposes to consider the O&M expenses as given in the Financial Model as the basis for its analysis.

8.2.4 Further, YIAPL vide email dated 28th November 2024, has informed that the General Administration Cost was inadvertently not updated in the revised MYTP submission and has requested to consider the revised figures as detailed in table below.

Table 117: Revised Total General Administration Cost submitted by YIAPL for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30	Total
As per MYTP Submission							
General Administration Cost	A	7.00	12.80	13.50	14.10	14.90	**62.30**
As per response dated 28th November 2024							
Consultancy, legal and professional fees	B	8.32	9.53	10.01	10.51	11.03	**49.40**
Traveling and conveyance	C	5.12	5.86	6.15	6.46	6.79	**30.38**
Office costs and others	D	1.72	1.97	2.07	2.18	2.28	**10.23**
General Administration Cost	**E=B+C+D**	**15.16**	**17.37**	**18.24**	**19.15**	**20.10**	**90.01**
Difference	***F=E-A***	***8.16***	***4.57***	***4.74***	***5.05***	***5.20***	***27.71***

8.2.5 Additionally, in the same email, YIAPL has requested the Authority to include the launch expenses of Rs. 12 crores for FY 2025-26 and Rs. 10 crores for FY 2026-27 along with the Advertisement Cost submitted in the MYTP.

8.2.6 YIAPL, vide its mail dated 23rd July 2025, submitted a revised breakup of R&M expenses. As stated by YIAPL, this revision was necessitated since, at the time of the MYTP submission, the R&M contracts had not been fully awarded, and majority of the cost projections were therefore based on estimates. The revised breakup submitted by YIAPL for R&M Expenses amounts to Rs. 156.78 crores for 12 months in FY 2025-26 –which works out to Rs. 143.72 crores for 11 months of operation, of which 75% pertains to awarded contracts, while the balance was in the process of being awarded.

8.2.7 While YIAPL has submitted revised R&M cost only for FY 2025-26, the cost for the remaining tariff years of the First Control Period has been estimated by the Independent Consultant to the Authority at Rs. 827.67 as follows:

- Awarded Contracts – Escalated as per the rates specified in the respective contracts.
- Contracts yet to be awarded – Escalated at an inflationary rate of 5% year-on-year.

8.2.8 Along with the aforesaid mail, YIAPL also furnished a revised breakup for Contracted Services (Manpower Outsourcing Cost) amounting Rs. 64.29 for 12 months in FY 2025-26 - which works out to Rs. 58.94 crores for 11 months of operation of which 45% pertains to awarded contracts, while the balance relates to contracts in the process of being awarded. For the remaining tariff years of the First Control Period, the estimate has been projected at Rs. 341.07 by the Independent Consultant to the Authority as under:

- Awarded Contracts – Escalated as per the rates specified in the respective contracts.
- Contracts yet to be awarded – Escalated at an inflationary rate of 5% year-on-year.

8.2.9 It was also noted that “Other Costs” for the FY 2025-26 was “Nil” in the model. Upon enquiry, a formula error was identified and YIAPL has subsequently requested the Authority for inclusion of Rs. 11.70 crores under "Other Costs" for FY 2025-26. However, since the control period commences from 1st April 2026, the Authority proposes not to consider any impact from FY 2026-27 onwards.

8.2.10 Vide mail dated 3rd February 2026, YIAPL informed the Authority that the Airport COD was expected in Q4 of FY 2025-26. Accordingly, the Authority proposes to consider the First Control Period as commencing from 1st April 2026 and extending till 31st March 2031 (refer para 1.2.5).

8.2.11 To aid in meaningful comparison, the Authority proposes to re-draw the O&M expenses for the revised First Control Period based expenses as reflected in the Financial Model submitted by YIAPL along with the MYTP Submission. Further to the above, the Authority proposes to include the revised Total General Administration Cost as per Table 117, R&M expenses as given in para 8.2.7, Contracted services expenses as given in para 8.2.8 extrapolated for FY 2030-31 and launch expenses.

Table 118: Revised Total Operation and Maintenance (O&M) expenses drawn up by the Authority, as YIAPL Submission, for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	127.64	142.09	160.84	185.04	204.10	**819.71**
B	Contracted Services (Manpower outsourcing cost)	66.68	69.18	71.78	74.50	77.33	**359.47**
C	Materials, equipment and supplies cost	19.22	19.99	20.79	21.62	22.49	**104.12**
D	Utility cost	76.59	87.00	90.28	98.27	100.55	**452.70**
E	General administration cost	17.37	18.24	19.15	20.10	21.11	**95.96**
F	R&M cost	162.36	167.92	173.74	179.94	169.38	**853.33**
G	Advertisement cost	13.68	3.86	4.05	4.25	4.47	**30.31**
H	Insurance cost	3.74	3.89	4.06	4.23	4.41	**20.34**
I	Airport operator support fee	4.61	4.74	4.87	5.01	5.14	**24.38**
J	Corporate Environment Responsibility (CER)	10.96	10.96	10.96	10.96	7.20	**51.03**
K	Collection charges	2.85	3.75	4.78	5.75	6.74	**23.88**
L	Other cost	14.22	15.53	16.45	17.95	18.95	**83.10**
M	CNS/ATM expenditure	85.64	81.96	80.17	76.71	74.17	**398.65**
N	CSR expense	-	-	-	1.09	9.73	**10.81**
O	Interest on working capital	0.48	1.60	2.94	4.48	6.42	**15.92**
P	Concession Fee	-	-	-	-	-	**-**
	Total	**606.04**	**630.71**	**664.87**	**709.92**	**732.19**	**3,343.73**

8.2.12 Applying the allocations and classifications as per Table 115, the revised Aeronautical Operation and Maintenance (O&M) Expenses for the First Control Period as drawn up by the Authority (considered as YIAPL's submission) is presented in the table below:

Table 119: Revised Aeronautical Operation and Maintenance (O&M) expenses drawn up by the Authority, as YIAPL Submission, for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	110.99	123.87	140.74	162.66	179.71	**717.97**
B	Contracted Services (Manpower outsourcing cost)	57.98	60.31	62.81	65.49	68.09	**314.67**
C	Materials, equipment and supplies cost	18.30	19.04	19.81	20.60	21.43	**99.18**
D	Utility cost	76.59	87.00	90.28	98.27	100.55	**452.70**
E	General administration cost	16.33	17.15	18.01	18.91	19.85	**90.25**
F	R&M cost	152.70	157.93	163.41	169.23	159.30	**802.57**

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
G	Advertisement cost	12.86	3.63	3.81	4.00	4.20	**28.50**
H	Insurance cost	3.56	3.71	3.87	4.03	4.21	**19.37**
I	Airport operator support fee	4.01	4.14	4.26	4.40	4.53	**21.34**
J	Corporate Environment Responsibility (CER)	10.96	10.96	10.96	10.96	7.20	**51.03**
K	Collection charges	2.85	3.75	4.78	5.75	6.74	**23.88**
L	Other cost	13.38	14.60	15.47	16.88	17.82	**78.16**
M	CNS/ATM expenditure	85.64	81.96	80.17	76.71	74.17	**398.65**
N	CSR expense	-	-	-	-	2.61	**2.61**
O	Interest on working capital	0.46	1.52	2.80	4.27	6.11	**15.17**
P	Concession Fee	-	-	-	-	-	**-**
	Total	**566.62**	**589.57**	**621.17**	**662.17**	**676.52**	**3,116.05**

8.2.13 The Authority proposes to consider Table 118 and Table 119 as the basis for its analysis of O&M expenses of YIAPL for the First Control Period.

8.2.14 For the purposes of this consultation paper, the Authority, through the Independent Consultant, has conducted a detailed analysis of O&M expenses in the following order:

a) Allocation Ratios
b) Assessment, Rationalization & Reallocation of O&M expenses

a) <u>Allocation Ratios</u>

8.2.15 The Authority has analyzed and recomputed the following Allocation Ratios to ensure the proper segregation of common expenses between Aeronautical and Non-Aeronautical for the First Control Period

Terminal Building Ratio (TBLR)

8.2.16 The Authority observed that YIAPL had considered the Terminal Building Ratio of 94.05:5.95 based on the allocation of space for aeronautical and non-aeronautical activities in the terminal building, substantiated by a certificate issued by an independent architect appointed by YIAPL.

8.2.17 The Authority has examined in detail the Terminal Building Ratio submitted by YIAPL in Chapter 5 and proposes to consider Terminal Building Ratio of 88:12 (aeronautical: non-aeronautical) for the First Control Period (Refer para no. 5.4.4 for detailed explanation).

Gross Block Ratio (GBR)

8.2.18 The Authority notes that YIAPL has calculated Gross Block Ratio based on the classification of the Gross Block of Assets capitalized for Phase I.

8.2.19 The Authority, based on the capital expenditure as proposed in Chapter 5, proposes to consider the Gross Block Ratio for the First Control Period as presented in the table below.

Table 120: Gross Block Ratio (GBR) proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Gross Block						
Opening Gross Block (A)	6,210.99	6,210.99	6,210.99	6,220.99	6,230.99	
Addition (B) (refer Table 98)	-	-	10.00	10.00	10.00	**30.00**
Sales/Transfers/Disposals (C)	-	-	-	-	-	**-**
Closing of Aeronautical Gross Block (D=A+B-C)	**6,210.99**	**6,210.99**	**6,220.99**	**6,230.99**	**6,240.99**	

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total Gross Block						
Opening Gross Block (E)	6,873.17	6,873.17	6,873.17	6,883.17	6,893.17	
Addition (F) (refer Table **93**)	-	-	10.00	10.00	10.00	**30.00**
Sales/Transfers/Disposals (G)	-	-	-	-	-	**-**
Closing of Total Gross Block (H=E+F-G)	**6,873.17**	**6,873.17**	**6,883.17**	**6,893.17**	**6,903.17**	
Gross Block Ratio (I=D ÷H)	***90.37%***	***90.37%***	***90.38%***	***90.39%***	***90.41%***	

Employee Head Count Ratio (EHCR)

8.2.20 The Authority has reviewed YIAPL's submission and notes that YIAPL has submitted EHCR ranging from 86.61% in FY 2025-26 to 87.90% in FY 2029-30. This was based on the projected number of employees and the nature of services provided by each department, categorized as Aeronautical, Non-Aeronautical or Common. The Authority has reviewed the computation of EHCR first on the basis of requirement of manpower (headcount) compared to other airports and then on the classification of departments into aeronautical, non-aeronautical and common.

8.2.21 On review of the projected number of employees, the Authority notes that the passenger per employee count in NIA was in line with other airports whose passenger profile was similar to NIA. Therefore, the Authority proposes to consider the employee head count as submitted by YIAPL as appropriate for the First Control Period.

8.2.22 Upon examining the functions of each department, the Authority has noted that the responsibilities of employees of certain departments listed below extend beyond aeronautical activities and encompass the overall operations of the airport. Consequently, the Authority proposes reclassification of employees belonging to these departments from Aeronautical, as originally submitted by YIAPL, to Common:

- Environment & Sustainability
- ORAT & Program Management
- COO Office
- Security
- Security – Passes

8.2.23 Based on the above reclassification, and considering the revised Control Period as discussed in para 8.2.10, the Authority has considered the year-wise values as submitted in the financial model furnished by YIAPL along with the MYTP. The values for each year of the Control Period have been retained as submitted by YIAPL:

Table 121: Employee Head Count Ratio (EHCR) proposed by the Authority for the First Control Period

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Classification
1	Commercial Non-Aero	27	27	27	27	27	Non-Aeronautical
2	CDO Office	2	2	2	2	2	Common
3	Engineering & Maintenance	55	57	59	59	59	Common
4	Environment & Sustainability	3	3	3	3	3	Common
5	ORAT & Program Management	4	4	4	4	4	Common
6	Procurement	5	5	5	5	5	Common
7	Project Delivery	15	15	20	33	33	Common
8	Real Estate	3	3	3	3	3	Non-Aeronautical
9	CEO Office	6	6	6	6	6	Common
10	HR & Admin	6	6	6	6	6	Common

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Classification
11	Information Technology	15	15	15	15	15	Common
12	Finance & Accounts	13	13	13	13	13	Common
13	Legal	5	5	5	5	5	Common
14	AOCC	17	18	20	25	25	Aeronautical
15	ARFF	84	84	84	84	84	Aeronautical
16	Airline marketing	2	2	4	4	7	Aeronautical
17	COO Office	3	3	3	3	3	Common
18	Airside operations	23	24	24	25	25	Aeronautical
19	Quality	-	-	-	-	-	Aeronautical
20	Safety	3	3	3	3	3	Aeronautical
21	Security	10	11	11	12	12	Common
22	Security - Passes	11	12	12	12	12	Common
23	Security - Screening	40	40	42	43	43	Aeronautical
24	Terminal Operations	86	86	86	86	86	Common
	Total Employee Head Count	**438**	**444**	**457**	**478**	**481**	
	<u>Allocation</u>						
	Aeronautical	169	171	177	184	187	
	Non-Aeronautical	30	30	30	30	30	
	Common	239	243	250	264	264	
	Total	**438**	**444**	**457**	**478**	**481**	
	<u>Allocation of Common Expense</u>						
	Aeronautical	203	207	214	227	228	
	Non-Aeronautical	36	36	36	37	36	
	Total	**239**	**243**	**250**	**264**	**264**	
	<u>Total Employee Head Count</u>						
	Aeronautical	372	378	391	411	415	
	Non-Aeronautical	66	66	66	67	66	
	Total	**438**	**444**	**457**	**478**	**481**	
	Employee Head Count Ratio	**84.93%**	**85.14%**	**85.56%**	**85.98%**	**86.28%**	

Summary of Allocation Ratios proposed by the Authority for the First Control Period

8.2.24 The Allocation Ratios proposed by the Authority for Noida International Airport for the First Control Period are as follows:

Table 122: Allocation Ratios proposed by the Authority for the First Control Period

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
TBLR (refer para 8.2.17)	88.00%	88.00%	88.00%	88.00%	88.00%
GBR (refer Table 120)	90.41%	90.43%	90.44%	90.45%	90.47%
EHCR (refer Table 121)	84.93%	85.14%	85.56%	85.98%	86.28%

b) <u>Assessment, Rationalization & Reallocation of O&M expenses</u>

8.2.25 The Authority has carefully examined YIAPL's submission regarding various O&M expenses of Noida International Airport for the First Control Period. In the subsequent paragraphs, the Authority provides its detailed analysis of each expense category and the respective allocations.

A. <u>Personnel Cost</u>

8.2.26 The Authority notes that the Personnel Cost submitted by YIAPL encompasses employee salaries, employee transportation, staff welfare expenses, and recruitment charges. A detailed analysis of each of these components is provided below:

Employee Salaries

8.2.27 The Authority observed that YIAPL has considered an average cost per employee of Rs. 0.25 crores for FY 2025-26. For the remaining tariff years of the Control Period, YIAPL has projected a year-on-year increase of 10% on the average cost per employee.

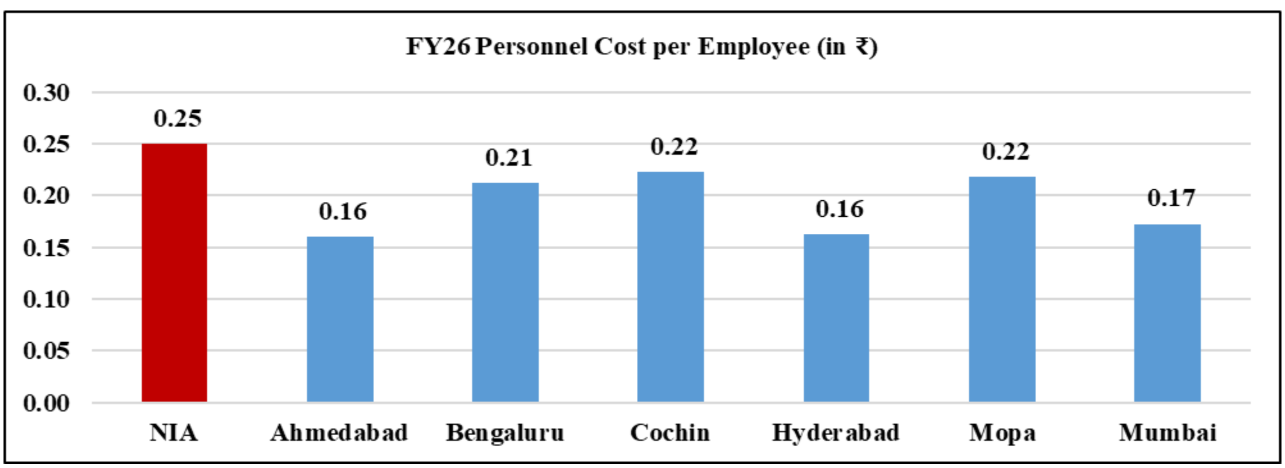
8.2.28 YIAPL, in response to a query regarding the basis for the average cost per employee, has informed that the average cost per employee has been computed based on the weighted average salary of various departments. Furthermore, YIAPL, via email dated 23rd December 2024, shared the projected headcount and the average salary for each department used to estimate the average cost per employee in FY 2024-25 which formed the basis of projection of cost for FY 2025-26. However, the Authority observed that no basis was provided for the average salary considered for each department and notes that the average salary appeared to be very high for some of the departments.

8.2.29 The Authority has reviewed the report of the O&M Study conducted by YIAPL (detailed in para 8.1.3) , regarding personnel cost, and observed that no detailed computation is provided for arriving at the average cost per employee of Rs. 0.25 crores in FY 2025-26.

8.2.30 The Authority further notes that the O&M Study report conducted by YIAPL has compared the cost for NIA with employee cost for CIAL, BIAL (inflation adjusted) and Mopa (Goa) on per Pax, per ATM and per sqm basis, and concluded that the cost for NIA is similar to that for CIAL on a per Pax and per ATM basis. The Authority also notes that while the Study report considers the cost from the First Control Period Order for BIAL and Mopa (Goa), the cost for CIAL was considered from the Third Control Period Order. The reason for taking different Control Periods as basis for different comparable airports was not explained in the study report. Further the reason for considering only CIAL, BIAL and Mopa (Goa) airports for comparison was not clearly explained in the Study report.

8.2.31 Noting the absence of justification for the consideration of different Control Periods for benchmarking, in the O&M Study, the Authority has independently compared the cost per employee in NIA with those approved by the Authority in the latest order of other airports, namely Ahmedabad, Bengaluru, Cochin, Hyderabad, Mopa (Goa) and Mumbai, and notes that the average cost is the highest for NIA, as illustrated in the figure below.

Figure 3: Comparison of NIA cost per employee with that approved for other airports in latest orders



8.2.32 Based on the above analysis, the Authority proposes to consider the cost per employee at Rs. 0.21 crores for FY 2025–26. Since the Control Period is proposed to commence from 1st April 2026, FY 2025–26 has been taken as the base year. Accordingly, the cost per employee for FY 2026–27 has been computed by applying an escalation of 6%, and the same growth rate of 6% year-on-year is proposed to be applied for the subsequent years of the Control Period, in line with the uniform approach adopted for Personnel Cost in recent tariff orders by the Authority. The escalated per-employee cost for each year of the control period has then been multiplied by the employee headcount for that respective years as submitted by YIAPL in Table 121 to derive the total Salary Cost.

Employee Transportation Cost

8.2.33 The Authority has observed that YIAPL has estimated the per employee transportation cost at Rs. 65,233 for FY 2025-26, with a year-on-year escalation of 4.27% attributed to inflation.

8.2.34 The Authority notes, from YIAPL's explanation, that the airport is located approximately 65 km from Noida city, requiring organized transportation facilities for employees. Considering the significant distance and the absence of adequate public transport connectivity, the Authority finds the provision of such transportation arrangements both essential and reasonable. Accordingly, the Authority proposes to allow this expense for the First Control Period.

8.2.35 The Authority has also reviewed an actual invoice for employee transportation for October 2024 and notes that the per-employee cost is broadly consistent with YIAPL's submission. Accordingly, the Authority proposes to consider a per-employee transportation cost of Rs. 65,233 for FY 2025–26 as submitted by YIAPL. Since the Control Period is proposed to commence from 1st April 2026, FY 2025–26 has been taken as the base year, and the per-employee transportation cost for FY 2026–27 has been computed by applying escalation based on the inflation rate provided in Table 112, with similar year-on-year escalation applied for the subsequent years of the Control Period. The escalated per-employee transportation cost has then been multiplied by the employee headcount for the respective years as submitted by YIAPL in Table 121 to derive the total employee transportation cost.

Staff Welfare Expenses & Recruitment Charges

8.2.36 YIAPL has considered the Staff Welfare Expenses at 3% of average cost per employee and the Recruitment Charges at 7% of average cost per employee. The Authority observes that YIAPL has considered an annual attrition rate of 5% for the computation of recruitment charges. The Authority notes the assumptions used for estimating these expenses to be reasonable based on comparison with peer airports and therefore proposes to consider the same for the determination of Personnel Cost for the First Control Period.

8.2.37 Considering the above factors, the Authority proposes the following Total Personnel Cost for the First Control Period:

Table 123: Total Personnel Cost proposed by the Authority for the First Control Period

(Rs. in crores except where mentioned otherwise)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total Employee Head Count (Table 121)	A	438	444	457	478	481	
Employee Salary							
Average Salary (Para 8.2.32)	B	0.22	0.24	0.25	0.27	0.28	
Growth %	C		6.00%	6.00%	6.00%	6.00%	
Employee Salary Cost	**D=B×A**	**97.50**	**104.76**	**114.30**	**126.73**	**135.17**	**578.47**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Employee Transportation							
Cost per Employee in Rs.	E	67,190	69,206	71,282	73,421	75,623	
Inflation %	F		3.00%	3.00%	3.00%	3.00%	
Employee Transportation Cost	**G=E×A**	**2.94**	**3.07**	**3.26**	**3.51**	**3.64**	**16.42**
Staff Welfare Expense							
% of Average Salary	H	3.00%	3.00%	3.00%	3.00%	3.00%	
Staff Welfare Expense	**I=H×B×A**	**2.92**	**3.14**	**3.43**	**3.80**	**4.06**	**17.35**
Recruitment Charges							
% of Average Salary	J	7.00%	7.00%	7.00%	7.00%	7.00%	
Attrition rate (%)	K	5.00%	5.00%	5.00%	5.00%	5.00%	
Recruitment Charges	**L=J×B×[(A - Prev. year A)+A×K]**	**0.48**	**0.47**	**0.63**	**0.83**	**0.53**	**2.94**
Total Personnel Cost	**M=D+G+I+L**	**103.85**	**111.45**	**121.62**	**134.87**	**143.40**	**615.18**

Allocation of Personnel Cost

8.2.38 The Authority notes that YIAPL has allocated Personnel Cost based on Employee Head Count Ratio (EHCR). The Authority deems this allocation basis to be reasonable and, therefore, proposes to adopt the same allocation basis, taking into consideration the revised ratios detailed in Table 122. The Aeronautical Personnel Cost for the First Control Period of Noida International Airport after considering the revised ratios are as follows:

Table 124: Aeronautical Personnel Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Personnel Cost	88.20	94.88	104.05	115.97	123.72	**526.82**

B. Contracted Services (Manpower Outsourcing Cost)

8.2.39 Contracted Services (Manpower Outsourcing) cost comprises of the following activities which are proposed to be outsourced by NIA:

- Trolley Management
- Landside Security
- Guest Relation Executives
- Wildlife Management
- Obstacle Management
- IT Services
- Terminal Operations Executive
- Medical Facilities
- Civil Infrastructure
- Housekeeping & Facility Management
- Horticulture
- Integrated Residential Property Service Contract

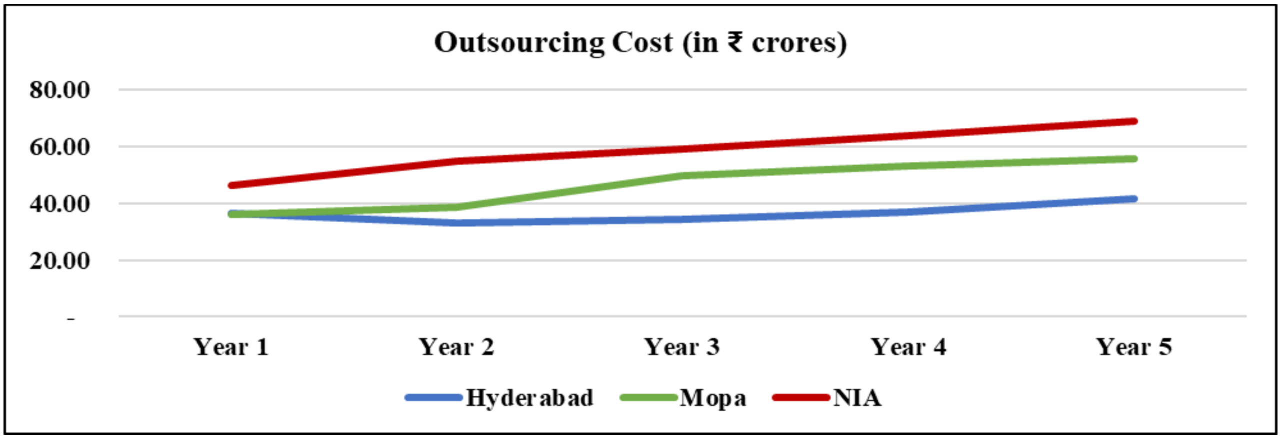
8.2.40 The Authority has reviewed the Manpower Outsourcing Cost details provided in the O&M Study report (conducted by YIAPL) and observed that the Study report lacks detailed calculations for cost estimation. In particular, while manpower headcount has been specified for a few of the stated categories, the costs attributable to each category have not been disclosed.

8.2.41 The Authority notes the submission of YIAPL in July 2025 of Manpower Outsourcing Cost for Rs. 64.29 crores (FY 2025-26) – of which only 45% of the contracts are awarded. These include awarded contracts for

Obstacle Management, Housekeeping & facility Management, Trolley Management, Horticulture, etc. For the remaining services, contracts were yet to be issued.

8.2.42 Since cost pertaining to 55% of contract was only determined by YIAPL on best estimate, the Authority, through its Independent Consultant, has compared the Manpower Outsourcing Cost at NIA with the inflation-adjusted costs approved for the First Control Period at other airports, specifically Hyderabad and Mopa (Goa), as shown in the figure below.

Figure 4: Comparison of Outsourcing Cost at NIA with that approved for other airports for the First Control Period



8.2.43 The Authority observes that the outsourcing cost is the highest for NIA as compared to other airports in figure 4 above. Therefore, the Authority proposes to consider the average of the inflation adjusted first tariff year's cost for Hyderabad and Mopa (Goa), i.e. Rs. 36.33 crores, as the base cost for NIA in FY 2025-26.

8.2.44 The Authority, through its Independent Consultant, had sought detailed headcount information from YIAPL in order to assess the percentage increase in outsourced manpower during the First Control Period. However, headcount details were made available only in respect of those services where contracts had already been awarded or RFPs had been issued up to FY 2029–30. For the remaining services, the Authority, through its Independent Consultant, has estimated the expected headcount on a service-wise basis using a combination of sources, including issued RFPs, awarded contracts, and the O&M Study report. For FY 2030–31, the headcount has generally been retained at the same level as projected for FY 2029–30, except in the case of the "Guest Relation Executive" category, where the FY 2030–31 headcount has been considered based on YIAPL's email dated 23rd December 2024. Based on the year-wise headcount so derived, the year-on-year increase has been computed and is observed to be in the range of 0.33% to 0.87% over the First Control Period ending FY 2030–31. The Authority proposes to factor this increase in projecting outsourced manpower costs for the First Control Period.

8.2.45 In summary, for projecting the outsourced manpower cost for the First Control Period ending FY 2030–31, the Authority proposes to adopt the following approach:

- Escalation of the base per-employee cost at 6% year-on-year, as discussed in para 8.2.43, to derive the personnel cost for each year of the Control Period; and
- Additional adjustment to account for the incremental increase in outsourced manpower headcount, as discussed para 8.2.44.

8.2.46 Further, the Authority directs YIAPL to submit the contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process.

CAM Charges (Recovery)

8.2.47 The Authority notes that certain Common Area Maintenance (CAM) charges are recoverable from Concessionaires/Licensees in accordance with the respective License/Concession agreements. As these CAM charges are reimbursements for services predominantly provided through outsourced manpower, the Authority considers it appropriate to set off such recoveries against the corresponding expenditure. This approach ensures a more accurate representation of the net cost incurred by the operator. Accordingly, the Authority proposes to deduct CAM recoveries from outsourced manpower costs to determine the net manpower expenses.

8.2.48 The details of agreements where CAM charges as applicable are provided in the table below.

Table 125: Common Area Maintenance Charges as per the Agreements for Aeronautical and Non-Aeronautical Services

Service	Service	Area in sqm	Monthly Rate in sq. ft. (Rs.)	Escalation %
Duty Free	Non-Aeronautical	1,205	48	7.00%
Food & Beverage	Non-Aeronautical	3,253	48	7.00%
Lounge	Non-Aeronautical	1,230	48	7.00%
Service - Fuel Station	Non-Aeronautical	1,590	4	7.00%
Cargo Fuel Station	Non-Aeronautical	26,910	4	7.00%

8.2.49 Further, in response to the Authority's query regarding the Common Area Maintenance (CAM) Charges applicable to the spaces leased to various concessionaires in the Passenger Terminal Building (PTB), Office Block West (OBW), and the GSE-AMB building, YIAPL has submitted a concessionaire-wise breakdown of the area along with the corresponding CAM Charges. Subsequently, YIAPL submitted a revised statement indicating updated area details for each concessionaire via submission dated 25th March 2025. The Authority has considered these revised figures for the purpose of computation of CAM Charges which is presented in the table below:

Table 126: Computation of CAM Charges pertaining to Space Rental as submitted by YIAPL for FY 2025-26

Particulars	Ref	PTB	OBW	GSE-AMB	Total
Area allocated in sqm to					
Concessionaires	A	1,052	437	-	**1,489**
Airlines (Rooms /Back of House/Storage/Office)	B	1,895	-	500	**2,395**
Ground Handling	C	-	-	2,032	**2,032**
Total Area	**D=A+B+C**	**2,947**	**437**	**2,532**	**5,916**
CAM Charges in Rs.					
Per month per sq. ft.	E	48	24	24	
Per Annum per sq. ft.	F=E×12	576	288	288	
Per Annum per sqm	**G=F×10.76**	**6,200**	**3,100**	**3,100**	
CAM Charges in Rs. crores					
Concessionaires	H=A×G	0.65	0.14	-	**0.79**
Airlines (Rooms /Back of House/Storage/Office)	I=B×G	0.59*	-	0.16	**0.74**
Ground Handling	J=C×G	-	-	0.63	**0.63**
Total CAM Charges (full year)	**K=H+I+J**	**1.24**	**0.14**	**0.78**	**2.16**

**Annual CAM charges for Airlines renting space in PTB as per YIAPL submission is Rs. 3,100 per sqm*

8.2.50 Considering the phase-wise occupation of the buildings by the concessionaires and airlines as indicated in Table 179, and the basis for monthly rates and area utilization for FY 2030-31 as set out in para 9.2.63, the Authority proposes to compute the CAM charges based on the rate, area and escalation percentages specified in Table 125 and Table 126. The detailed computation is presented in the table below.

Table 127: Break-up of CAM Charges concession-wise for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Duty Free	A	0.75	0.80	0.86	0.92	0.98	**4.30**
Food & Beverages	B	2.02	2.16	2.31	2.47	2.64	**11.60**
Lounge Revenue	C	0.76	0.82	0.87	0.93	1.00	**4.39**
Space rentals - allocated to other concessionaires	D	0.58	0.68	0.77	0.96	1.03	**4.02**
Space rentals - allocated to Airlines (Rooms / Back of House / Storage / Office)	E	0.55	0.65	0.74	0.90	0.97	**3.80**
Service Revenue	F	0.08	0.09	0.09	0.10	0.11	**0.47**
Cargo Fuel Station	G	-	-	0.15	0.16	0.17	**0.48**
Ground Handling	H	0.67	0.72	0.77	0.83	0.88	**3.88**
Total	**SUM(A:H)**	**5.41**	**5.91**	**6.56**	**7.27**	**7.78**	**32.93**

8.2.51 The Total Manpower Outsourcing Cost proposed by the Authority for the First Control Period after adjustment of CAM Charges as proposed in para 8.2.47 is as follows:

Table 128: Total Manpower Outsourcing Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Manpower Outsourcing Cost	A=Prev. A×(1+B)	38.64	41.25	43.87	46.69	49.90	**220.35**
% increase	B		6.78%	6.33%	6.44%	6.87%	
CAM Charges (Recovery) (Table 127)	C	5.41	5.91	6.56	7.27	7.78	**32.93**
Net Manpower Outsourcing Cost	**D=A-C**	**33.22**	**35.35**	**37.31**	**39.42**	**42.12**	**187.42**

Allocation of Manpower Outsourcing Cost

8.2.52 The Authority notes that YIAPL has allocated Manpower Outsourcing Cost based on Employee Head Count Ratio (EHCR). The Authority deems this allocation basis to be reasonable and, therefore, proposes to adopt the same allocation basis, taking into consideration the revised ratios detailed in Table 122.

8.2.53 In accordance with the aforementioned proposal, the Aeronautical Manpower Outsourcing Cost proposed by the Authority for the First Control Period is as follows.

Table 129: Aeronautical Manpower Outsourcing Cost proposed by the Authority for the First Control Period

(Rs. in crores)

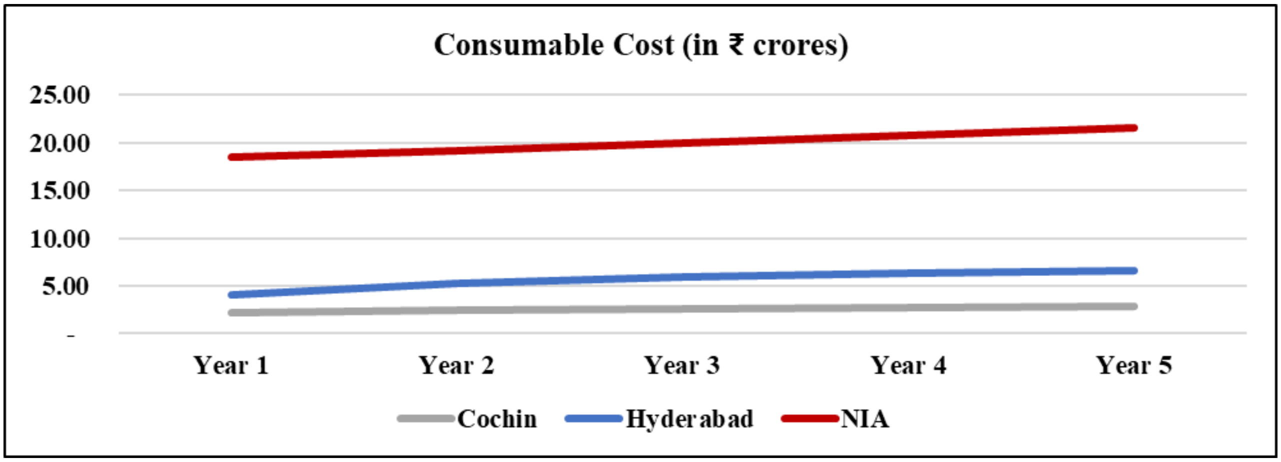
Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Manpower Outsourcing Cost	28.22	30.09	31.92	33.89	36.34	**160.46**

C. Materials, Equipment and Supplies Cost

8.2.54 The Authority notes that YIAPL has estimated the Materials, Equipment and Supplies Cost as higher of 0.28% of the closing gross block of assets or previous year's cost increased by an inflation of 4.00%. Furthermore, the Authority notes that in response dated 13th December 2024, YIAPL has informed that this expense was estimated at 0.28% of gross block based on industry practice. However, YIAPL has not provided any documentation supporting this claim nor does the O&M Study report explain the rationale behind choosing 0.28% as the benchmark.

8.2.55 Hence, the Authority has compared the Materials, Equipment and Supplies Cost at NIA with the costs approved in the latest tariff orders for other airports, specifically Cochin and Hyderabad, as shown in the figure below.

Figure 5: Comparison of Consumable Cost at NIA with that approved of other airports in the latest tariff orders



8.2.56 The Authority observes that this expense is high in NIA as compared to Cochin and Hyderabad Airports. Therefore, the Authority proposes to consider the Materials, Equipment and Supplies cost for NIA for FY 2025-26 as the average consumables cost for Cochin Airport and Hyderabad Airport for FY 2025-26, i.e. Rs. 4.78 crores. Since the Control Period is proposed to commence from 1st April 2026, FY 2025–26 has been taken as the base year. For the First Control Period commencing from FY 2026-27, the Authority proposes to escalate this cost, year-on-year, based on the inflation rate provided in Table 112.

8.2.57 Considering the above analysis, the Authority proposes the following Total Materials, Equipment and Supplies Cost for the First Control Period.

Table 130: Total Materials, Equipment and Supplies Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Materials, Equipment and Supplies Cost	A=Prev.A× (1+B)	4.92	5.07	5.22	5.38	5.54	**26.15**
% increase	B		3.00%	3.00%	3.00%	3.00%	

.**Allocation of Materials, Equipment and Supplies Cost**

8.2.58 The Authority notes that YIAPL has allocated Materials, Equipment and Supplies Cost based on Gross Block Ratio (GBR). The Authority considers this allocation basis to be reasonable and, therefore, proposes adopting the same allocation basis, taking into consideration the revised ratios detailed in Table 122.

8.2.59 Accordingly, the Aeronautical Materials, Equipment and Supplies Cost proposed by the Authority for the First Control Period is as follows.

Table 131: Aeronautical Materials, Equipment and Supplies Cost as proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Materials, Equipment and Supplies Cost	4.45	4.58	4.72	4.86	5.01	**23.63**

D. <u>Utility Cost</u>

8.2.60 The Authority notes that YIAPL has estimated Utility Cost of Rs. 415.58 crores for the First Control Period comprising Power and Water Cost. The detailed computation is as given below:

Table 132: Total Utility Cost and Aeronautical Utility Cost submitted by YIAPL for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30	Total
<u>Power</u>							
Power unit consumption in Mn. kWh	A	101.93*	129.60	139.97	151.17	163.26	
Power unit cost in Rs.	B=Prev. B×(1+C)	7.66	7.74	7.96	8.04	8.11	
% increase	C	-	1.04%	2.81%	0.97%	0.97%	
Grid power cost	**D=A×B**	**78.09**	**100.33**	**111.40**	**121.48**	**132.46**	**543.77**
DG power cost	**E**	5.15*	5.66	6.23	6.85	7.53	**31.42**
% increase	F	-	10.00%	10.00%	10.00%	10.00%	
Total power cost	**G=D+E**	**83.24**	**105.99**	**117.63**	**128.33**	**140.00**	**575.19**
Recovery %	H	30.00%	35.00%	35.00%	40.00%	40.00%	
Total power cost chargeable to airport	**I=G×(1-H)**	**58.27**	**68.89**	**76.46**	**77.00**	**84.00**	**364.62**
Potable water							
Cost of potable water in Rs. per KL	J	116.85	120.37	123.95	127.61	131.34	
Potable water consumption in KL	K	4,04,929	6,13,949	8,16,237	10,50,003	11,77,200	
Cost of potable water	**L=J×K**	**4.73**	**7.39**	**10.12**	**13.40**	**15.46**	**51.10**
Recovery %	M	30.00%	35.00%	35.00%	40.00%	40.00%	
Balance chargeable to airport	**N=L×(1-M)**	**3.31**	**4.80**	**6.58**	**8.04**	**9.28**	**32.01**
Non-potable water							
Cost of potable water in Rs. per KL	O	31.64	32.59	33.57	34.56	35.57	
Non-potable water consumption in KL	P	6,50,778	9,86,705	13,11,810	16,87,505	15,61,356	
Cost of non-potable water	**Q=O×P**	**2.06**	**3.22**	**4.40**	**5.83**	**5.55**	**21.06**
Recovery %	R	10.00%	10.00%	10.00%	10.00%	10.00%	
Balance chargeable to airport	**S=Q×(1-R)**	**1.85**	**2.89**	**3.96**	**5.25**	**5.00**	**18.96**
Total Utility Cost	**T=I+N+S**	**63.43**	**76.59**	**87.00**	**90.28**	**98.27**	**415.58**

** Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30th April 2025*

8.2.61 For re-drawing YIAPL's submission for proposed control period, the Authority has shifted the utility cost by one year. Hence the revised utility cost is as follows:

Table 133: Revised Total Utility Cost and Aeronautical Utility Cost drawn up by the Authority, as YIAPL Submission, for the First Control Period

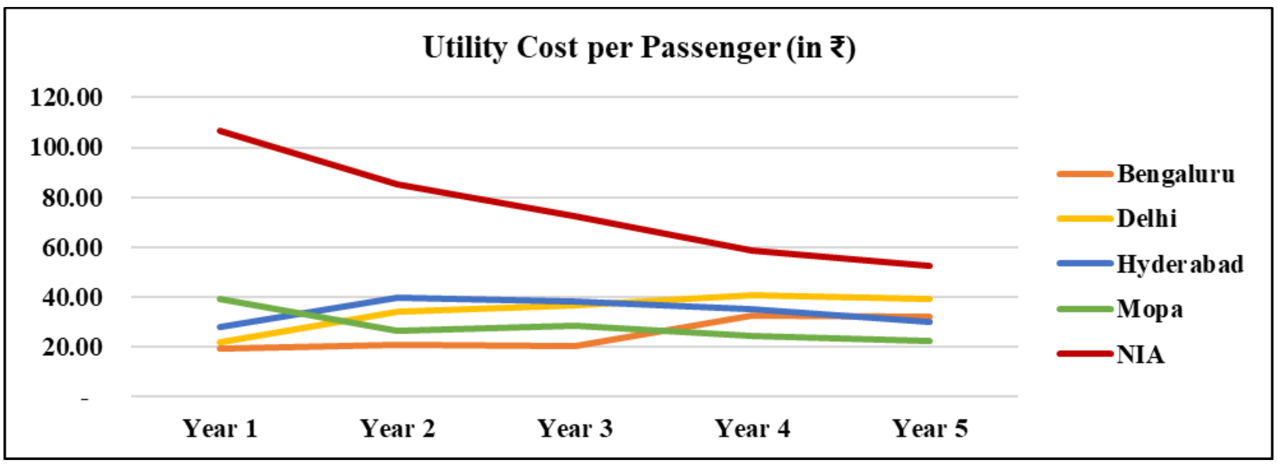
(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Grid power cost	A	65.21	72.41	72.89	79.48	79.44	**369.44**
DG power cost	B	3.68	4.05	4.11	4.52	4.56	**20.91**
Total power cost	**C=A+B**	**68.89**	**76.46**	**77.00**	**84.00**	**84.00**	**390.35**
Cost of potable water	D	4.80	6.58	8.04	9.28	10.42	**39.12**
Cost of non- potable water	E	2.89	3.96	5.25	5.00	6.13	**23.23**
Total water cost	**F=D+E**	**7.70**	**10.54**	**13.29**	**14.27**	**16.55**	**62.35**
Total Utility Cost	**G=C+F**	**76.59**	**87.00**	**90.28**	**98.27**	**100.55**	**452.70**

8.2.62 The Authority has also reviewed the discussion in the O&M Study report submitted by YIAPL regarding Utility Cost and notes that the Study does not provide any workings for the estimation of the cost submitted by YIAPL in their MYTP.

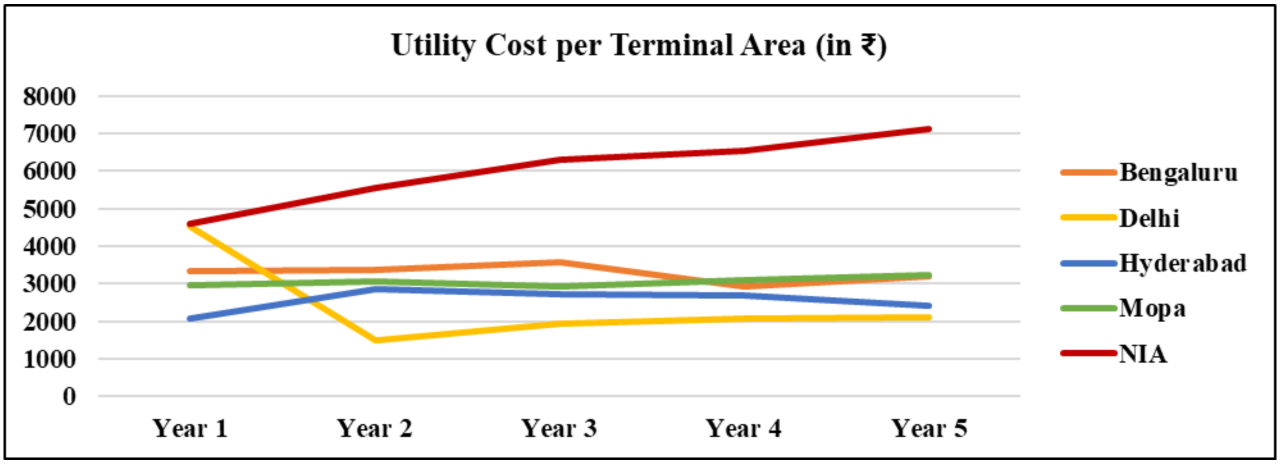
8.2.63 Therefore, the Authority has benchmarked the utility cost per passenger at NIA with the inflation adjusted cost per passenger approved by the Authority for the First Control Period of other airports, specifically Bengaluru, Delhi, Hyderabad and Mopa (Goa) as given below:

Figure 6: Comparison of Utility Cost per passenger at NIA with that approved for other airports for the First Control Period



8.2.64 The Authority has also benchmarked the utility cost per terminal area at NIA with the inflation adjusted cost per terminal area approved by the Authority for the First Control Period of other airports, specifically Bengaluru, Delhi, Hyderabad and Mopa (Goa) as given below:

Figure 7: Comparison of Utility Cost per terminal area at NIA with that approved for other airports for the First Control Period



8.2.65 Based on the above analysis, the Authority notes that both the utility cost per passenger and the utility cost per terminal area are the highest in NIA as compared to peer airports. Therefore, the Authority has undertaken a detailed examination of the Utility Cost which is presented below:

Power Cost

8.2.66 The Authority notes that as per YIAPL's submission, Power Cost includes Electricity and DG power cost. With regard to electricity cost, the Authority notes that YIAPL has projected annual power consumption and per unit cost as given in para 8.1.17 based on its expectation of operating at 33 KV power distribution and transmission in the initial years and thereafter moving to 220 KV connectivity considering the load requirements.

8.2.67 The Authority has analyzed the power consumption projected by YIAPL and notes that it is high when compared to other airports. In their reply to the Independent Consultants' query regarding the basis for estimation of power costs, YIAPL, via email dated 12th December 2024 and 23rd December 2024, has submitted that the consumption was assessed for Noida International Airport based on the following:

Response dated 12th December 2024

"The Power Consumption has been assessed for Noida International Airport for the First Control Period, based on the following factors:

The energy sourcing planned at NIA comprises of mix of renewable energy in addition to grid connection. The cost of substation is included as part of R&M expenses under section 4.5.5.

Airside infrastructure planned for the Airport is Code F category. The Power Consumption will also vary with the climatic conditions.

Charging Stations for Electric Vehicles (EV) have been planned, which is unique for this airport and may lead to higher consumption of electricity.

NIA is working towards achieving its goal of sustainability, and EV charging will support it.

Hotel and other real estate construction which is proposed to be constructed inside the Airport will also need more consumption of energy.

Noida International Airport is mandated to have an MRO facility as part of the Concession Agreement, which may result in higher consumption of power.

Based on the above factors, the Power Consumption for Noida International Airport has been assessed as 120 Million units for FY 26 (being the 1st full year of operations of the Airport). Also, based on the traffic forecasts, the Power Consumption has been increased by 8% Y-o-Y for the remaining tariff years in the First Control Period."

Response dated 23rd December 2024

"NIA, being a greenfield airport, does not have historical data on electricity consumption to forecast future consumption. This lack of historical trends presents a challenge in making precise predictions.

Additionally, the complexity of the airport infrastructure, which is still under development and not yet operational, further complicates the ability to accurately quantify electricity consumption on a detailed level. NIA has undertaken the estimation of the power unit consumption for the major heads as given in the Annexure Q. Further, the power unit consumptions also takes into consideration the weather conditions at Noida which generally experience high temperatures during the summers.

This estimation is based on the extensive industry knowledge and experience of our personnel. Key considerations include the overall size of the airport, the terminal area, anticipated usage patterns, and other relevant factors. Based on the traffic forecasts, the Power Consumption has been increased by 8% Y-o-Y for the remaining tariff years in the First Control Period."

Building/ site	**Unit consumptions (mn KWh) in FY26**
Terminal building	34.26
Airside	21.6
Landside	18.53
Central Utility Plant	13.1
Passenger Apron	8.1
Flight Catering	5.71
Fuel Farm	5.56
Airport Hotel	5.05
GSE Maintenance	4.12
IWLZ	3.96
Total unit consumptions	**120**
Total unit consumptions (adjusted for 11 months)	**110**

8.2.68 The Authority has reviewed the contents of the above email from YIAPL and notes that the hotel and other real estate construction is expected to be developed only in Phases during the First Control Period. Regarding EV charging stations, the Authority does not expect a significant increase in consumption as EV adoption is still in a nascent state in the country. Hence the Authority finds the units submitted by YIAPL to be on the higher side.

8.2.69 YIAPL has also entered into Power Purchase Agreement (PPA) for renewable energy – both solar as well as wind energy. The Authority has reviewed these two agreements shared by YIAPL on 13th December 2024. It is noted that YIAPL has entered into an agreement for the development of a solar energy facility within the airport, which is expected to supply approximately 18-21 million units of electricity per year. Additionally, YIAPL has entered into an agreement for the supply of 22.66-27 million units of electricity generated from a wind energy facility located in Karnataka.

8.2.70 Further, in its response dated 18th March 2025, YIAPL has submitted the detailed breakup of total power consumption proposed to be met through different sources during the First Control Period, as presented in the table below.

Table 134: Breakup of power consumption submitted by YIAPL for the First Control Period

(Mn. kWh)

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Solar	8.88	21.18	21.06	20.93	20.80
Wind	-	17.00	22.66	22.66	22.66
Grid	93.05	91.42	96.25	107.58	119.80
Total	**101.93**	**129.60**	**139.97**	**151.17**	**163.26**

8.2.71 The Authority noted that YIAPL has estimated power requirements based on a designed capacity of 12 MPPA and 24-hour operations. However, it is observed that in the first tariff year of the extended Control Period (FY 2026-27), the projected traffic is significantly lower than 12 MPPA, and the airport is unlikely to operate at full capacity on a 24-hours basis.

8.2.72 Considering the above, the Authority 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

8.2.73 Based on the above revision and considering that the power procurement from solar and wind sources would be in accordance with the respective Power Purchase Agreement, the contribution from grid power has been suitably adjusted. Accordingly, the breakup of power consumption proposed to be considered by the Authority for the revised First Control Period (as set out in para 8.2.10) is presented in the table below.

Table 135: Breakup of power consumption proposed by the Authority for the First Control Period

(Mn. kWh)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Solar	21.18	21.06	20.93	20.80	20.68
Wind	17.00	22.66	22.66	22.66	22.66
Grid	69.82	76.28	76.41	76.54	76.66
Total	**108.00**	**120.00**	**120.00**	**120.00**	**120.00**

8.2.74 With respect to the tariff applicable for the First Control Period, YIAPL has submitted that the applicable electricity tariff would fall under the HV-1 Non-Industrial Block Load category, specifically under subhead (a) "Commercial Load for 33KV connectivity" of the tariff order from U.P Power Corporation Limited. Further, upon enquiring about the difference in tariff considered in YIAPL's submission and that prescribed in the tariff order, YIAPL, vide response dated 12th March 2025, clarified as under:

"*We are sourcing electricity from multiple sources - solar, wind and grid. Though the grid cost has the fixed component, we have considered the landed cost per unit inclusive of the fixed and variable components of various sources for computing the total electricity expenses.*

Pls consider INR 7.66 per unit as the landed cost."

8.2.75 The Authority further sought clarification on the tariffs applicable for Solar and Wind power procurement and notes that YIAPL, in the same response dated 12th March 2025, clarified as follows:

"*Tariff for Solar units is INR 3.68 per kWh. Solar unit rates are constant over the years. Tariff for wind units is INR 7.47 per kWh. Tariffs for ISTS charges varies every month and hence, the wind tariffs may vary each month…*"

8.2.76 Based on the above clarifications and considering the proposed usage pattern, the Authority has reviewed the per unit cost across the different power sources and finds the average rate reasonable. Accordingly, the Authority proposes to consider the average cost as submitted by YIAPL for the purpose of tariff determination. The year-wise power cost per unit as proposed by the Authority for the revised First Control Period is as per Table 132 and is presented in the table below.

Table 136: Power Cost per unit submitted by YIAPL and proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31
Power cost per unit	7.74	7.96	8.04	8.11	8.19

8.2.77 The Authority also notes that YIAPL has estimated DG power cost of Rs. 5.15 crores for FY 2025-26 and thereafter increased y-o-y at 10%. The Authority finds the same to be reasonable considering the infrastructure at the airport and proposes to consider the cost of Rs. 5.15 crores for FY 2025-26 as submitted by YIAPL. Since the Control Period is proposed to commence from 1st April 2026, FY 2025–26 has been taken as the base year. Accordingly, for the proposed control period, the DG power cost has been computed by escalating this base cost year-on-year using the inflation rate provided in Table 112.

8.2.78 The Authority also examined the recovery percentage submitted by YIAPL and finds the same to be reasonable and in line with the recovery at other airports. Therefore, the Authority proposes to consider the recovery percentage as submitted by YIAPL in the Financial Model for all years including FY 2030-31.

Water Cost

8.2.79 YIAPL has projected both potable and non-potable water costs amounting to Rs. 32.01 crores and Rs. 18.96 crores respectively for the First Control Period.

8.2.80 In reply to the Authority's query regarding the basis for estimation, YIAPL, via email dated 12th December 2024 has submitted that the consumption was assessed for Noida International Airport based on the following.

"NIA, being a greenfield airport, does not have historical data on water consumption or water cost per kl to forecast future consumption and cost. This lack of historical trends presents a challenge in making precise predictions.

Additionally, the complexity of the airport infrastructure, which is still under development and not yet operational, further complicates the ability to accurately quantify water consumption on a detailed level. Given these factors, NIA has adopted a comprehensive approach to estimate the water units consumed for the major heads.

This estimation is based on the extensive industry knowledge and experience of our personnel. Key considerations include the overall size of the airport, the terminal area, anticipated usage patterns, meters and greeters, and other relevant factors. Based on the above factors, the consumption of potable water assessed by NIA is 68.1 litres per passenger during the tariff years FY 25 to FY 29 and as 63.1/ PAX in FY 30 (please refer Annexure AA for detailed computation).The consumption of non-potable water assessed by NIA is 110 litres per passenger during the tariff years FY 25 to FY 29 and as 84 litres per pax in FY 30.This per pax consumption is utilized to determine the year-wise water consumption from FY26 till FY30."

8.2.81 Further in the response dated 27th December 2024, YIAPL has submitted the following

"NIA will be receiving water supply for potable & non potable water from Govt of UP.

NIA will be recycling the water in the STP for non-potable water usage. It is clarified that the recylced water from STP will not meet the entire non-potable water demand of the airport. The proposed non-potable water consumption in the model has taken into consideration the STP related water recycling.

Non-potable water will be utilized for HVAC make-up, irrigation (horticulture), toilet flushing, etc.Recovery of the non-potable water will be from concessionaires using the non-potable water.

There are no agreements for potable and non-potable water as on date. As per Concession agreement, water supply will be provided by GoUP

Potable Water consumption per pax

Sl. No.	Airport facility	Water demand (million litres per day)	
		FY26-FY29	FY30-FY34
1	Terminal Building	1.48	2.96
2	Miscellaneous	1.32	2.23
	Total	**2.80**	**5.19**
	Users for which above demand is estimated (mn)	15.00	30.00
	Potable water per pax consumption (litres)	**68.13**	**63.12**

Non-Potable Water consumption per pax

Sl. No.	Airport facility	Water demand (million litres per day)	
		FY26-FY29	FY30-FY34
1	Airside Greens	1.93	2.06
2	Central Utility Plant	1.09	2.33
3	Terminal 1	0.64	1.29
4	Miscellaneous	0.81	1.21
	Total	**4.49**	**6.88**
	Users for which above demand is estimated (mn)	15.00	30.00
	Potable water per pax consumption (litres)	**109.14**	**83.72**

8.2.82 In respect of the cost per KL used for determining water cost, YIAPL, in its response dated 13th December 2024, has provided the rate card as issued by the Greater Noida Authority.

8.2.83 The Authority notes that, as per the rate card, the water charges are determined based on the area occupied. The comparison of water charges for NIA as per the rate card and as submitted by YIAPL is detailed below.

Table 137: Comparison of Water Charges for Noida International Airport as per the Rate Card issued by Greater Noida Authority and as submitted by YIAPL

Particulars	Ref.	Area/Amount
Total area of the airport in hectares	A	1,334
Hectares to Acres conversion factor	B	2.47
Total area of the airport in acres	**C=A×B**	**3,296.39**
Charge per month for up to 60 acres	D	71,330
Charge per month for remaining acres @ Rs. 1,427 as per rate card	E=(C-60)×1427	46,18,323
Total water charge per month	**F=D+E**	**46,89,653**
Total water charge per year	**G=F×12**	**5,62,75,834**
Total water charges per year in Rs. crores	**H=G÷10^7**	**5.63**
Water charge for the year as per MYTP Submission in Rs. crores	I	6.79

Particulars	Ref.	Area/Amount
Difference in Rs. crores	***J=H-I***	***-1.16***

8.2.84 Considering the above, the Authority proposes to consider the water charges as calculated above for FY 2025-26. However, since the Control Period is proposed to commence from 1st April 2026, FY 2025–26 has been taken as the base year. Accordingly, the Authority proposes to escalate this base cost year-on-year using the inflation rate provided in Table 112 in order to arrive at the Water Cost for the First Control Period.

8.2.85 The Authority notes the projected consumption of potable and non-potable water as submitted by YIAPL, as given in the table below.

Table 138: Consumption of Potable and Non-Potable Water as submitted by YIAPL

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31
Potable water consumption in KL per pax	A	68.13	68.13	68.13	63.12	63.12
No. of pax in MPPA	B	9.01	11.98	15.41	18.65	22.21
Potable water consumption	**C=A×B×1000**	**6,13,949**	**8,16,237**	**10,50,003**	**11,77,200**	**14,01,847**
Non-Potable water consumption in KL per pax	D	109.50	109.50	109.50	83.72	83.72
No. of pax in MPPA	E	9.01	11.98	15.41	18.65	22.21
Non-potable water consumption	**F=D×E×1000**	**9,86,705**	**13,11,810**	**16,87,505**	**15,61,356**	**18,59,312**

8.2.86 The Authority notes that YIAPL has projected potable water costs, after factoring in the recoveries from the Concessionaires, which range from 35% to 45% of the total potable water cost over the period from FY 2026-27 to FY 2030-31. Similarly, YIAPL has projected non-potable water costs, factoring in the recoveries from the Concessionaires, which is 10% of the total non-potable water cost over the same period. However, the Authority proposes to use an effective recovery rate, computed as the weighted average of the recoveries for potable and non-potable, for the First Control Period as the basis for recovery.

Table 139: Effective Recovery Rate for Water Cost proposed by the Authority for the First Control Period

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31
Potable Water Recovery %	A	35.00%	35.00%	40.00%	40.00%	45.00%
Potable Water Consumption in KL	B	6,13,949	8,16,237	10,50,003	11,77,200	14,01,847
Non Potable Water Recovery %	C	10.00%	10.00%	10.00%	10.00%	10.00%
Non Potable Water Consumption in KL	D	9,86,705	13,11,810	16,87,505	15,61,356	18,59,312
Weighted Average Recovery for Water	**E=(A×B+ C×D)÷(B+D)**	**19.59%**	**19.59%**	**21.51%**	**22.90%**	**25.05%**

8.2.87 Considering the above analysis, the Authority proposes the following Utility Cost for the First Control Period.

Table 140: Total and Aeronautical Utility Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>Power</u>							
Power unit consumption in Mn. kWh (refer Table 135)	A	108.00	120.00	120.00	120.00	120.00	
Power unit cost in Rs. (refer Table 136)	B=Prev. B×(1+C)	7.74	7.96	8.04	8.11	8.19	
% increase	C		2.81%	0.97%	0.97%	0.97%	
Grid power cost	**D=A×B**	**83.61**	**95.51**	**96.43**	**97.36**	**98.31**	**471.22**
DG power cost	**E**	**5.30**	**5.46**	**5.62**	**5.79**	**5.97**	**28.14**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
% increase	F		3.00%	3.00%	3.00%	3.00%	
Total power cost	**G=D+E**	**88.91**	**100.97**	**102.06**	**103.16**	**104.27**	**499.36**
Recovery	H	35.00%	35.00%	40.00%	40.00%	45.00%	
Total power cost chargeable to airport	**I=G×(1-H)**	**57.79**	**65.63**	**61.23**	**61.89**	**57.35**	**303.90**
Potable and non-potable water							
Total water cost	**J**	**5.80**	**9.00**	**13.48**	**16.63**	**18.89**	**63.79**
% increase	K		55.26%	49.73%	23.41%	13.56%	
Effective Recovery (refer Table 139)	L	19.59%	19.59%	21.51%	22.90%	25.05%	
Total water cost chargeable to airport	**M=J×(1-L)**	**4.66**	**7.24**	**10.58**	**12.82**	**14.16**	**49.45**
Total Utility Cost	**N=I+M**	**62.45**	**72.87**	**71.81**	**74.72**	**71.50**	**353.35**

8.2.88 The Utility Cost, as determined above, is considered to be 100% aeronautical, as the expense is determined net of recoveries from the Concessionaires.

E. General Administration Cost

8.2.89 YIAPL has estimated General Administration Cost of Rs. 62.90 crores for the First Control Period comprising Professional and Consultancy Fees, Travelling and Conveyance, and Office Cost and Others.

8.2.90 The Authority has reviewed the discussions regarding General Administration Cost in the O&M Study report and observes that even though the Study report mentions that the expenses are based on similar airports, it neither specifies the airports taken for comparison nor does it provide any detailed computation.

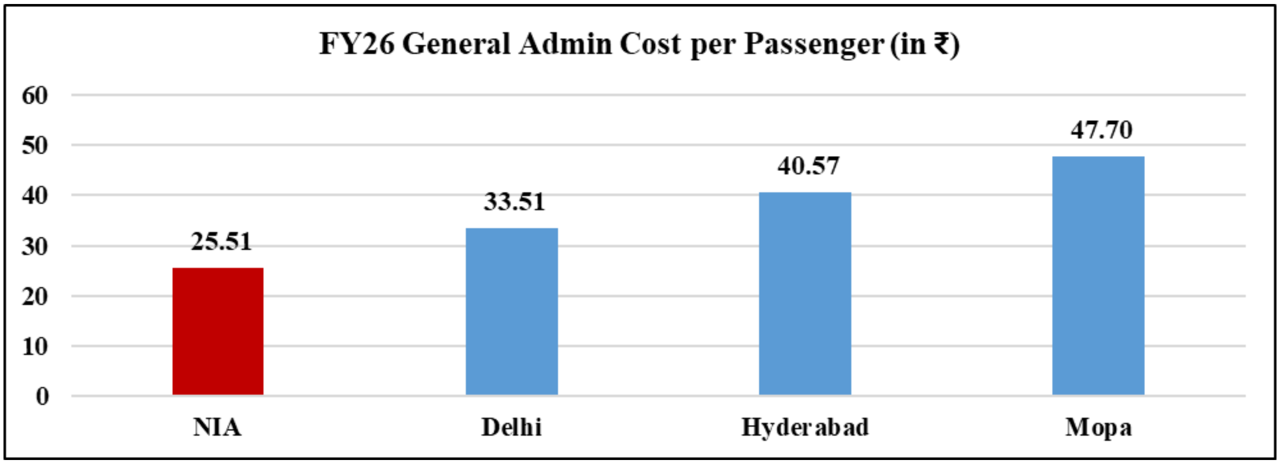
8.2.91 The O&M Study report then compares the General Administration cost arrived at as above for NIA with General Administration cost for CIAL, BIAL (inflation adjusted) and Mopa (Goa) on per Pax, per ATM and per sqm basis and found that the cost for NIA is more or less similar to that for CIAL per ATM basis. The Authority also notes that while the Study report considers the cost from the First Control Period Order for BIAL and Mopa (Goa), the cost for CIAL was considered from the Third Control Period Order. However, the reason for not taking the First Control Period data for CIAL was not justified in the Study report. Neither was there any reasoning provided for selection of CIAL, BIAL and Mopa (Goa) airports only in the peer group.

8.2.92 YIAPL has submitted the revised General Administration Expenses as indicated in Table 117 to be considered as part of O&M expenses for the First Control Period. The Authority notes that the revised submission for FY 2025-26 as submitted by YIAPL is based on the average cost per passenger for BIAL, DIAL, HIAL and MIAL in FY 2019-20 adjusted for inflation. For the subsequent years of the Control Period, YIAPL has projected an annual increase of 5%.

8.2.93 In this context, the Authority notes that the above benchmarking using FY 2019-20 data is inappropriate due to the impact of the COVID-19 pandemic on the passenger traffic during that year. Therefore, the Authority has undertaken a benchmarking exercise as presented in the following paragraphs by including additional airports.

8.2.94 The Authority has compared the FY 2025-26 cost per passenger for NIA with the costs approved by the Authority in the most recent orders for other airports, specifically Delhi, Hyderabad and Mopa (Goa), as illustrated in the figure below.

Figure 8: Comparison of the General Administration Cost per passenger for FY 2025-26 as submitted by YIAPL with that approved for other airports in the latest tariff orders



8.2.95 The Authority notes that the cost per passenger at NIA is lower than comparable airports. Therefore, the Authority proposes to accept the cost as submitted by YIAPL for FY2025-26. Since the Control Period is proposed to commence from 1st April 2026, FY 2025–26 has been taken as the base year. Accordingly, the Authority proposes to escalate this base cost, year-on-year, based on the inflation rate provided in Table 112 for computing the General Admin Cost for the First Control Period.

8.2.96 In response to the query on the legal expense included under the Professional and consultancy fees, YIAPL has submitted that the legal expenses are estimated to be 3% of the Professional and consultancy fees. However, the Authority notes that the expense towards the legal team of YIAPL has already been considered under employee expense and hence, providing additional expenses towards the legal in General Administration Cost would result in redundancy. The Authority also observes that in the recent concession agreements entered by AAI, legal costs are not to be included as a part of the pass-through costs of Airport Operations. Therefore, the Authority proposes to exclude the 3% legal expense component from the Professional and consultancy fees while computing the General Administration Cost for the First Control Period.

8.2.97 Considering that the General Administration Cost given by YIAPL in Table 117 is for a period of 11 months, the breakup of General Administration Cost for FY 2025-26 for a full one-year period is as follows:

Table 141: Break-up of General Administration Cost for FY 2025-26 as submitted by YIAPL for 1 full year

(Rs. in crores)

Particulars	FY 26
Consultancy, legal and professional fees	9.07
Traveling and conveyance	5.58
Office costs and others	1.88

8.2.98 Considering the above analysis, the Authority proposes the following Total General Administration Cost for the First Control Period.

Table 142: Total General Administration Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Consultancy, legal and professional fees excluding 3% legal expense	A=Prev. A×(1+B)	9.06	9.33	9.61	9.90	10.20	**48.09**
% increase	B		3.00%	3.00%	3.00%	3.00%	
Traveling and conveyance	C=Prev. C×(1+D)	5.74	5.92	6.09	6.28	6.46	**30.49**
% increase	D		3.00%	3.00%	3.00%	3.00%	
Office costs and others	E=Prev. E×(1+F)	1.93	1.99	2.05	2.11	2.18	**10.26**
% increase	F		3.00%	3.00%	3.00%	3.00%	
Total General Administration Cost	**G=A+C+E**	**16.73**	**17.24**	**17.75**	**18.29**	**18.83**	**88.85**

Allocation of General Administration Cost

8.2.99 The Authority notes that YIAPL has allocated General Administration Cost based on Terminal Building Ratio (TBLR). However, the Authority proposes to allocate these expenses based on the Authority's decision in other airports, specifically Mopa (Goa), as follows.

- Professional and consultancy fees – Based on Gross Block Ratio
- Traveling and conveyance – Based on Gross Block Ratio
- Office costs and others – Based on Terminal Building Ratio

8.2.100 In accordance with the aforementioned proposal and considering the revised ratios as given in Table 122, the Aeronautical General Administration Cost proposed by the Authority for the First Control Period is as follows.

Table 143: Aeronautical General Administration Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Consultancy, legal and professional fees	A	8.19	8.43	8.69	8.95	9.22	**43.47**
Traveling and conveyance	B	4.88	5.04	5.21	5.40	5.58	**26.10**
Office costs and others	C	1.75	1.80	1.85	1.91	1.97	**9.28**
Aeronautical General Administration Cost	**D=A+B+C**	**14.82**	**15.27**	**15.76**	**16.26**	**16.77**	**78.88**

F. Repairs & Maintenance (R&M) Cost

8.2.101 The Authority notes that YIAPL has estimated Repairs & Maintenance (R&M) Cost of Rs. 823.86 crores for the First Control Period as per MYTP submission. The Authority's examination of R&M Cost is presented in paragraphs below.

8.2.102 The Authority notes that YIAPL has estimated the R&M Cost for the Control Period under the following heads as per MYTP:

- R&M – IT: Relates to technology for various operations including security, baggage handling and passenger information systems. IT maintenance expenses include AMCs, ERP subscription, BHS (SAAS) maintenance, software (anti-virus, Azure, MS office), etc.
- R&M – AMC: Relates to Annual Maintenance Contracts (AMCs) for major assets such as Baggage Handling Contract (BHS), Airfield Ground Lighting, ATRS and X-ray, UPS, VHT, etc.
- R&M – Other: Relates to R&M expenses on provisioning of power and maintenance of other assets including HVAC including chiller plant, water treatment plant, sewage treatment plant, firefighting system including fire extinguishers and vehicles.

8.2.103 The Authority has also reviewed the relevant sections in the O&M Study report pertaining to R&M and notes that while the Study report outlines the types of R&M costs, it does not align with the breakup submitted in the model. Further, the Study report also does not provide the any details of the computation for the estimation of the R&M Cost for the First Control Period.

8.2.104 In the absence of any computation in the O&M Study report pertaining to R&M costs, the Independent Consultant to the Authority had requested a detailed breakdown of the R&M costs. YIAPL, in its submission dated July 2025, provided the requested breakdown along with the status of contract awards. The Authority notes that 72.66% of the total R&M contracts (value of total R&M contracts is Rs. 829.39 crores) are awarded as of July 2025. However, for the remaining unawarded contracts, YIAPL had informed that it has estimated the costs based on best estimates.

8.2.105 In the absence of finalized contracts for the unawarded portion of costs, the Authority has benchmarked the Aeronautical Repairs & Maintenance (R&M) Cost for NIA against the cost approved in other similar airports and notes that NIA's Aeronautical R&M cost is amongst the highest. Accordingly, the Authority has determined the R&M cost for NIA as the average of the R&M cost expressed as a percentage of the Aeronautical Gross Block for the comparable airports, which works out to 1.65%.

8.2.106 The Authority, on examination of the breakup of R&M expenses submitted by YIAPL, notes that YIAPL has included an annuity payment of Rs. 42.12 crore per annum towards the Utility-as-a-Service (UaaS) contract during each year of the First Control Period. Upon seeking clarification, the Authority notes that YIAPL has executed the said contract with Tata Power for the operation and maintenance of dry utility systems comprising power distribution, substations, and associated infrastructure. The Authority observes that these activities were earlier part of the EPC-1 and EPC-2 contracts and were subsequently descoped to be undertaken as an operating expense, as detailed in Para 5.3.11.

8.2.107 While the Authority has benchmarked R&M expenses at 1.65% of the closing aeronautical Gross Block, it observes that the UaaS contract, being of a distinct nature, has been excluded from such benchmarking as comparable arrangements were not observed at other airports. On review of the submitted contract, the Authority notes that YIAPL is required to make annuity payments of Rs. 42.12 crore per annum over a 30-year period, corresponding to the scope excluded from the EPC contracts. The Authority has examined the cost–benefit implications of adopting an opex model vis-à-vis a capex model (where the cost would have been capitalized) and observes that the opex model results in a more efficient cost outcome for the Airport Operator.

8.2.108 In view of the foregoing, the Authority proposes to consider the UaaS annuity cost in addition to the R&M expenses computed through the 1.65% benchmarking approach. Based on the application of the Gross Block ratio, the aeronautical share of the UaaS annuity during the Control Period works out to be about Rs. 38 crore per annum.

8.2.109 Based on the above, the Aeronautical R&M Cost proposed by the Authority for the First Control Period is as given below:

Table 144: Aeronautical R&M Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Closing Aeronautical Gross Block (refer Table 120)	A	6,210.99	6,210.99	6,220.99	6,230.99	6,240.99	

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
% of Closing Aeronautical Gross Block	B	1.65%	1.65%	1.65%	1.65%	1.65%	
Aeronautical R&M Cost	**C= A×B**	**102.62**	**102.62**	**102.79**	**102.95**	**103.12**	**514.11**
UaaS Annuity	D	38.06	38.06	38.07	38.07	38.08	**190.35**
Total Aeronautical R&M Cost	**E=C+D**	**140.69**	**140.69**	**140.86**	**141.03**	**141.20**	**704.46**
Gross Block Ratio (refer Table 120)	F	90.37%	90.37%	90.38%	90.39%	90.41%	
Total R&M Cost	**G=E÷F**	**155.69**	**155.69**	**155.85**	**156.02**	**156.18**	**779.42**

8.2.110 The Authority directs YIAPL to submit the contracts pertaining to the remaining unawarded works, to the extent such works have been concessioned, during the consultation process.

G. Advertisement Cost

8.2.111 The Authority notes that YIAPL has projected the Advertisement Cost for FY 2025-26 to be Rs. 3.50 crore, with a year-on-year increase of 5% for the remaining tariff years of the First Control Period. Further, the Authority has reviewed the O&M Study report submitted by YIAPL and notes that the Study does not provide the basis for estimation nor does it provide details of the computation for advertisement cost.

8.2.112 In the absence of computations, the Authority has compared the Advertisement Cost for NIA with the inflation-adjusted cost approved for the First Control Period of other airports, specifically Bengaluru, Hyderabad and Mopa (Goa) and notes that the cost is comparable.

8.2.113 Considering the above, the Authority proposes to accept the cost as submitted by YIAPL for FY2025-26 as the base cost. However, considering the commencement of control period from 1st April 2026, the Authority proposes to escalate this base cost year-on-year using the inflation rate provided in Table 112 in order to arrive at the Advertisement Cost for the remaining years of the First Control Period.

8.2.114 Additionally, the Authority observes that YIAPL, in its response dated 28th November 2024, has requested consideration of an additional advertisement cost of Rs. 12 crores for FY 2025-26 and Rs. 10 crores for FY 2026-27 in connection with the airport's launch. The relevant extract is reproduced below:

"*In addition to the advertisement costs, NIA also needs to deploy a launch strategy while taking reference to below pointers -*

1. Strategic Marketing for a Greenfield Airport: As a newly established greenfield airport, NIA must implement comprehensive marketing initiatives to attract passenger traffic. This includes digital marketing, social media campaigns, partnerships with travel agencies, and participation in travel fairs and exhibitions. In the initial years, NIA needs to focus on its brand building. Establishing a strong brand identity for NIA is crucial. This involves creating a unique brand message that highlights the airport's modern facilities, efficiency, and customer-centric services.

2. Navigating a Competitive Landscape: NIA will operate in a competitive environment alongside Delhi Airport. To successfully position itself and encourage airlines to consider dual operations, we need to invest significantly in promotional activities that highlight the unique advantages of NIA.

3. Extensive Customer Outreach: Located approximately 65 km from Noida city, it is crucial to engage in extensive outreach to raise awareness about Noida Airport. This includes advertising campaigns across various media platforms, such as television, radio, print, and social media in the initial years. NIA also needs to inform potential passengers about its connectivity, accessibility, and available facilities, ensuring they are well-informed and motivated to choose NIA for their travel needs.

In view of above reasons, the launch cost are INR 12 cr. in FY26 and INR 10 cr. in FY27 in addition to existing projected advertisement cost. These expenses are planned only for the initial two years to ensure a successful launch. Achieving our traffic targets hinges on these marketing and advertising efforts, making this investment essential. We request the Authority to consider this launch expenses."

8.2.115 In this regard, the Authority acknowledges that, as a greenfield airport, NIA would necessarily incur substantial advertising and launch-related expenditure in its initial years. However, it is observed that the costs submitted by YIAPL are significantly higher than the inflation-adjusted advertisement expenses approved in recent tariff orders for comparable airports, namely Bengaluru and Mopa Goa. Accordingly, the Authority proposes to allow 50% of the launch-related advertisement cost submitted by YIAPL, in the first tariff year only, in addition to the amount determined as per para 8.2.113. In view of the above, an amount of Rs. 6 crores is proposed to be considered towards launch-related advertisement expenses for FY 2026-27.

8.2.116 The Authority urges YIAPL to ensure efficient and optimal spending of the Advertising Cost, which will be reviewed during the tariff determination of the next Control Period.

8.2.117 Considering the above analysis, the Authority proposes the following Total Advertisement Cost for the First Control Period.

Table 145: Total Advertisement Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Advertisement Cost	A=Prev.A×(1+B)	3.61	3.71	3.82	3.94	4.06	**19.14**
% increase	B		3.00%	3.00%	3.00%	3.00%	
Launch Expense	C	6.00	-	-	-	-	**6.00**
Total Advertisement Cost	**D=A+C**	**9.61**	**3.71**	**3.82**	**3.94**	**4.06**	**25.14**

Allocation of Advertisement Cost

8.2.118 The Authority notes that YIAPL has allocated Advertisement Cost based on Terminal Building Ratio (TBLR). The Authority deems this allocation basis to be reasonable and, therefore, proposes adopting the same allocation basis, taking into consideration the revised ratios detailed in Table 122.

In accordance with the aforementioned proposal, the Aeronautical Advertisement Cost proposed by the Authority for the First Control Period is as follows.

Table 146: Aeronautical Advertisement Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Advertisement Cost	8.45	3.27	3.37	3.47	3.57	**22.12**

H. Insurance Cost

8.2.119 The Authority notes that YIAPL has considered the Insurance Cost at 0.05% of the closing gross block of assets, with a year-on-year inflation rate of 4.27%. Further, the Authority has reviewed the O&M Study report and notes that while it mentions that the percentage of gross block is based on similar airports, there is neither a mention of the airports considered for comparison nor any details of computation.

8.2.120 YIAPL, on 13th December 2024 shared the basis for estimation of the percentage of gross block as average of the percentage for BIAL, DIAL, HIAL, and MIAL in FY 2018-19. After comparing the same to other airports, the Authority finds this percentage (0.05%) to be reasonable and proposes considering the same for determining the Insurance Cost for the First Control Period.

8.2.121 Based on the above, the Authority proposes computing the Insurance Cost for the First Control Period as given below:

i. **Opening Gross Block in FY 2026-27**: The Authority proposes to consider insurance cost at 0.05% of the opening gross block for the first tariff year of the Control Period. Thereafter, the Authority proposes to increase this cost by the inflation rate as detailed in Table 112 for the remaining tariff years of the Control Period.

ii. **Addition to Gross Block**: The Authority proposes to consider insurance cost at 0.05% on addition to the gross block in the respective tariff years in which such additions have been proposed. Subsequently, the Authority proposes to increase this cost by the inflation rate as detailed in Table 112 for the remaining tariff years of the Control Period.

8.2.122 The Total Insurance Cost proposed by the Authority for the First Control Period is as presented in the table below.

Table 147: Total Insurance Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Addition to Gross Block (refer Table 120)	6,873.17	10.00	10.00	10.00	10.00	**6,913.17**
% of Gross Block	0.05%	0.05%	0.05%	0.05%	0.05%	
Inflation		3.00%	3.00%	3.00%	3.00%	
Total Insurance Cost	**3.73**	**3.84**	**3.96**	**4.09**	**4.21**	**19.83**

Allocation of Insurance Cost

8.2.123 The Authority notes that YIAPL has allocated Insurance Cost based on Gross Block Ratio (GBR). The Authority deems this allocation basis to be reasonable and, therefore, proposes to consider the same allocation basis, taking into consideration, the revised ratios detailed in Table 122.

8.2.124 In accordance with the aforementioned proposal, the Aeronautical Insurance Cost proposed by the Authority for the First Control Period is as follows.

Table 148: Aeronautical Insurance Cost proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Insurance Cost	3.37	3.47	3.58	3.69	3.81	**17.93**

I. Airport Operator Support Fee (Corporate Cost allocation)

8.2.125 The Authority notes that YIAPL has entered into an agreement with Zurich Airport International AG for the provision of technical service in lieu of remuneration as detailed in Annexure 2 of the Agreement, the extract of which is reproduced below.

"Services provided by the service provider will be remunerated as follows:

- *The project related services will be charges on the basis of actual working hours spent. The hours worked will be recorded by the service provider and charged to the beneficiary in accordance with 4.*
- *The hourly rates for the project related work will be reviewed regularly by the service provider and communicated to the beneficiary. The hourly rates should be determined on the basis of arm's length principle in line with functions performed, assets deployed and risks assumed by the entities. The underlying calculation of the hourly rates is separately available."*

8.2.126 Additionally, the Authority notes that YIAPL has projected this expense based on the following assumptions:

- Support from holding company will be obtained for specified number of Mandays during each tariff year of the Control Period
- A rate of CHF per Manday
- A CHF to INR conversion rate with an approximate 3% escalation

8.2.127 In its response dated 18th November 2024, YIAPL submitted that the rate per Manday had been determined in accordance with arm's length pricing principles. In support of this, the transfer pricing study for FY 2022-23 was furnished and duly verified by the Independent Consultant to the Authority.

8.2.128 Considering the above assumptions to be reasonable, the Authority proposes to include this expense as part of O&M expense. However, the Authority proposes to consider the latest CHF to INR conversion rate, along with an escalation based on the projected inflation in Switzerland according to IMF versus the projected inflation in India as per Table 112.

8.2.129 Based on the above, the Total Airport Operator Support Fee proposed by the Authority for the First Control Period is presented in the table below.

Table 149: Total Airport Operator Support Fee proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Airport operator support fee	5.31	5.43	5.55	5.68	5.81	**27.76**

Allocation of Airport Operator Support Fee

8.2.130 The Authority observed that YIAPL has allocated the expense based on EHCR and finds it to be reasonable. Therefore, the Authority proposes to consider the same allocation basis.

8.2.131 Considering the revised EHCR as given in Table 122, the Authority proposes the following Aeronautical Airport Operator Support Fee for the First Control Period of Noida International Airport.

Table 150: Aeronautical Airport Operator Support Fee proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Airport operator support fee	4.51	4.62	4.75	4.88	5.01	**23.76**

J. Corporate Environment Responsibility (CER)

8.2.132 The Authority notes that YIAPL has projected CER expense of Rs. 10.96 crores per year throughout the First Control Period, in compliance with the statutory sustainability obligations as mandated by Environment Clearance from the Ministry of Environment, Forest and Climate Change (MoEF&CC).

8.2.133 In response to the Authority's query, YIAPL shared the Environment Clearance (EC) Approval Letter from MoEF&CC. According to the letter, YIAPL is required to allocate Rs. 18.79 crores for Phase I under CER.

8.2.134 The Authority also notes that the EC Letter mandates the AO to implement the recommendations outlined in the final report prepared by the Wildlife Institute of India (WII) on Conservation Plans for Birds and Fauna.

8.2.135 Additionally, in a response dated 18th November 2024, YIAPL shared the recommendations from the WII report. The breakup of the cost as per the recommendation is reproduced below.

Table 151: Breakup of the Cost as per the recommendations in the WII report on Conservation Plan for Birds and Fauna

Sl. No.	Category	Cost in Rs.	Mandates
1	Creation of "GJIA conservation Foundation"	0.5% of the total cost of GJIA project	Undertake activities which enhances conservation value of the GJIA landscape
2	Biodiversity offsetting as a conservation strategy: Creation of "Compensatory Conservation Fund"	0.25% of the total cost of GJIA project	Enhance conservation status of Blackbuck populations in U.P. Enhance conservation status of Sarus cane in U.P. by implementing suggestions made by Rahmani et. al. (2019)
3	Establish and run temporary "Animal Rescue and Rehabilitation Center" for five years	500.00 lakhs	Rescue and rehabilitate wild animals for initial five years Establish 2 Rapid Response Teams to rescue wildlife species impacted due to airport construction in difference phases
4	Annual allocation from "Corporate Social Responsibility (CSR)" initiative	As per applicable norms	Augmentation of GJIA Conservation Foundation time to time
5	Initiate long term scientific study for "Monitoring likely impacts on fine-scale biodiversity values in landscape during different phases of GJIA" for ten years	2904.75 lakhs/ten years	Assesses likely impacts during different phases of the GJIA on: Monitor changes in spatial and temporary biodiversity values using eDNA. Study fine scale ecological requirements of Blackbucks and Sarus crane through ranging behaviour using GPS tagged individuals Suggest fine-scale conservation strategies for GJIA landscape

8.2.136 Further in a response dated 20th January 2025, YIAPL shared the email from NIAL (the concessioning authority) mandating the implementation of the WII's recommendations at the Airport Operator's expense as given below:

- 0.75% of project cost on conservation efforts, and
- Rs. 29.04 crores for long term study by WII

8.2.137 Considering the details as per the EC Letter, WII report and email communication from NIAL as detailed above, the Authority proposes to include the expense as submitted by YIAPL (including the breakup as per their email communication) as part of the CER expense for the Control Period. Since neither the WII report nor the NIAL email communication explicitly states the project cost for determining this expense, the Authority proposes to use the project cost specified in the EC Letter, i.e., Rs. 3,754 crores for determining the expenses.

8.2.138 The Authority notes that YIAPL has allocated Rs. 18.79 crores over five tariff years of the Control Period and the cost related to the WII report over 10 years from the Airport COD. When queried on the rationale for allocating the WII report cost over 10 years, YIAPL stated that this was based on a proposal submitted to the 48th meeting of the Expert Appraisal Committee (Infra 2) of MoEF&CC, GOI AC on 28th January 2020. Accordingly, the Authority proposes to allocate the cost over the 10 years as submitted by YIAPL.

8.2.139 Total CER expense proposed by the Authority for the First Control Period, based on the above discussions, is as given in the table below.

Table 152: Total CER expense proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
EC Letter							
Corporate Environment Responsibility as per EC	A	3.76	3.76	3.76	3.76	3.76	**18.79**
WII Report							
Creation of GJIA Project	B = 0.5% of Project Cost	1.88	1.88	1.88	1.88	1.88	**9.39**
Compensatory Conservation Fund	C = 0.25% of Project Cost	0.94	0.94	0.94	0.94	0.94	**4.69**
Scientific Study	D = Rs. 29.0475 crores for 10 years	2.90	2.90	2.90	2.90	2.90	**14.52**
Total expense as per WII Report	**E = B + C + D**	**5.72**	**5.72**	**5.72**	**5.72**	**5.72**	**28.60**
Total CER expense	**F = A + E**	**9.48**	**9.48**	**9.48**	**9.48**	**9.48**	**47.39**

Allocation of Corporate Environment Responsibility (CER)

8.2.140 The Authority notes that YIAPL has allocated this expense as 100% aeronautical. However, the Authority proposes to allocate this expense based on the revised Gross Block Ratio (GBR) as per Table 122, since the expense is incurred for the development of the airport, including the non-aeronautical portion.

8.2.141 The Aeronautical CER expense proposed by the Authority for the First Control Period is as given below

Table 153: Aeronautical CER expense proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical CER expense	8.57	8.57	8.57	8.57	8.57	**42.83**

K. Collection Charges

8.2.142 The Authority notes that YIAPL has computed Collection Charges on 70% of both embarking and disembarking passengers, excluding exempt and transfer passengers, due to the anticipated delay in remittance for the remaining 30% for more than 15 days, thereby exempting the AO from making any payments. The Authority finds this approach reasonable and proposes to consider the same for the determination of Collection Charges.

8.2.143 The Authority further notes that YIAPL has determined Collection Charges at the rate of Rs. 5 per passenger for both embarking and disembarking passengers together. The Authority finds this rate consistent with that approved in the recent orders for other airports and therefore proposes to consider the same for determining the Collection Charges for the First Control Period.

8.2.144 The Collection Charges proposed by the Authority for the embarking passengers, based on the revised traffic as submitted by YIAPL for the First Control Period is as presented in the table below.

Table 154: Collection Charges proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total passengers in MPPA (refer Table 32)	A	6.74	10.26	15.06	18.13	20.04	**70.23**
Eligible % of billing	B	70.00%	70.00%	70.00%	70.00%	70.00%	
Total eligible passengers in MPPA	**C=A×B**	**4.72**	**7.18**	**10.54**	**12.69**	**14.03**	**49.16**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Collection charges per passengers in Rs.	D	5.00	5.00	5.00	5.00	5.00	
Collection charges	**E=C×D**	**2.36**	**3.59**	**5.27**	**6.35**	**7.02**	**24.58**

8.2.145 The Collection Charges, as determined above, are considered to be 100% aeronautical, as they pertain to the provision of Aeronautical Service.

L. Other Cost

8.2.146 The Authority observes that YIAPL has submitted "Other Cost" at 3% of operating expenses, citing references to similar airports. While the O&M Study report indicates that this percentage has been derived based on comparable airports, it does not provide the list of such airports or details of the underlying computation. Further, the Authority notes that the Study report includes interest and penalties under "Other Cost," which are not considered passthrough expenses for the purpose of aeronautical tariff determination. However, the specific amounts towards such interest and penalties have not been disclosed in the report.

8.2.147 The Authority has also reviewed similar cost components approved in respect of Mopa (Goa), and notes that such expenses amount to approximately 2% of total operating expenses. Accordingly, considering that Noida International Airport, being a new airport, would incur various day-to-day operational expenses, the Authority proposes to consider 2% of operating expenses, after excluding license fees, concession fees, CNS/ATM expenditures, CSR expenses, and interest on working capital.

8.2.148 The total Other Cost proposed by the Authority for the First Control Period is as given in the table below.

Table 155: Total Other Costs proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Total operating expense	A	407.34	423.88	437.82	458.39	468.32	**2,195.75**
% of operating expense	B	2.00%	2.00%	2.00%	2.00%	2.00%	
Total Other Costs	**C=A×B**	**8.15**	**8.47**	**8.75**	**9.16**	**9.36**	**43.90**

Allocation of Other Cost

8.2.149 The Authority notes that YIAPL has allocated the Other Cost based on the Terminal Building Ratio (TBLR). However, the Authority proposes to compute the aeronautical Other Costs as 2% of the total aeronautical operating expense excluding CNS/ATM expenditure, CSR expense and interest on working capital.

8.2.150 Based on the above proposal, the Aeronautical Other Cost proposed by the Authority for the First Control Period is as given below:

Table 156: Aeronautical Other Costs as proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical operating expense	A	366.07	381.89	394.64	413.68	422.51	**1,978.79**
% of operating expense	B	2.00%	2.00%	2.00%	2.00%	2.00%	
Aeronautical Other Costs	**C=A×B**	**7.32**	**7.64**	**7.89**	**8.27**	**8.45**	**39.58**

M. CNS/ATM Expenditure

8.2.151 The Authority notes that YIAPL has included expenses related to CNS/ATM services as part of the O&M expenses for the First Control Period. In this regard, the Authority observes that these CNS/ATM expenses pertain to the deficit between the TNLC charges collected by AAI during the previous year and the actual cost of providing the service during the year, in accordance with Clause 7.4 of the CNS/ATM Agreement, which is reproduced below:

"The provision of CNS-ATM services as mentioned in Para 5.1 shall be on cost recovery basis. ...... However, TNLC collected by AAI during the previous year shall be deducted from the actual cost of providing the CNS/ATM services during that year. In case of any deficit the same shall be borne by the YIAPL."

8.2.152 Additionally, the expenditure includes equated annual installments of Rs. 22.89 crores related to the capital expenditure of Rs. 129.30 crores incurred by AAI for the development of CNS/ATM facilities required for Phase I of the project. This amount is payable to AAI by YIAPL over a period of 10 years, starting from the COD, at an annual percentage rate of 12%. The Authority notes that, although this payment is not referred to in the CNS/ATM Agreement, the letter from AAI dated 28th April 2024, permits the collection of the expenses as described above. The relevant paragraph is reproduced below:

"*Capital expenditure (CAPEX) costs shall be recovered as Annual Yearly Installment(s), at an Annual Percentage Rate (APR) of 12%, amortized over a ten-year period.*"

8.2.153 The Authority further notes that YIAPL has submitted a detailed breakup of the proposed capital expenditure amounting to Rs. 129.34 crores and operating expense of Rs. 74.70 crores for the first tariff year. The operating expense comprises Rs. 24.90 crores towards ATM manpower cost, Rs. 47.14 crores towards CNS manpower cost and Rs. 2.67 crores towards other operating expenses.

8.2.154 The Authority observed that the operating expense (manpower cost and other operating expenses) indicated above included an overhead component of 30%. This overhead component does not have a clear and demonstrable linkage to incremental administrative or support services over and above those already embedded within these CNS/ATM expenses attributable specifically to the airport. Given that CNS/ATM services are provided by AAI uniformly across all the airports as a Centralized statutory function, the associated administrative and support costs are expected to be absorbed within AAI's overall cost structure and reflected in the base operating costs. In the absence of a transparent, airport-specific cost allocation methodology, loading an additional overhead on an ad-hoc percentage basis would result in double counting of costs and an unjustified pass-through to passengers. Accordingly, the Authority proposes to not consider the overhead component. However, the Authority invites comments from stakeholders on this issue of 30% overhead costs applied by AAI, that will ultimately be borne by passengers. The Authority will take a final view on this matter during the stakeholder consultation based on the comments received from stakeholders. The Authority also notes that as airport traffic and operational volumes stabilize and improve, AAI would be in a position to progressively absorb and offset any projected overheads since in the subsequent years all excess revenue collected by AAI from TNLC over and above their operating costs would be retained by AAI only.

8.2.155 The Authority examined the break-up of capital expenditure as submitted by YIAPL and notes that it pertains to the cost of equipment installed at the CNS/ATM tower for operational purposes. Accordingly, the Authority proposes to consider the capital cost of Rs. 129.34 crores to be amortized over 10 years from COD at an annual percentage rate of 12%, and the operating expense of Rs. 57.46 crores for FY 2025-26 as the base cost. However, since the control period commences from only 1st April 2026, the Authority proposes to escalate this base cost year-on-year using the inflation rate provided in Table 112 in order to arrive at the operating expenses for the First Control Period.

8.2.156 The Authority also proposes to consider TNLC in accordance with the tariff specified in the DGCA AIC dated 30th September 2020, considering the arrival and departure ATMs in a 50:50 ratio.

8.2.157 The Authority notes that the TNLC charges for the current year were adjusted in the subsequent year in accordance with the correspondence between AAI and YIAPL. However, the Authority proposes to adjust the TNLC charges of the respective year against the CNS ATM expenses of the same year.

8.2.158 The revised CNS/ATM Expenditure proposed by the Authority considering the revised ATMs as computed by the Authority in Table 31- for the First Control Period is given below:

Table 157: CNS/ATM Expenditure proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
ATM Traffic (refer Table 32)							
Domestic Passenger ATM	A	43,100	64,650	95,359	1,14,431	1,25,874	**4,43,414**
Domestic Cargo ATM	B	950	970	980	1,040	1,080	**5,020**
Total Domestic ATM	C=A+B	44,050	65,620	96,339	1,15,471	1,26,954	**4,48,434**
International Passenger ATM	D	900	2,700	3,983	4,779	5,257	**17,619**
International Cargo ATM	E	1,080	1,580	2,070	2,560	3,060	**10,350**
Total International ATM	F=D+E	1,980	4,280	6,053	7,339	8,317	**27,969**
Billable domestic ATM	G = C/2	22,025	32,810	48,170	57,736	63,477	**2,24,217**
Billable international ATM	H = F/2	990	2,140	3,027	3,670	4,159	**13,985**
TNLC Charges							
Domestic	I	7,012	7,012	7,012	7,012	7,012	
International	J	8,178	8,178	8,178	8,178	8,178	
Revenue from TNLC Charges	K = (G*I) +(H*J)	16.25	24.76	36.25	43.48	47.91	**168.66**
Operating expense	L	59.19	60.96	62.79	64.68	66.62	**314.24**
Capital Expenditure EMI	M	22.89	22.89	22.89	22.89	22.89	**114.46**
Total	N=L+M	82.08	83.85	85.68	87.57	89.51	**428.69**
Shortfall = CNS ATM Expenditure	O=N-K	65.83	59.10	49.43	44.08	41.60	**260.03**

Note: Figures correspond to the revised Control Period commencing from COD of 1st April 2026. FY 2026-27 represents the first full year of operations.

8.2.159 The CNS/ATM Expenditure as determined above is considered as 100% aeronautical in line with Clause 3.6.8 of the MoU between NIA and GoI which states that "*Any payments made by the concessionaire to any Government Instrumentality for providing sovereign functions shall be considered as an operating expense for the purpose of the determination of aeronautical charges, and shall accordingly be considered as a part of the cost of the determination of the Aeronautical Charges.*"

N. CSR Expense

8.2.160 The Authority notes that YIAPL has estimated CSR Expense of Rs. 0.03 crores based on 2% of the trailing 3-year average PBT.

8.2.161 The Authority took cognizance of the statutory provisions of the Companies Act, 2013 towards allowance of CSR expenses and the extract of the same has been provided as follows:

"*Section 135 (1) of Companies Act, 2013 states that 'Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one shall be an independent director.' Further section 135(5) states that 'The Board of every company referred in section 135(1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility'.*"

8.2.162 In this regard, the Authority is of the view that as the CSR is a mandatory Social Responsibility of Companies (covered under Section 135(1) of Companies Act). As CSR expenditure is to be incurred by Companies out of their net profits, it is to be regarded as an element of appropriation of Net Profits and not as a part of their Operating Expenditure. Therefore, CSR expenses could not be construed as passthrough expenditure for the purpose of determination of aeronautical tariff of the companies. Otherwise, it would defeat the very purpose of the social responsibility entrusted on the companies. Section 37(1) of the Income Tax Act also disallows CSR expenses, as these are not considered expenses incurred wholly and exclusively for the purpose of the business of the entity.

8.2.163 In view of the above, the Authority proposes not to consider CSR expenses under the O&M expenses.

O. <u>Interest on Working Capital</u>

8.2.164 The Authority observed that YIAPL has calculated the interest on the working capital loan based on the projected recovery of revenue and payment of expenses, considering Receivable Days as 15 and Payable Days as 30. Accordingly, YIAPL has submitted in the MYTP that there was a requirement for working capital for all tariff years of the First Control Period except the first year.

8.2.165 On enquiry about the basis for 10% interest rate considered, YIAPL in its response dated 3rd December 2024, has shared the Sanction Letter for the Working Capital Loan. The Authority has reviewed the same and notes that the effective rate as per the letter was 10.15%.

8.2.166 The Authority notes that interest on working capital is dependent on many factors including aeronautical revenue which is in turn dependent on the tariff rate card. However, since the tariff rate card would be submitted by the AO only after the issue of this consultation paper, the Authority, for the purposes of this consultation paper, proposes to consider the interest on working capital corresponding to each tariff year as submitted by YIAPL in their financial model.

8.2.167 The Authority further proposes to recompute the interest on working capital at the time of Tariff Order, considering any changes to the building blocks and changes in Aeronautical Revenue based on the tariff decided by the Authority.

8.2.168 The Total Interest on Working Capital proposed by the Authority for the First Control Period is as given below:

Table 158: Total Interest on Working Capital proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Interest on Working Capital	0.48	1.60	2.94	4.48	6.42	**15.92**

Allocation of Interest on Working Capital

8.2.169 The Authority notes that YIAPL has allocated Interest on Working Capital based on Gross Block Ratio (GBR). The Authority deems this allocation basis to be reasonable and, therefore, proposes to consider the same allocation basis, taking into consideration, the revised ratios detailed in Table 122.

8.2.170 In accordance with the aforementioned proposal, the Aeronautical Interest on Working Capital proposed by the Authority for the First Control Period is as follows.

Table 159: Aeronautical Interest on Working Capital proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Aeronautical Interest on Working Capital	0.44	1.44	2.66	4.05	5.80	**14.39**

P. <u>Concession Fee</u>

8.2.171 Although the Concession Fee is not pass through expense, the Authority notes that YIAPL has included it in the Total O&M expenses (Table 113) in FY 2029-30. However, as per the Master Concession Agreement, the Concession Fee is payable only from the 6th year after the Airport COD, i.e., FY 2031-32 considering that the revised COD is 1st April 2026. Since the Concession Fee is not payable during the First Control Period and is not a pass-through as per the Master Concession Agreement, the same is not included as part of O&M expenses.

Pre-COD Losses for the Period from 22nd January 2020 to Airport COD

8.2.172 YIAPL, along with the projections for the First Control period, submitted details for the period from 22nd January 2020 till (erstwhile) expected Airport COD of 30th April 2025, as part of O&M expenses. Although these details were not separately presented in the MYTP as pre-COD results, they have been included in the O&M expenses of the first tariff year of the First Control Period to determine the ARR for the year.

8.2.173 The Authority's proposals regarding not including pre-COD losses as a part of the tariff for the period from Company inception to Airport COD are discussed in Chapter 3.

8.2.174 Considering the above, the total Operation and Maintenance (O&M) expenses proposed to be considered by the Authority for the First Control Period is presented in the table below:

Table 160: Total Operation and Maintenance (O&M) expenses proposed by the Authority for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	Table 123	103.85	111.45	121.62	134.87	143.40	**615.18**
B	Contracted Services (Manpower Outsourcing Cost)	Table 128	33.22	35.35	37.31	39.42	42.12	**187.42**
C	Materials, Equipment and Supplies Cost	Table 130	4.92	5.07	5.22	5.38	5.54	**26.15**
D	Utility Cost	Table 140	62.45	72.87	71.81	74.72	71.50	**353.35**
E	General Administration Cost	Table 142	16.73	17.24	17.75	18.29	18.83	**88.85**
F	R&M Cost	Table 144	155.69	155.69	155.85	156.02	156.18	**779.42**
G	Advertisement Cost	Table 145	9.61	3.71	3.82	3.94	4.06	**25.14**
H	Insurance Cost	Table 147	3.73	3.84	3.96	4.09	4.21	**19.83**

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
I	Airport Operator Support Fee	Table 149	5.31	5.43	5.55	5.68	5.81	**27.76**
J	Corporate Environment Responsibility (CER)	Table 152	9.48	9.48	9.48	9.48	9.48	**47.39**
K	Collection Charges	Table 154	2.36	3.59	5.27	6.35	7.02	**24.58**
L	Other Cost	Table 155	8.15	8.47	8.75	9.16	9.36	**43.90**
M	CNS/ATM Expenditure	Table 157	65.83	59.10	49.43	44.08	41.60	**260.03**
N	CSR Expense	Para 8.2.163	-	-	-	-	-	**-**
O	Interest on Working Capital	Table 158	0.48	1.60	2.94	4.48	6.42	**15.92**
P	Concession Fee	Para 8.2.171	-	-	-	-	-	**-**
	Total O&M Expenses		**481.80**	**492.88**	**498.77**	**515.95**	**525.53**	**2,514.92**

8.2.175 Taking into account the revised ratios and allocation basis as discussed under each expense category, the Authority proposed the following Aeronautical O&M expenses for the First Control Period of Noida International Airport.

Table 161: Aeronautical Operation and Maintenance (O&M) expenses proposed by the Authority for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Personnel Cost	Table 124	88.20	94.88	104.05	115.97	123.72	**526.82**
B	Contracted Services (Manpower Outsourcing Cost)	Table 129	28.22	30.09	31.92	33.89	36.34	**160.46**
C	Materials, Equipment and Supplies Cost	Table 131	4.45	4.58	4.72	4.86	5.01	**23.63**
D	Utility Cost	Table 140	62.45	72.87	71.81	74.72	71.50	**353.35**
E	General Administration Cost	Table 143	14.81	15.27	15.75	16.25	16.76	**78.84**
F	R&M Cost	Table 144	140.69	140.69	140.86	141.03	141.20	**704.46**
G	Advertisement Cost	Table 146	8.45	3.27	3.37	3.47	3.57	**22.12**
H	Insurance Cost	Table 148	3.37	3.47	3.58	3.69	3.81	**17.93**
I	Airport Operator Support Fee	Table 150	4.51	4.62	4.75	4.88	5.01	**23.76**
J	Corporate Environment Responsibility (CER)	Table 153	8.57	8.57	8.57	8.57	8.57	**42.83**
K	Collection Charges	Table 154	2.36	3.59	5.27	6.35	7.02	**24.58**
L	Other Cost	Table 156	7.32	7.64	7.89	8.27	8.45	**39.58**
M	CNS/ATM Expenditure	Table 157	65.83	59.10	49.43	44.08	41.60	**260.03**
N	CSR Expense	Para 8.2.163	-	-	-	-	-	**-**
O	Interest on Working Capital	Table 159	0.44	1.44	2.66	4.05	5.80	**14.39**
P	Concession Fee	Para 8.2.171	-	-	-	-	-	**-**
	Aeronautical O&M Expenses		**439.65**	**450.07**	**454.63**	**470.08**	**478.36**	**2,292.80**

8.2.176 Based on the above considerations, the Authority proposes Aeronautical Operating and Maintenance Expenditure of Rs. 2,292.80 crores for the First Control Period, as against YIAPL's revised submission of Rs. 3,116.05 crores (refer Table 119).

8.2.177 Major adjustments made by the Authority in O&M expenses include:

- **Personnel Cost Rationalization:**
  The average cost per employee has been taken as Rs. 0.21 crores with a 6% annual growth rate, compared to YIAPL's assumption of Rs. 0.25 crores with a 10% annual increase.

- **Outsourced Manpower Cost Rationalization:**
  The cost for FY 2026 has been taken as Rs. 36.33 crores instead of Rs. 40.21 crores as submitted by YIAPL. The Authority has assumed a 6% year-on-year increase, in line with personnel costs, whereas YIAPL projected an average increase of 8.5%. Additionally, CAM charges amounting to Rs. 32.93 crores, expected to be recovered from licensees and concessionaires, have been adjusted against this expense head, which decreases the total outsourced manpower cost.
- **Repairs & Maintenance Expenses:**
  R&M expenses have been considered at 1.65% of the closing aeronautical gross block for each tariff year. Including the UaaS annuity of Rs. 190.47 crores added to the R&M costs for the First Control Period, the total amounts to Rs. 705.51 crores. In comparison, YIAPL had proposed a higher provision of 2.45% of the closing gross block, aggregating to Rs. 802.57 crores.
- **CNS/ATM Cost Rationalization:**
  The Authority has rationalized CNS/ATM costs in the first tariff year due to the revised COD assumption. Further, the arrival and departure ratio has been revised from 51:49 (as proposed by YIAPL) to 50:50. Also, TNLC charges for the current year have been netted off against CNS/ATM expenses of the same year, as opposed to YIAPL's method of offsetting previous year's TNLC charges. The Authority has also excluded the overhead of 30% applied to O&M expenses claimed by AAI.
- **Materials, Equipment, and Supplies Cost Rationalization:**
  The Authority has based projections on the average cost at comparable airports, amounting to Rs. 4.78 crores for FY 2025-26 (base year), as against YIAPL's significantly higher estimate of Rs. 17.6 crores (0.28% of gross block).
- **Utility Cost Rationalization:**
  Power costs have been rationalized by factoring in phased operations of the airport. Water charges have also been reduced, as the Authority's computation uses rates set by the regulatory body, whereas YIAPL had based estimates on consumption per passenger.
- **Other Costs:**
  Since this category is calculated as a percentage of total O&M expenses, rationalization across all major cost heads has led to a corresponding reduction here as well.

8.2.178 The Authority expects the Airport Operator to bring in efficiencies in the incurrence of O&M expenses for the benefit of airport users in line with the AERA Act, AERA Guidelines and International Civil Aviation Organization (ICAO) Principles.

8.3 Authority's proposal regarding Operation and Maintenance (O&M) expenses for the First Control Period

Based on the material before it and its analysis, the Authority proposes the following with regard to Operation and Maintenance (O&M) expenses for the First Control Period.

8.3.1 To consider Aeronautical O&M expenses for the First Control Period for Noida International Airport as per Table 161.

8.3.2 To not consider the pre-COD losses as part of the Operation and Maintenance Expenses for the First Control Period as detailed in Chapter 3.

8.3.3 To review the exclusion of overhead at 30% in the CNS/ATM Expenditure after examining the stakeholders' comments, at the time of issuance of Tariff Order for the current Control Period.

8.3.4 The Authority directs Airport Operator (YIAPL) to submit the incremental O&M contracts awarded (including for Outsourcing costs, R&M expenses, etc), if any, till the date of issue of this consultation paper during the stakeholders' consultation process.

8.3.5 To consider the O&M expenses incurred by YIAPL during the First Control Period subject to reasonableness and efficiency, at the time of tariff determination for the next Control Period.

9. NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

9.1 YIAPL's submission regarding Non-Aeronautical Revenue for the First Control Period

9.1.1 YIAPL had in its MYTP dated 27th October 2024, submitted the following projected revenue from Non-Aeronautical Services for the First Control Period of Noida International Airport.

Table 162: Non-Aeronautical Revenue submitted by YIAPL for Noida International Airport for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30	Total
A	Integrated Warehousing and Logistics Zone (IWLZ)	12.77	14.25	14.63	14.98	15.38	**72.00**
B	Advertising & Promotion	8.29	15.68	17.31	20.84	25.10	**87.21**
C	Duty Free	5.27	12.91	18.93	25.38	34.80	**97.28**
D	Food & Beverage (F&B)	15.09	33.52	47.22	61.29	83.25	**240.37**
E	Lounges	8.53	23.96	32.15	46.12	60.45	**171.22**
F	Hotel	-	2.60	2.90	7.75	10.81	**24.06**
G	Space Rentals	3.29	6.50	7.50	8.50	10.06	**35.85**
H	Retail	7.74	22.45	35.18	47.71	67.36	**180.43**
I	Services	4.06	8.40	10.50	13.30	12.50	**48.76**
J	Mobility	11.04	16.98	23.03	34.75	42.98	**128.78**
K	In-Flight Kitchen (IFK)	-	-	1.37	1.93	2.55	**5.85**
L	IT*	-	0.38	2.27	2.56	2.86	**8.07**
M	Maintenance, Repair & Overhaul (MRO)	20.14	38.42	80.68	84.72	97.42	**321.38**
N	Real Estate Revenues	-	2.19	1.88	9.39	13.25	**26.72**
O	Public Transportation Centre (PTC)	-	-	-	-	46.63	**46.63**
P	Real State (Admin Block)	-	-	-	7.98	10.23	**18.21**
Q	Cargo Fuel Station	-	-	-	1.00	1.10	**2.10**
	Total NAR before exemptions and other income	**96.23**	**198.24**	**295.54**	**388.18**	**536.73**	**1,514.92**
	Less: Real Estate - Revenues from 24 hectares	-	2.19	1.88	9.39	12.37	**25.83**
R	Add: Other income incl. Interest income	45.76	16.45	18.91	26.85	48.24	**156.20**
	Total NAR	**141.99**	**212.50**	**312.57**	**405.64**	**572.60**	**1,645.29**

**Revenue from concession of Neutral Host Services at the Airport*

9.1.2 In its MYTP submission, YIAPL has excluded the revenues from city side development (Real Estate Revenues from 24 Ha land parcel) from NAR in accordance with the Clause 28.1.3 and 32.3.2 of the Master Concession Agreement and Clause 3.6.2 of the MoU. The relevant extracts are as follows:

Clause 28.1.3 of the Master Concession Agreement – "*The revenue generated from City Side Development on 24 hec land as stated in clause 1.3 of Annex 1 Schedule A shall not be considered for the purpose of cross-subsidization of Aeronautical Tariff determination by AERA.*"

Clause 32.3.2 of the Master Concession Agreement – "*...For avoidance of doubt, revenues of the Concessionaire from City Side Development shall be excluded from the Hybrid-Till framework for the determination and regulation of the Aeronautical Charges subject to the provisions of clauses 28.1.3, 28.1.4 and 28.4.1*"

9.1.3 YIAPL has estimated NAR based on the Income per Passenger (IPP) for each service which is then multiplied with the total number of passengers. The revenue per passenger considered by YIAPL for each service is given below.

Table 163: Income per Passenger (IPP) assumed by YIAPL for Non-Aeronautical Revenue for the First Control Period

(Rs. per pax)

Sl. No.	Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
A	Integrated Warehousing and Logistics Zone (IWLZ)*	-	-	-	-	-
B	Advertising & Promotion	13.95	17.40	14.45	13.52	13.46
C	Duty Free	8.87	14.33	15.80	16.47	18.66
D	Food & Beverage (F&B)	25.39	37.20	39.42	39.77	44.64
E	Lounges	14.36	26.59	26.83	29.93	32.41
F	Hotel	-	2.89	2.42	5.03	5.80
G	Space Rentals	5.54	7.21	6.26	5.52	5.39
H	Retail	13.03	24.91	29.36	30.96	36.12
I	Services	6.83	9.32	8.76	8.63	6.70
J	Mobility	18.58	18.84	19.22	22.55	23.05
K	In-Flight Kitchen (IFK)	-	-	1.14	1.25	1.37
L	IT	-	0.42	1.89	1.66	1.53
M	Maintenance, Repair & Overhaul (MRO)	33.88	42.64	67.35	54.97	52.24
N	Real Estate Revenues**	-	-	-	-	-
O	Public Transportation Centre (PTC)	-	-	-	-	25.00
P	Real State (Admin Block)	-	-	-	5.18	5.49
Q	Cargo Fuel Station	-	-	-	0.65	0.59

**Estimated based on the terms as per the IWLZ Concession Agreement*
***Estimated based on expected revenue from two land parcels – 24 Ha and 46 Ha*

9.1.4 YIAPL has submitted that the Non-Aeronautical Revenue (NAR) will initially be lower but is expected to rise as the airport traffic increases and the airport matures. YIAPL has also submitted that it has made aggressive estimates for NAR based on the anticipated growth of middle class, additional disposable income with the passengers, a continued market trend towards premium products, and the ability of concessionaires to attract passengers. However, due to the sensitivity of NAR to these assumptions and challenges of a greenfield airport, YIAPL submitted that there is a risk of downward revision of these forecasts.

9.1.5 YIAPL has also submitted that NIA, being a greenfield airport, is in the process of appointing non-aeronautical concessionaires. Based on the latest submissions made by YIAPL and the discussions held by the Independent Consultant of the Authority with YIAPL, it is noted that concessions have already been awarded for non-aeronautical services such as Duty Free, Food & Beverages, Lounges, Hotel, Retail, advertisement, etc., while certain concessions (like MRO, PTC, Real Estate, app based car services, etc.) are in the process of being tendered / awarded as per the latest information available.

9.2 Authority's examination regarding Non-Aeronautical Revenue for the First Control Period

9.2.1 The Authority has reviewed the projections and the rationale behind such projections as submitted by YIAPL for the First Control Period. The Authority observes that YIAPL has relied on benchmark analysis, contracts awarded (where available), tentative business estimates, and internal market research-based estimates to determine the NAR for this period.

9.2.2 The Authority notes that YIAPL has awarded certain license/concession agreements and is in the process of awarding the rest of the licenses/concessions for Non-Aeronautical Services. YIAPL has also submitted the documents pertaining to the concessions already awarded to the Independent Consultant appointed by the Authority. Upon reviewing these documents, it is observed that the Licensee/Concessionaire is required to make certain payments common to all license/concession agreements. The list of these payments is given below:

- **Utility Charges:** With effect from the Access Date (i.e. date on which the Licensee/Concessionaire has been provided access rights to the site), the Licensee/Concessionaire is required to pay YIAPL, utility charges for electricity, water, waste disposal (tipping fee), sewerage and analogous utilities. The Authority notes that YIAPL has adjusted recovery from Licensees/Concessionaires towards Utility Charges when computing the aeronautical Utility Expenses. Therefore, the Authority proposes not to consider this charge when determining NAR for the First Control Period.
- **Rental Charges:** The Licensee/Concessionaire is required to pay YIAPL a monthly rental for any additional space allotted by YIAPL in connection with the License/Concession. YIAPL has not considered these charges as part of NAR in its MYTP submission, as it is understood that there was no additional space projected to be utilized by the Licensees/Concessionaires in the First Control Period. Therefore, the Authority also proposes not to consider these charges and to re-examine this at the time of true up in the next Control Period.
- **Common Area Maintenance Charges (CAM):** As per the License/Concession agreements, "*YIAPL shall levy on the Service Provider, common area maintenance charges, which shall be determined reasonably and on a non-discriminatory basis*". YIAPL has neither considered these charges in NAR, nor has it adjusted against O&M expenses in its MYTP submission as the rates had not been finalized at the time of submission of MYTP. In response to a query from the Independent Consultant, YIAPL provided the finalized License/Concession agreements, which include the CAM charges. The Authority has adjusted these charges against Contracted Services (Manpower Outsourcing Cost) as detailed in para 8.2.47. However, in cases where the details were not available, the Authority understands that the CAM charges are still under finalization with the Licensees/Concessionaires and, as such, were not included in the Authority's proposal at the Consultation Stage. YIAPL is directed to submit the finalized CAM charges where available and provide estimates for those that are still being finalized as part of the Stakeholders' comments, so that they can be considered in the Tariff Order.
- **Data & Voice Port Charges and Miscellaneous Charges:** With effect from the Access Date, the Licensee must pay data and voice port charges on per device per month basis. Licensees are also required to pay Miscellaneous Charges for performance audit and various other services. YIAPL has not included these charges as part of NAR in its MYTP submission. However, the Authority has considered an estimate of 1% of NAR towards these charges and has factored the same in its proposal at Consultation stage.
- **Marketing Fund Charges:** The Licensees/Concessionaires shall pay YIAPL as marketing charges, an amount equivalent to 1% (one percent) of the projected/actual Net Sales for provision of service, payable from Airport COD, towards a marketing fund as maintained by YIAPL or any other party as appointed by YIAPL for promoting the Airport. Upon enquiry it is noted that the Marketing Fund collected by YIAPL is likely to be classified as a separate fund in the Balance Sheet of YIAPL.

  The Authority, considering the above explanation and in-line with the stand taken by the Authority in other similar airports, proposes to continue with the practice of treating the collections towards Marketing Fund as an earmarked fund and therefore not to consider it as a part of Non-Aeronautical Revenue.

9.2.3 Most concession agreements contain clauses that require the concessionaire to pay to YIAPL, the higher of the MMG or revenue share. YIAPL has, however, submitted its projection of NAR based on the IPP, which includes some line items based on revenue share and others based on a Minimum Annual Guarantee (MAG) amount. Below are a list of NAR items and the basis for their projection as adopted by YIAPL.

Table 164: Basis of estimation of IPP as submitted by YIAPL for the First Control Period

Sl. No.	Particulars	Basis of Estimation
A	Integrated Warehousing and Logistics Zone (IWLZ)	Upfront Fee & License Fee
B	Advertising & Promotion	MAG
C	Duty Free	MAG
D	Food & Beverage (F&B)	Revenue Share
E	Lounges	Revenue Share
F	Hotel	MAG
G	Space Rentals	Based on area rented & monthly rental
H	Retail	Revenue Share
I	Services	Based on IPP estimated for different Services
J	Mobility	Revenue Share/MAG
K	In-Flight Kitchen (IFK)	MAG
L	IT	Revenue Share
M	Maintenance, Repair & Overhaul (MRO)	Based on area rented & monthly rental
N	Real Estate Revenues	Based on area rented & monthly rental
O	Public Transportation Centre (PTC)	Revenue Share
P	Real State (Admin Block)	Based on area rented & monthly rental
Q	Cargo Fuel Station	Revenue Share

9.2.4 Upon inquiry with YIAPL regarding the rationale for adopting MAG in certain concessions and revenue share in others, the explanation provided was that, according to their estimates, in some contracts, the revenue share was higher than the MAG, while in others, the MAG was higher than the revenue share. However, YIAPL's explanation did not provide sufficient justification or clarity on the specific circumstances under which either revenue share or MAG was adopted.

9.2.5 The Authority has benchmarked most of the IPPs against peer airports where possible and has developed its proposals for this Consultation Paper based on these benchmarks.

9.2.6 Vide mail dated 3rd February 2026, YIAPL informed the Authority that the Airport COD is expected in Q4 of FY 2025-26. Accordingly, the Authority proposes to consider the First Control Period as commencing from 1st April 2026 and extending till 31st March 2031 (refer para 1.2.5).

9.2.7 For the purpose of enabling a meaningful comparison and analysis, the Authority has re-drawn YIAPL’s submission for the revised control period ending FY 2030-31.Towards this, the following adjustments have been made:

- For Advertising & Promotion, Duty Free, Food & Beverage (F&B), Lounges, Services and In-Flight Kitchen (IFK), which are linked to Airport COD as per the respective concession agreements, the projections, as submitted by YIAPL in their MYTP, have been shifted forward by one year to correspond with the revised COD of 1st April 2026. It is noted that the figures for FY 2025–26 as submitted in the MYTP were prorated for 11 months. Since YIAPL has projected the revenue in terms of IPP rather than as full-year aggregate, equivalent full-year numbers for FY 2026–27 cannot be reliably estimated. Therefore, the amount as submitted by YIAPL has been considered for comparison purposes.

- For the remaining heads of Non-Aeronautical Revenue, where agreements are either not yet executed or where revenue accrues from the date of execution of the agreement (such as IWLZ) and is not linked to Airport COD, the projections have been retained as submitted for the respective years.

9.2.8 Considering the above adjustments, the revised Non-Aeronautical Revenue (NAR) for the First Control Period, as drawn up by the Authority based on the Financial Model and aligned to the revised Control Period from FY 2026-27 to FY 2030-31, is presented in the table below. This table will be used for comparison and analysis.

Table 165: Revised Non-Aeronautical Revenue drawn up by the Authority, as YIAPL Submission, for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Integrated Warehousing and Logistics Zone (IWLZ)	14.25	14.63	14.98	15.38	15.80	**75.03**
B	Advertising & Promotion	8.29	15.68	17.31	20.84	25.10	**87.21**
C	Duty Free	5.27	12.91	18.93	25.38	34.80	**97.28**
D	Food & Beverage (F&B)	15.09	33.52	47.22	61.29	83.25	**240.37**
E	Lounges	8.53	23.96	32.15	46.12	60.45	**171.22**
F	Hotel	2.60	2.90	7.75	10.81	12.00	**36.06**
G	Space Rentals	6.50	7.50	8.50	10.06	11.91	**44.47**
H	Retail	22.45	35.18	47.71	67.36	96.12	**268.81**
I	Services	8.40	10.50	13.30	12.50	13.50	**58.20**
J	Mobility	16.98	23.03	34.75	42.98	52.39	**170.13**
K	In-Flight Kitchen (IFK)	-	-	1.37	1.93	2.55	**5.85**
L	IT[#]	0.38	2.27	2.56	2.86	3.00	**11.07**
M	Maintenance, Repair & Overhaul (MRO)	38.42	80.68	84.72	97.42	106.74	**407.99**
N	Real Estate Revenues	2.19	1.88	9.39	13.25	17.55	**44.26**
O	Public Transportation Centre (PTC)	-	-	-	46.63	51.08	**97.71**
P	Real State (Admin Block)	-	-	7.98	10.23	12.92	**31.13**
Q	Cargo Fuel Station	-	-	1.00	1.10	1.20	**3.30**
S	Landside Plaza	-	-	-	-	12.66	**12.66**
	Total NAR before exemptions and other income	**149.36**	**264.63**	**349.60**	**486.14**	**613.01**	**1,862.74**
	Less: Real Estate - Revenues from 24 hectares	2.19	1.88	9.39	12.37	14.52	**40.35**
R	Add: Other income incl. Interest income	16.45	18.91	26.85	48.24	72.95	**183.39**
	Total NAR	**163.61**	**281.66**	**367.06**	**522.01**	**671.44**	**2,005.78**

[#] *Revenue from concession of Neutral Host Services at the Airport*

9.2.9 The Authority's observations and assessment of YIAPL's concession-wise NAR projections are detailed in the following paragraphs.

A. <u>Integrated Warehousing and Logistics Zone (IWLZ) – Rs. 75.03 crores</u>

9.2.10 The Authority notes that YIAPL has already awarded the concession for the construction, operation, maintenance and management of the Integrated Warehousing and Logistics Zone (IWLZ) Facility for a period co-terminus with the Airport Concession on a Design, Built, Finance, Operate and Transfer (DBFOT) basis. According to the Concession Agreement, the IWLZ Project Concessionaire is required to pay YIAPL the following:

Table 166: Revenue entitlement of YIAPL as per the Concession Agreement for Integrated Warehousing and Logistics Zone

Nature of Revenue	Details
Upfront Fee	Clause 1 of Schedule L – The IWLZ Project Concessionaire shall pay to YIAPL an Upfront Fee in equal installments. This Upfront Fee is non-refundable.
License Fee	Clause 2 of Schedule L – In consideration of YIAPL granting the IWLZ Project Concessionaire license to use and access to the IWLZ Facility Area, the IWLZ Project Concessionaire shall pay to YIAPL an annual consideration throughout the Concession Period

9.2.11 The Authority also notes that the Concessionaire is required to pay, in addition to the Upfront Fee and License Fee, Utility Charges and CAM Charges. However, the Authority notes that in the MYTP submission, YIAPL has considered only Upfront Fee and License Fee as given below. The Authority's proposal regarding treatment of Utility Charges and CAM Charges is detailed in para 9.2.2.

Table 167: Breakup of Revenue from Integrated Warehousing and Logistics Zone as drawn up by the Authority (considered as YIAPL's submission)

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Upfront Fee	A	8.36	8.39	8.36	8.36	8.36	**41.84**
License Fee	B	5.89	6.24	6.62	7.01	7.43	**33.19**
Total	**C=A+B**	**14.25**	**14.63**	**14.98**	**15.38**	**15.80**	**75.03**

9.2.12 The Authority notes that as per the Master Concession Agreement for YIAPL, the Cargo Facility includes short-term warehousing. The relevant extract is reproduced below:

"Cargo Facility" means the real estate, building, structures and equipment, as the case may be, required for handling of incoming and outgoing cargo, including short-term warehousing thereof in accordance with the provisions of Article 21 of this Agreement;

Clause 21.1.1. states "*Subject to the Applicable Laws and the Applicable Permits, the Concessionaire shall or cause to, develop, operate and maintain, the Cargo Facilities which shall include the buildings, structures and equipment required for handling of incoming and outgoing cargo,* ***including short-term warehousing*** *thereof in accordance with the provisions of this Agreement, Applicable Laws, relevant ICAO Documents and Annexes and Good Industry Practice.*"

Clause 21.1.2. states "*The Concessionaire shall procure that the Cargo Facilities to be provided hereunder include adequate cargo and parcel space, handling equipment, storage and handling of perishable cargo and dangerous goods, space for cargo agents and customers, inspection area, office space, automation systems, screening equipment, storage facilities, and facilities for mail handling and courier shipments in accordance with the provisions of this Agreement and Good Industry Practice.*"

9.2.13 According to Clause 2 of Schedule A of the Concession Agreement for IWLZ, the scope of services for IWLZ projects and product offerings include Warehousing. The relevant extract is provided below.

"*a. Warehousing Zone ("**Tier III**"): consisting of facilities like BUP Facility, bonded warehousing, consolidation/aggregation centers for freight forwarders, integrators, OEMs, and airlines for the storage, handling or processing of domestic and international cargo. The IWLZ Project Concessionaire shall provide a combination of sub-licensed and common-use facilities in accordance with market demand;*"

9.2.14 Further the Authority notes that as per definition given in the AERA Act, the service provided for Cargo Facility at an airport is an Aeronautical Service. The relevant extract is given below.

"*2. Definitions.—In this Act, unless the context otherwise requires,—*

(a) "aeronautical service" means any service provided—

(i) for navigation, surveillance and supportive communication thereto for air traffic management;

(ii) for the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at an airport;

(iii) for ground safety services at an airport;

(iv) for ground handling services relating to aircraft, passengers and cargo at an airport;

(v) for the cargo facility at an airport;

(vi) for supplying fuel to the aircraft at an airport; and

(vii) for a stake-holder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority;

(b) "airport" means a landing and taking off area for aircrafts, usually with runways and aircraft maintenance and passenger facilities and includes an aerodrome as defined in clause (2) of section 2 of the Aircraft Act, 1934 (22 of 1934);"

9.2.15 The Authority further notes that, in addition to the Warehousing Zone, the scope of the IWLZ Project as defined under Clause 2 of Schedule A of the Concession Agreement also encompasses a Logistics Park and a Trucking Centre. The Logistics Park comprises facilities such as e-commerce distribution and fulfilment centers, e-commerce sorting centers, and food processing facilities, while the Trucking Centre includes truck parking and associated amenities, as well as office space for government and regulatory agencies.

9.2.16 In view of the above, the Authority observes that the activities undertaken within the IWLZ encompass both aeronautical and non-aeronautical components. For the purpose of tariff determination for the First Control Period, the Authority proposes to allocate 75% of the revenue (from upfront fee and license fee) from IWLZ as Aeronautical and the remaining 25% as Non-Aeronautical. This allocation is based on the current estimate that approximately 75% of the IWLZ capacity will be functionally linked with the operations of the cargo terminal and hence classified as aeronautical in nature, while about 25% of the capacity is expected to be independently utilized by third parties for distribution, fulfilment centres and other logistics activities not dependent on the cargo facility. This allocation, however, shall be subject to truing up based on the actual revenue composition observed during the First Control Period, and the same shall be appropriately adjusted at the time of tariff determination for the Second Control Period.

9.2.17 For the purpose of computation of the upfront fee, the Authority notes that, as per the Concession Agreement, Rs. 320 crores, being the upfront payment, is collected in five instalments of Rs. 64 crores, with the first payment received on 6th July 2023. The Authority proposes to consider upfront fee payments as commencing from Airport COD and accruing evenly over the concession period irrespective of the actual payment dates.

9.2.18 For computation of the license fee, the Authority has considered the land area occupied along with the lease rent rate per sq. ft. and the applicable escalation as specified in the Concession Agreement. The Authority further notes that license fee is payable from the date of execution of the agreement.

9.2.19 Based on the above, the Revenue from Integrated Warehousing and Logistics Zone proposed by the Authority for the First Control Period is as detailed below:

Table 168: Revenue from Integrated Warehousing and Logistics Zone proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL							
Revenue from IWLZ	**A**	**14.25**	**14.63**	**14.98**	**15.38**	**15.80**	**75.03**
As per the Authority							
Upfront Fee	B	9.01	9.01	9.01	9.01	9.01	**45.07**
License Fee	C	5.89	6.24	6.62	7.01	7.43	**33.19**
Revenue from IWLZ	**D=B+C**	**14.90**	**15.26**	**15.63**	**16.03**	**16.45**	**78.26**
Non-Aeronautical Revenue from IWLZ (refer para 9.2.16)	**E=D×25%**	**3.73**	**3.81**	**3.91**	**4.01**	**4.11**	**19.57**
*Difference**	*F=E-A*	*(10.53)*	*(10.81)*	*(11.07)*	*(11.37)*	*(11.68)*	***(55.46)***

** On account of considering 75% of Revenue from IWLZ as aeronautical and due to revision in Commercial Operation Date to 1st April 2026.*

B. Advertising & Promotion – Rs. 87.21 crores

9.2.20 The Authority notes that YIAPL has awarded the license for Advertising & Promotion for a period of 7 years from the date of Airport's Commencement of Operations (COD), with an option for YIAPL to extend it by another 7 years under the same terms and conditions. According to the License Agreement, the Licensee is required to pay YIAPL the following:

Table 169: Revenue entitlement of YIAPL as per the License Agreement for Advertising & Promotion

Nature of Revenue	Details
License Fee	Clause 5.4.2 (a) – With effect from Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: Minimum Monthly Guarantee (MMG); or Actual Revenue Share Amount.

9.2.21 The Authority also notes that the Licensee is required to pay, in addition to above, Utility Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL has not projected any income / expense adjustment towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges including Utility Charges, Data and Voice Port Charges and Miscellaneous Charges is detailed in para 9.2.2.

9.2.22 In response to the Independent Consultant's query regarding the basis for estimating the IPP (whether based on MMG or Revenue Share), YIAPL has clarified that " *The revenues of advertisement are derived basis the MMG as per the contract.*" The Authority has checked the rationale for using MMG vs Revenue Share and is given to understand that YIAPL does not anticipate the Licensee to achieve the target revenue as set out in the License Agreement for Advertising & Promotion during the First Control Period.

9.2.23 The Authority has further cross-checked the MMG submitted by YIAPL with the business plan outlined in the License Agreement and found the same to be in order, except for the first tariff year, where YIAPL's projected revenue is lower as compared to the business plan. In this regard, YIAPL, in its response dated 12th December 2024, informed that during the first tariff year, the IPP depends on the handover date of the advertisement site to the Licensee. Hence, YIAPL has assumed a later start date. However, YIAPL has not provided any documentation confirming the exact handover date.

9.2.24 In the absence of any documentary evidence substantiating the delay in handing over the site to the Licensee, the Authority proposes to consider Advertising & Promotion Revenue from the revised Airport COD, i.e. 1st April 2026.

9.2.25 Based on the above analysis and considering the revised Control Period as outline in para 9.2.6, the Authority proposes to consider Advertising & Promotion Revenue for the First Control Period in accordance with the Minimum Annual Guarantee (MAG) specified in the License Agreement.

9.2.26 Accordingly, the Advertising & Promotion Revenue proposed by the Authority for the First Control Period is set out in the table below:

Table 170: Advertising & Promotion Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL							
Advertising & Promotion Revenue	**A**	**8.29**	**15.68**	**17.31**	**20.84**	**25.10**	**87.21**
As per the Authority							
Advertising & Promotion Revenue	**B**	**14.20**	**15.68**	**17.31**	**20.84**	**25.10**	**93.12**
*Difference**	*C=B-A*	*5.91*	-	-	-	-	***5.91***

** On account of rationalizing based on the agreement and considering revenue from Airport COD (1st April 2026) for the full year, as against YIAPL's projection which was prorated for 11 months of operations.*

C. Duty Free – Rs. 97.28 crores

9.2.27 The Authority notes that YIAPL has awarded the license for the development, setting up, financing, operations, maintenance and management of Duty Free Outlets at various locations within the Airport. This license is for a period of 7 years starting from the Airport COD, with an option for YIAPL to extend it by another 7 years under the same terms and conditions. The Duty Free outlets will include those selling duty free items specifically liquor, tobacco, cosmetics (including fragrance and personal care products) and chocolates.

9.2.28 In consideration of the License, the Licensee is required to make the following payments to YIAPL.

Table 171: Revenue entitlement of YIAPL as per the Duty Free License Agreement

Nature of Revenue	Details
License Fee	Clause 5.4.2 (a) – With effect from the Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: Minimum Monthly Guarantee (MMG) (multiplied by the number of Pax in a particular Month); or Actual Revenue Share Amount.

9.2.29 The Authority also notes that the Licensee is required to pay, in addition to above, Utility Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL has not projected any income / expense adjustment towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.30 In response to the Independent Consultant's query regarding the basis for estimating the IPP (whether based on MMG or Revenue Share), YIAPL has clarified that "*The revenues of duty free are derived basis the MMG as per the contract.*" The Authority has reviewed on the rationale for using MMG vs Revenue Share and is given to understand that YIAPL does not anticipate the Licensee to achieve the target revenue outlined in the

Duty Free License Agreement during the First Control Period. The Authority notes the same and proposes to consider the MMG as the basis for estimation of Duty Free revenue for the First Control Period.

9.2.31 Further the Authority has made the following adjustments to the total revenue from Duty Free outlets:

- The Authority notes that the revenue computations in the signed license agreements were based on a "bid traffic" which was the traffic estimated by YIAPL at the time that the RFPs for various license agreements were issued. However, the traffic as per the traffic study conducted by L&B (as detailed in para 4.1.1) indicates different traffic. In a response dated 1st January 2025, YIAPL stated: "*While the IPP shared by the bidders as per the bid traffic has been taken, the revenues in the business plan are calculated as per the traffic study report. Please note that such adjustment of traffic and estimation basis revenue share is an aggressive estimate of NIA with a downward risk.*" Hence the Authority proposes to adjust the MMG with the traffic (specifically international traffic) as per Table 32 as decided by the Authority.
- The Authority also notes that there is a USD vs INR conversion factor factored in the License agreement to arrive at the MMG. The Authority has updated the conversion factor as of December 2025 escalated by inflation to arrive at the MMG in INR for FY 2026-27. For FY 2027-28 onwards, Y-o-Y inflation is taken into consideration to arrive at conversion factor.

9.2.32 The revised revenue from Duty Free License after considering the above is as follows:

Table 172: Duty Free Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL – redrawn submission</u>							
Duty Free Revenue	**A**	**5.27**	**12.91**	**18.93**	**25.38**	**34.80**	**97.28**
<u>As per the Authority</u>							
Calculation Basis/ Methodology applied		**MMG (per international passenger) in USD × Currency Conversion Factor × Inflation for Currency Conversion (FY 27 onwards) × International Pax**					
Duty Free Revenue	**B**	**4.59**	**14.46**	**22.35**	**28.35**	**33.14**	**102.89**
*Difference**	*C=B-A*	*(0.68)*	*1.55*	*3.42*	*2.97*	*(1.66)*	***5.61***

** On account of rationalizing based on the agreement, consideration of traffic estimates proposed by the Authority and considering revenue from Airport COD (1st April 2026) for the full year, as against YIAPL's projection for year 1 which was prorated for 11 months of operations.*

D. <u>Food & Beverage (F&B) – Rs. 240.37 crores</u>

9.2.33 The Authority notes that Food & Beverage (F&B) revenue pertains to licensing of F&B outlets as follows:

- Package 1 comprising F&B outlets measuring 1,308 sqm
- Package 2 comprising F&B outlets measuring 1,265 sqm
- Branded Café
- Anchor Store

9.2.34 The Authority further notes that the License Agreement was executed only for Package 1 & 2. For the Branded Café and Anchor Store, YIAPL has issued a Letter of Intent to Award (LOIA) as per the latest information available.

9.2.35 According to the License Agreement for Package 1 & 2, the Licensees are required to make the following payments to YIAPL.

Table 173: Revenue entitlement of YIAPL as per the License Agreement for Food & Beverage (F&B)

Nature of Revenue	Details
License Fee	Clause 5.4.2 – With effect from the Airport COD until the expiry or termination of the License Term, the F&B Licensee shall be liable to pay a License Fee which shall be the higher of the following: Minimum Monthly Guaranteed (MMG); or Actual Revenue Share Amount.

9.2.36 The Authority further notes that the Licensees are required to pay, in addition to the above, Utility Charges, Data and Voice Port Charges, Rental Charges on additional space, Marketing Fund Charges and Miscellaneous Charges. However, YIAPL has not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.37 The Authority notes that the revenue computations in the LOIA and in the signed license agreements were based on a "bid traffic" which was the traffic estimated by YIAPL at the time that the RFPs for various License/Concession agreements were issued. However, the traffic as per the traffic study conducted by L&B (as detailed in para 4.1.1) indicates a different traffic number. In a response dated 9th January 2025, YIAPL stated: "*While the IPP shared by the bidders as per the bid traffic has been taken, the revenues in the business plan are calculated as per the traffic study report. Please note that such adjustment of traffic and estimation basis revenue share is an aggressive estimate of NIA with a downward risk.*".

9.2.38 The Authority has checked on the rationale for using Revenue Share vs MMG for F&B Revenue and is given to understand that YIAPL during the First Control Period anticipates the Revenue Share to be higher than MMG for F&B revenue. The Authority notes the same and proposes to consider the Revenue Share as the basis for estimation of F&B revenue for the First Control Period.

9.2.39 The Authority has also benchmarked the F&B revenue as projected by YIAPL with similar revenue at other comparable airports like CIAL, BIAL, etc. and notes the same to be in line with the peer airports. Hence the Authority proposes to consider the F&B revenue as submitted by YIAPL except for adjustments as per paragraphs below.

9.2.40 The Authority notes that the total revenue share for F&B Package 1, used by YIAPL for estimating the IPP, is different from the amount specified in the License Agreement. Upon enquiry, YIAPL informed that the revenue share for Package 1 was inadvertently based on LOIA and requested that the revenue share as per the finalized agreement be used for determining the F&B revenue. Hence, the Authority proposes to consider the revenue share as per the License Agreement for F&B Package 1. The Authority verified the submissions of YIAPL with regard to the other three components of the F&B Revenue with the respective License Agreement/LOIA and notes that there are no differences. Hence, the Authority proposes to consider the revenue as submitted by YIAPL for the other three components.

9.2.41 Further the Authority proposes to adjust the revenue from F&B considering the revised traffic, inclusive of exempt passenger, as given in Table 32, in accordance with YIAPL's submission as given in para 9.2.36.

9.2.42 The Authority also notes that YIAPL has projected an increase in space allocated for F&B outlets in FY 2029-30. The Authority has reviewed the same and proposes to consider the corresponding additional revenue from such expansion as submitted by YIAPL for FY 2029-30 and to escalate the same by 5% to arrive at the additional revenue for FY 2030-31.

9.2.43 Based on the above, the F&B Revenue proposed by the Authority for the First Control Period is as per table below:

Table 174: Revenue from Food & Beverage Outlets proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL – redrawn submission							
F&B Revenue	**A**	**15.09**	**33.52**	**47.22**	**61.29**	**83.25**	**240.37**
As per Authority							
Calculation Basis/ Methodology applied		Revenue share as per the signed agreements/ LOIA adjusted for traffic proposed by the Authority in Table 32					
F&B Revenue	**B**	**22.90**	**37.46**	**57.84**	**78.22**	**88.40**	**284.82**
*Difference**	*C=B-A*	*7.81*	*3.94*	*10.62*	*16.93*	*5.15*	***44.45***

** On account of rationalizing based on the agreement, consideration of traffic estimates proposed by the Authority and considering revenue from Airport COD (1st April 2026) for the full year, as against YIAPL's projection for year 1 which was prorated for 11 months of operations.*

E. Lounges – Rs. 171.22 crores

9.2.44 The Authority notes that YIAPL has awarded the License for the designing, development, setting up, financing, operations, maintenance and management of the Lounge(s) for a period of 7 years from Airport COD, with an option given to YIAPL to extend it for an additional 3 years under the same terms and conditions. According to the concession agreement "*YIAPL can exercise such Continuation Right, through the issuance of a written notice to the Licensee in accordance with the procedure set out in Clause 4.3.1 and Clause 4.3.2*". According to the License Agreement, the Licensee is required to pay YIAPL the following:

Table 175: Revenue Entitlement of YIAPL as per the License Agreement for Lounges

Nature of Revenue	Details
License Fee	Clause 5.4.2 – With effect from the Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: (i) Minimum Monthly Guaranteed (MMG) or (ii) Actual Revenue Share Amount

9.2.45 The Authority further notes that the Licensee is required to pay, in addition to the above, the Utility Charges, Data and Voice Port Charges, Rental Charges on additional space and Miscellaneous Charges. However, YIAPL has not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of these other charges is detailed in para 9.2.2..

9.2.46 The Authority notes that the revenue computations in the signed License Agreement was based on a "bid traffic" which was the traffic estimated by YIAPL at the time that the RFPs for various License Agreements were issued. However, the traffic as per the traffic study conducted by L&B (as detailed in para 4.1.1 of Chapter 4) considers a different traffic. In a response dated 9th January 2025, YIAPL stated: "*. While the IPP shared by the bidders as per the bid traffic has been taken, the revenues in the business plan are calculated as per the traffic study report. Please note that such adjustment of traffic and estimation basis revenue share is an aggressive estimate of NIA with a downward risk…"*

9.2.47 The Authority has reviewed the rationale for using Revenue Share vs MMG, and has been informed that YIAPL, during the First Control Period, anticipates the Revenue Share to be higher than MMG. The Authority notes the same and proposes to consider the Revenue Share as the basis for estimation of Lounge revenue for the First Control Period.

9.2.48 Accordingly, the Authority proposes to consider the Lounge revenue as submitted by YIAPL after adjustment for traffic proposed by the Authority as given in Table 32.

9.2.49 The Authority also notes that YIAPL has projected an increase in space allocated for Lounge(s) in FY 2029-30. The Authority has reviewed the same and proposes to consider the corresponding additional revenue from such expansion as submitted by YIAPL for FY 2029-30 and to escalate the same by 5% to arrive at the additional revenue for FY 2030-31.

9.2.50 Based on the above, the Lounge Revenue proposed by the Authority for the First Control Period is detailed below:

Table 176: Lounge Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL – redrawn submission							
Lounge Revenue	**A**	**8.53**	**23.96**	**32.15**	**46.12**	**60.45**	**171.22**
As per Authority							
Calculation Basis/ Methodology applied		Revenue share as per signed license agreement					
Lounge Revenue	**B**	**16.59**	**27.29**	**44.92**	**56.07**	**65.37**	**210.24**
*Difference**	*C=B-A*	*8.05*	*3.32*	*12.77*	*9.95*	*4.92*	***39.02***

** On account of rationalizing based on the agreement, consideration of traffic estimates proposed by the Authority and considering revenue from Airport COD (1st April 2026) for the full year, as against YIAPL's projection for year 1 which was prorated for 11 months of operations.*

F. Hotel – Rs. 36.06 crores

9.2.51 The Authority notes that the license for the development, operation and maintenance of the hotel at NIA has been granted on a DBFOT basis, effective from "Effective Date", i.e. the date of handover of possession of the Project Site by YIAPL to the Licensee, until 30th September 2061. According to the agreement, the Licensee is required to pay YIAPL the following:

Table 177: Revenue Entitlement of YIAPL as per the Hotel License Agreement

Nature of Revenue	Details
License Fee	Clause 4.1.1 – In consideration of the License, the Licensee hereby agrees to pay License Fee on quarterly basis for each Financial Year to YIAPL, the Revenue Share Amount or the Minimum Annual Guaranteed Amount, whichever is higher. Clause 4.1.3 – License Fee shall not be payable for a period of 36 (thirty-six) months from the Effective Date.

9.2.52 In response to the Independent Consultant's query regarding the basis for estimating the revenue (whether based on MMG or Revenue Share), YIAPL has clarified that " *The revenues of hotel are derived basis the MMG as per the contract.*" The Authority has checked on the rationale for using MMG vs Revenue Share and was informed by YIAPL that during the First Control Period, it does not anticipate the Licensee to achieve the target revenue as per the agreement. The Authority notes the same and proposes to consider the MMG as the basis for estimation of the Hotel revenue for the First Control Period.

9.2.53 The Authority notes that the revenue (MAG) submitted by YIAPL was in line with the Business Plan as given in the Hotel License Agreement (HLA) except for the last three tariff years. On enquiring with YIAPL regarding the steep increase in revenue during the last three tariff years of the First Control Period, YIAPL vide response dated 13th December 2024, informed that another hotel is planned to be commissioned from Year 3 onwards and hence had considered 2 times the revenue for Year 3 ,Year 4 and Year 5. The Authority notes YIAPL's response and finds the same to be reasonable.

9.2.54 Based on the response from the airport operator, the handover date for the hotel is April 2023, and operations are expected to commence in FY 2026-27, i.e., 36 months from the handover date as per the agreement. Accordingly, the revenue payable to the airport operator has been taken into account from FY 2026-27 onwards, corresponding to the first full year of operations.

9.2.55 Therefore, the Authority proposes to consider the revenue submitted by YIAPL for the First Control Period as detailed below:

Table 178: Revenue from Hotel proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL – redrawn submission							
Hotel Revenue for the year	**A**	**2.60**	**2.90**	**7.75**	**10.81**	**12.00**	**36.06**
As per the Authority							
Calculation Basis/ Methodology Applied		Minimum Monthly Guarantee as per the contract					
Hotel Revenue	**B**	**2.60**	**2.90**	**7.75**	**10.81**	**12.00**	**36.06**
Difference	*C=B-A*	-	-	-	-	-	**-**

G. Space Rentals – Rs. 44.47 crores

9.2.56 The Authority notes that Space Rentals relates to revenue from renting of space in Passenger Terminal Building (PTB), Office Block West (OBW) and Ground Support Equipment – Airport Maintenance Building (GSE-AMB).

The Authority notes that YIAPL has not yet entered into space rental agreements for the renting of space in these buildings. On inquiry on the basis of estimation of revenue from space rentals, YIAPL clarified vide response dated 25th November 2024 as follows "*This has been estimated based on market research and the available benchmarks*". However, YIAPL has not shared the benchmarks used for estimation, and instead has shared the computation as given below:

Table 179: Basis for estimation of revenue pertaining to Space Rental as submitted by YIAPL

	Area Utilization					Revenue per month				
Building	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
PTB	35.00%	70.00%	75.00%	80.00%	95.00%	18,63,061	39,12,429	44,01,482	49,29,660	61,46,670
OBW	35.00%	65.00%	75.00%	80.00%	85.00%	4,83,854	9,43,516	11,43,106	12,80,278	14,28,310
GSE-AMB	45.00%	65.00%	80.00%	85.00%	85.00%	3,67,343	5,57,136	7,19,992	8,03,241	8,43,403
Total						**27,14,258**	**54,13,081**	**62,64,580**	**70,13,179**	**84,18,383**
Rent revenue per year						**3,25,71,099**	**6,49,56,971**	**7,51,74,956**	**8,41,58,151**	**10,10,20,600**

9.2.57 The Authority notes that there was no information on the rate per sqm in the above table. Hence, YIAPL was requested to provide the area rented out in each of the three buildings. YIAPL in their response dated 9th January 2025, informed that 2,947 sqm, 657 sqm and 2,532 sqm area out of 1,37,985 sqm, 9,805 sqm and 6,535 sqm respectively are expected to be rented out in PTB, OBW and GSE-AMB during the First Control Period. The remaining area was expected to be used by NIA for its own use.

9.2.58 With respect to the area utilization submitted by YIAPL, the Authority was informed that the area is proposed to be rented out in a phased manner given in the table above and finds this estimate to be reasonable.

9.2.59 Based on the above response, the Authority notes that the rate per sqm for each of the buildings is as follows:

Table 180: Rate per sqm estimated by the Authority for Space Rental based on YIAPL's response

Particulars	Area in sqm	FY26	FY27	FY28	FY29	FY30
PTB	2,947	1,806.25	1,896.57	1,991.40	2,090.97	2,195.51
OBW	657	2,104.17	2,209.38	2,319.85	2,435.84	2,557.63
GSE-AMB	2,532	322.40	338.52	355.45	373.22	391.88
Weighted avg. rate per sqm per month		**1,225.85**	**1,287.14**	**1,351.50**	**1,419.07**	**1,490.02**
% y-o-y increase			*5.00%*	*5.00%*	*5.00%*	*5.00%*

9.2.60 Given that the space has not yet been rented to concessionaires or airlines, the Authority has benchmarked the rate per sqm for Space Rental with the weighted average rate per sqm considered by the Authority for other similar airports and notes that the weighted average rate per sqm per month, estimated for NIA is comparable with the rate considered by the Authority for recent other greenfield airports.

9.2.61 The Authority has reviewed YIAPL's submissions as presented in Table 125 and notes that YIAPL has classified the entire Space Rental income as non-aeronautical, irrespective of nature of the concessionaire. This includes rentals received from Airlines and Ground Handling Concessionaire (GSE-AMB area), both of whom are engaged in the provision of Aeronautical Services as defined under the AERA Act. YIAPL has clarified, except for the GSE-AMB area, the "Concessionaires" referred to in the table pertains exclusively to non-aeronautical concessionaires.

9.2.62 In view of the above, the Authority proposes to classify space rental income received from Airlines and the Ground Handling Concessionaire (entire GSE-AMB area) as Aeronautical Revenue and accordingly exclude the same from computation of revenue from Space Rental as part of NAR for the First Control Period at NIA.

9.2.63 For FY 2030-31, the Authority has estimated Space Rental revenue by retaining the Area Utilization at the same level as FY 2029-30 and by escalating the monthly rate per sqm for FY 2029-30 based on the three-year CAGR of the respective rates for PTB, OBW and GSE-AMB.

9.2.64 Based on the above, the revenue from Space Rental proposed to be considered by the Authority for the First Control Period at NIA is as detailed below:

Table 181: Revenue from Space Rentals proposed by the Authority for the First Control Period

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
<u>As per YIAPL – redrawn submission</u>							
Revenue from Space Rental	**A**	**6.50**	**7.50**	**8.50**	**10.06**	**11.91**	**44.47**
<u>As per Authority</u>							
Area allocated to Concessionaires in sqm (refer Table 126)							
PTB	B	1,052	1,052	1,052	1,052	1,052	
OBW	C	437	437	437	437	437	
GSE-AMB	D	-	-	-	-	-	
Total Area	**E=B+C+D**	**1,489**	**1,489**	**1,489**	**1,489**	**1,489**	
Area Utilization (refer Table 179)							
PTB	F	70.00%	75.00%	80.00%	95.00%	95.00%	
OBW	G	65.00%	75.00%	80.00%	85.00%	85.00%	
GSE-AMB	H	65.00%	80.00%	85.00%	85.00%	85.00%	

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Rental in Rs. per sqm per month (refer Table 180)							
PTB	I	1,896.57	1,991.40	2,090.97	2,195.51	2,305.29	
OBW	J	2,209.38	2,319.85	2,435.84	2,557.63	2,685.52	
GSE-AMB	K	338.52	355.45	373.22	391.88	411.47	
Annual Rental in Rs. crores							
PTB	L=B×F×I×12	1.68	1.89	2.11	2.63	2.76	**11.07**
OBW	M=C×G×J×12	0.75	0.91	1.02	1.14	1.20	**5.02**
GSE-AMB	N=D×H×K×12	-	-	-	-	-	**-**
Total Annual Rental	**O=L+M+N**	**2.43**	**2.80**	**3.13**	**3.77**	**3.96**	**16.10**
*Difference**	*P=O-A*	*-4.07*	*-4.70*	*-5.37*	*-6.29*	*-7.95*	***-28.37***

**On account of consideration of the area rented to only non-aeronautical concessionaire/service providers.*

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

H. <u>Retail – Rs. 268.81 crores</u>

9.2.66 The Authority notes that YIAPL has licensed the development, setting up, finance, operations, maintenance and management of retail outlets for a period of four years starting from Airport COD extendable by further three years under the same terms and conditions.

9.2.67 According to the License Agreement for retail outlets, the Licensee is required to pay YIAPL the following:

Table 182: Revenue Entitlement of YIAPL as per the License Agreement for Retail Outlets

Nature of Revenue	Details
License Fee	Clause 5.4.2 (a) – With effect from the Airport COD until the expiry or termination of the License Term, the Licensee shall be liable to pay a License Fee which shall be the higher of the following: (i) Minimum Monthly Guaranteed (MMG) (multiplied by the number of Pax in a particular Month); or (ii) Actual Revenue Share Amount.

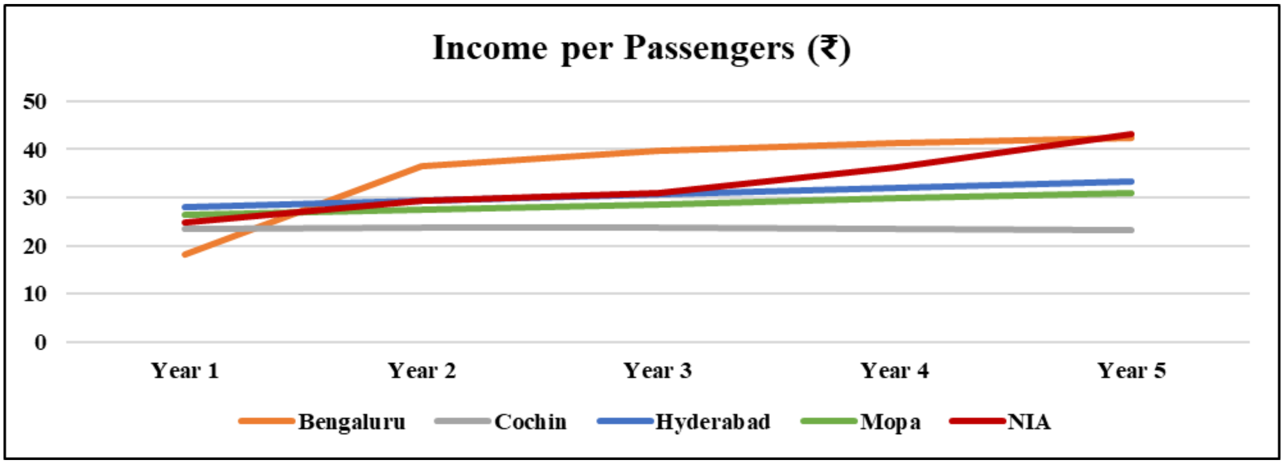
9.2.68 The Authority further notes that the Licensee is required to pay, in addition to above, the Utility Charges, Data and Voice Port Charges, Rental Charges on additional space, Marketing Fund Charges and Miscellaneous Charges. However, YIAPL has not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.69 In response to the Independent Consultant's query regarding the basis for estimating the IPP (whether based on MMG or Revenue Share), YIAPL has clarified that "*The IPP considered in the business plan is as per the revenue share.*"

9.2.70 The Authority has checked on the rationale for using Revenue Share vs MMG and was informed that YIAPL anticipates the Revenue Share to be higher than MMG during the First Control Period. The Authority notes the same and proposes to consider the Revenue Share as the basis for estimation of F&B revenue for the First Control Period.

9.2.71 The Authority has therefore benchmarked the Income Per Passenger (IPP) submitted by YIAPL against the IPP approved by the Authority in the latest order of other airports, namely Bengaluru, Cochin, Hyderabad and Mopa (Goa) as shown in the figure below.

Figure 9: Comparison of IPP submitted by YIAPL and approved by the Authority for other Airports



9.2.72 The Authority notes that the IPP for NIA is the lowest amongst peer airports in the first tariff year but gradually increases over the remaining Control Period, eventually exceeding that of the compared airports.

9.2.73 The Authority, recognizing the potential for further growth in Retail Revenue in the first tariff year, proposes to increase the revenue submitted by YIAPL by 25%. For the remaining tariff years, the Authority proposes to consider the revenue as submitted by YIAPL.

9.2.74 Considering the above, the Retail Revenue proposed by the Authority for the First Control Period is detailed below.

Table 183: Retail Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL – redrawn submission							
Retail Revenue for the year	**A**	**22.45**	**35.18**	**47.71**	**67.36**	**96.12**	**268.81**
As per the Authority							
Calculation Basis/ Methodology Applied		Minimum Monthly Guarantee as per the license agreement (subject to increase in first few years as per para 9.2.73)					
Retail Revenue for the year	**B=A×(1+C)**	**28.06**	**35.18**	**47.71**	**67.36**	**96.12**	**274.42**
% increase	C		0.00%	0.00%	0.00%	0.00%	
Difference	*D=B-A*	*5.61*	-	-	-	-	***5.61***

**On account of rationalizing as mentioned in para 9.2.73.*

I. Services – Rs. 58.20 crores

9.2.75 The Authority notes that the Services revenue includes income from various concessionaires such as pharmacy, baby care room, forex, smoking lounges, EV charging stations, etc. YIAPL has calculated this revenue based on the estimated IPP during the First Control Period.

9.2.76 Upon inquiry with YIAPL regarding the breakdown of the IPP, YIAPL provided the following details for the IPP used to estimate Services revenue for FY 2025-26.

Table 184: Basis for estimation of IPP pertaining to Services as submitted by YIAPL

Service Head	IPP in Rs.
Forex	0.50
Spa	1.29
Baby Care Rooms	0.39
Smoking Rooms	1.41
Personal assistance	0.65
Porter Service	0.31
PRM services	0.08
Wi-Fi sponsorship	0.05
Cigarette kiosk	0.71
Other minor contracts – cloak room, bank, charging stations, baby pram, pet assistance etc.	1.45
Total	**6.83**

9.2.77 The Authority, through its Independent Consultant, enquired on the status of contracting these concessions. The response received from YIAPL is tabulated in table below:

Table 185: Status of contracting of the Service concessions

Service Head	Status of concessioning
Forex	License Agreement signed
Spa	Process of concessioning not started
Baby Care Rooms	Letter of Intent to Award (LOIA) has been issued
Smoking Rooms	RFQ issued
Personal assistance	Process of concessioning not started
Porter Service	Process of concessioning not started
PRM services	Process of concessioning not started
Wi-Fi sponsorship	Process of concessioning not started
Cigarette kiosk	RFQ issued
Other minor contracts – cloak room, bank, charging stations, baby pram, pet assistance, etc.	EV Charging Stations RFQ issued, Draft License Agreement for Fuel Station issued for signature

9.2.78 The Authority notes, upon review of License Agreement/LOIA/RFQ, that the Service Provider is required to pay License Fee to YIAPL, which is the higher of Minimum Monthly Guarantee (MMG)/Monthly Rental Charges or the actual Revenue Share amount.

9.2.79 In response to the Independent Consultant's query regarding the basis for estimating the IPP for "Services" (whether based on MMG or Revenue Share), YIAPL in their response dated 9th January 2025, stated that ".... *These are based on internal and market assessment of NIA. In this regard, further assumptions/ calculations are not available.*"

9.2.80 YIAPL has provided the license agreements for Fuel Stations and Foreign Exchange Counters only, since the others are in the process of getting finalized. The Authority also notes that the Licensees are required to pay, in addition to above, Utility Charges, CAM Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL has not projected any income towards these charges in their MYTP submission. The Authority's proposal regarding the treatment of other charges is detailed in para 9.2.2.

9.2.81 The Authority reviewed the draft license agreement for Fuel Stations shared by YIAPL, which was included under "Other minor contracts" in YIAPL's submission. The IPP for Fuel Stations as per the draft license agreement works out to Rs. 2.24. However, YIAPL had submitted an IPP of only Rs. 0.74 for the same in their MYTP projection. Upon enquiry, it was informed that YIAPL's submission was an estimate, and the Authority was requested to consider the amount as per the draft license agreement. Hence the Authority proposes to consider revenue from Fuel Stations as per the finalized license agreement.

9.2.82 The Authority noted that, upon review of the License Agreement for Foreign Exchange Counters shared by YIAPL, the MMG as per the agreement was higher than the revenue projected by YIAPL. Therefore, the Authority proposes to consider the MMG derived from the License Agreement.

9.2.83 Considering the above, the Authority proposes to recompute the revenue for FY 2025-26 based on the terms of these License Agreements for Foreign Exchange Counters, Baby Care Rooms and Fuel Stations.

9.2.84 The Authority proposes to first estimate the Services revenue for the first tariff year and thereafter apply the inflation percentage as indicated in the agreement or as per WPI inflation if there is no inflation percentage indicated in the agreement. For this purpose, the Authority has carried out the following steps:

- Since majority of the concession agreements for "Services" are not yet signed, the Authority proposes to take the first tariff year revenue as submitted by YIAPL except for the cases where concession agreement has been provided by YIAPL.
- The Authority proposes to benchmark the revenue for FY 2025-26 with those of peer airports for the same year.
- If the benchmarking is found suitable, the Authority proposes to extrapolate the numbers as submitted by YIAPL with inflationary changes for the remaining years of the First Control Period.

9.2.85 For other services listed in Table 184, the Authority proposes to consider the IPP submitted by YIAPL in their responses and true up based on actuals at the time of determination of tariff for the Second Control Period. The revised IPP breakdown for FY 2025-26 proposed by the Authority after consideration of license fee as per License Agreement for Foreign Exchange Counters and Fuel Stations is as follows:

Table 186: Revised IPP proposed to be considered by the Authority for the first tariff year of the First Control Period

Service Head	Ref.	IPP (Rs.)
Forex	A	0.95
Spa	B	1.29
Baby Care Rooms	C	0.69
Smoking Rooms	D	1.41
Personal assistance	E	0.65
Porter Service	F	0.31
PRM services	G	0.08
Wi-Fi sponsorship	H	0.05
Cigarette kiosk	I	0.71
Fuel Station	J	2.24
Other minor contracts - cloak room, bank, charging stations, baby pram, pet assistance, etc.	K	0.71
Total IPP for the year	**L=SUM (A:K)**	**9.09**

9.2.86 Given that no license agreement has been entered into for majority of the services, the Authority has benchmarked the revised IPP computed by the Authority for FY 2025-26 against the IPP approved by the Authority for FY 2025-26 in the latest order for other airports, namely Bengaluru and Hyderabad.

9.2.87 The Authority notes that the revised IPP for NIA is in similar range to the average for these airports, for FY 2025-26.

9.2.88 For the First Control Period, the Authority proposes to estimate Service revenue based on the following:

- Consider year-wise inflation rates as per the Authority's proposal (refer Table 112) to project the IPP for the tariff years from FY 2026-27 onwards, and
- Consider the revised passenger traffic as proposed by the Authority for the First Control Period (refer Table 32).

9.2.89 Considering the above, the Services Revenue proposed by the Authority for the First Control Period is detailed below:

Table 187: Services Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
Services Revenue for the year	**A**	**8.40**	**10.50**	**13.30**	**12.50**	**13.50**	**58.20**
As per the Authority							
Services Revenue for the year	**B**	**6.31**	**9.89**	**14.95**	**18.54**	**21.11**	**70.80**
*Difference**	*C=B-A*	*(2.09)*	*(0.61)*	*1.65*	*6.04*	*7.61*	***12.60***

**Based on traffic estimates proposed by the Authority, change in inflation rates applied by the Authority and rationalizing based on the agreement.*

9.2.90 The Authority directs YIAPL to submit contracts pertaining to the remaining unawarded services, to the extent such contracts have been concessioned, during the consultation process.

J. Mobility – Rs. 170.13 crores

9.2.91 The Authority notes that the Mobility revenue pertains to the revenue from car park, app-based car services, postpaid taxis, etc., which YIAPL has estimated based on IPP for the First Control Period.

9.2.92 Further, in their response dated 27th December 2024 to the queries by the Independent Consultant, YIAPL has provided the break-up of the IPP in table below:

Table 188: Basis for estimation of IPP pertaining to Mobility as submitted by YIAPL

(Rs. per pax)

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Car Park (Self Concession) - excl app-based cabs	5.53	5.81	6.10	6.40	6.72
App-based car services	8.63	8.63	8.63	11.51	11.51
Postpaid taxis	2.00	2.10	2.21	2.32	2.43
Other minor contracts - Car wash, mechanic, etc.	2.43	2.30	2.29	2.32	2.39
Total	**18.60**	**18.84**	**19.23**	**22.55**	**23.05**

9.2.93 The Authority notes that while YIAPL is yet to award the contract for any of the taxi services and car parking, the AO has issued the LOIA for Branded Taxi which forms part of "Other minor contracts". As per the LOIA for Branded Taxi, the license will be for a period of 5 years from Airport COD, with the Licensee required to make the following payments to YIAPL in lieu of the License to operate at the airport.

Table 189: Revenue Entitlement of YIAPL as per the RFP issued for use of Branded Taxi from and to the Airport

Nature of Revenue	Details
License Fee	Clause 4.3.2 (a) – The Licensee shall, in consideration of the License granted by YIAPL, pay to YIAPL the License Fee which shall include the higher of: (i) Minimum Monthly Guarantee (MMG); and (ii) Actual Revenue Share Amount. Clause 4.3.2 (b) – In addition to the above, the License Fee shall also include the fixed monthly rental amount for the Locations used by the Licensee

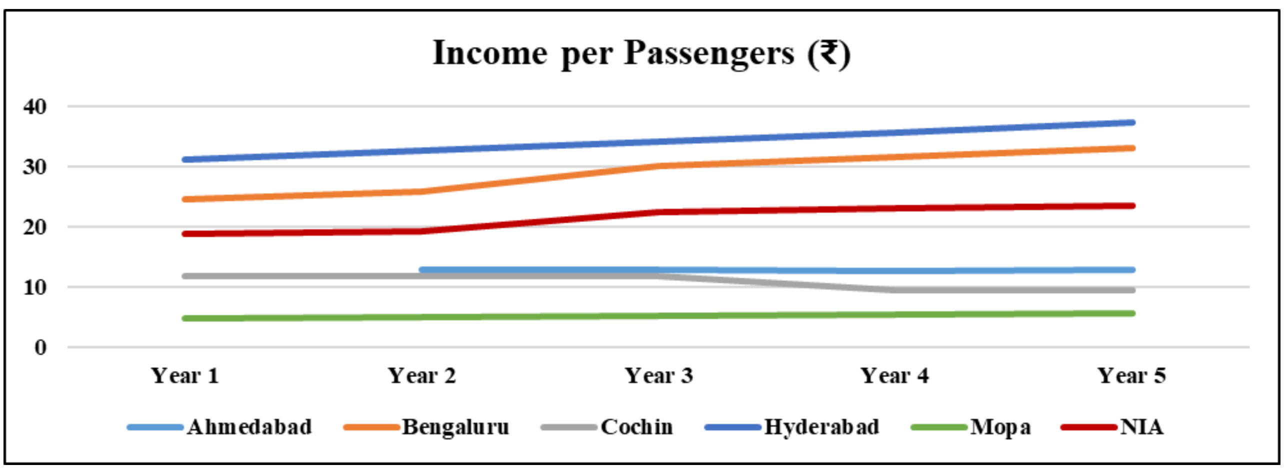
9.2.94 Additionally, the Licensee is required to pay the Utility Charges, Data and Voice Port Charges, Marketing Fund Charges and Miscellaneous Charges. However, YIAPL has not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.95 Further, in the response dated 20th January 2025, YIAPL shared the Letter of Intent to Award (LOIA) issued to a prospective Licensee shortlisted for the License to procure, finance, brand, operate, maintain, and manage Branded Taxi for NIA. The LOIA provides the revenue share payable by the Licensee in each year of the License Term.

9.2.96 Furthermore, in their response dated 9th January 2025, YIAPL stated that "*The revenue per taxi is based on internal and market assessments.*"

9.2.97 Considering that no license agreement has been entered into for any other mobility related services the Authority has benchmarked the Income Per Passenger submitted by YIAPL against the IPP approved by the Authority in the latest order of other airports, namely Ahmedabad, Bengaluru, Cochin, Hyderabad and Mopa (Goa) as shown in the figure below:

Figure 10: Comparison of IPP for Mobility submitted by YIAPL and approved by the Authority for other Airports



9.2.98 Based on the above analysis, the Authority notes that the IPP submitted by YIAPL is broadly in line with the average for these airports. Accordingly, the Authority proposes to consider the Mobility revenue as per financial model submitted by YIAPL for the First Control Period.

9.2.99 The Mobility Revenue proposed by the Authority for the First Control Period is detailed below:

Table 190: Mobility Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
Mobility Revenue for the year	**A**	**16.98**	**23.03**	**34.75**	**42.98**	**52.39**	**170.13**
As per the Authority							
Mobility Revenue for the year	**B**	**16.98**	**23.03**	**34.75**	**42.98**	**52.39**	**170.13**
Difference	*C=B-A*	-	-	-	-	-	-

9.2.100 The Authority directs YIAPL to submit the contracts pertaining to the unawarded mobility services, to the extent such contracts have been concessioned, during the consultation process.

K. In-Flight Kitchen (IFK) – Rs. 5.85 crores

9.2.101 The Authority notes that YIAPL has awarded the concession for In-Flight Kitchen (IFK) Facility for a period co-terminus with the Airport Concession on a DBFOT basis. According to the Concession Agreement for IFK, the Concessionaire is required to pay YIAPL the following:

Table 191: Revenue Entitlement of YIAPL as per the Concession Agreement for In-Flight Kitchen

Nature of Revenue	Details
Revenue Share and MAG	Clause 1.2 (a) of Schedule H – On and from the Commencement Date and until the expiry of the calendar month in which the second anniversary of the Commencement Date falls (“QMAG Moratorium”), the IFK Concessionaire shall be liable to pay YIAPL, on a monthly basis, at the end of each month, Revenue Share Amount calculated on the basis of the actual Gross Revenue for each month. Clause 1.2 (b) of Schedule H – On and from expiry of QMAG Moratorium, the IFK Concessionaire shall be liable to pay YIAPL for each Financial Year, the MAG, based on the Projected Gross Revenue for each such Financial Year as submitted by the Successful Bidder in its response to RFP.
License Fee	Clause 2 of Schedule H – In consideration of YIAPL granting the IFK Concessionaire license to use and access to the In-Flight Kitchen Facility Area, the IFK Concessionaire shall pay to YIAPL an annual consideration throughout the Concession Period at a rate sq. ft. of In-Flight Kitchen Facility Area for the First Financial Year and shall be subject to escalation by, higher of: (a) 5%; (b) change in Price Index Clause 2.5 of Schedule H, - the License Fee shall be escalated with respect to every 5th Financial Year from the Airport COD by 10% or such number as may be mutually agreed between IFK Concessionaire and YIAPL, whichever is higher.

9.2.102 The Authority notes that the Revenue Share for first 10 years of the concession period and the Minimum Annual Guarantee (MAG) are provided in the IFK Concession Agreement.

9.2.103 The Authority also notes that the Concessionaire is required to pay the Utility Charges and CAM Charges. However, YIAPL has not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority’s proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.104 It was noted that YIAPL has estimated the revenue only from FY 2027-28 and not from Airport COD. In this regard, YIAPL, vide its response dated 25th November 2024, informed that “*...There is moratorium period of two years from COD.*”

9.2.105 However, the Authority notes that according to Clause 1.2 (a) of Schedule H of the Concession Agreement, the moratorium applies only to the payment of MAG. The Concessionaire is still required to pay both the Revenue Share calculated on the actual gross revenue and the License Fee to YIAPL. The Authority discussed the same with YIAPL and noted that while the License Fee needs to be considered for the first two years, the Revenue Share shall be accounted for based on the actual gross revenue at the time of the tariff determination for the next Control Period. Accordingly, the Authority proposes to consider only the License Fee for the first two tariff years, as presented in Table 191.

9.2.106 The In-Flight Kitchen (IFK) Revenue proposed by the Authority for the First Control Period is detailed below:

Table 192: In-Flight Kitchen (IFK) Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
IFK Revenue for the year	**A**	**-**	**-**	**1.37**	**1.93**	**2.55**	**5.85**
As per the Authority							
Calculation Basis/ Methodology Applied		**MAG + License Fee as per the signed concession agreement**					
IFK Revenue for the year	**B**	**1.44**	**1.51**	**2.96**	**3.60**	**4.30**	**13.81**
*Difference**	*C=B-A*	*1.44*	*1.51*	*1.59*	*1.67*	*1.75*	***7.96***

* *On account of rationalizing based on the agreement.*

L. IT – Rs. 11.07 crores

9.2.107 The Authority notes that the IT revenue pertains to the concession of Neutral Host Services (NHS) at the Airport. YIAPL has computed the IT revenue based on the estimated IPP during the First Control Period.

9.2.108 The Authority notes that the AO has concessioned the construction, installation and commissioning of the NHS Facility on DBFOT basis for a period of 10 years starting from Airport COD, extendable by an additional 2 years. According to the Concession Agreement, the Service Provider is expected to pay YIAPL the following:

Table 193: Revenue Entitlement of YIAPL as per the Concession Agreement for Neutral Host Services

Nature of Revenue	Details
Service Fee	Clause 12.2.1 – With effect from the Airport COD until expiry of the Term, the Service Provider shall be liable to pay the Actual Revenue Share Amount as Service Fee.
License Fee	Clause 12.3 – Commencing from the handover of the land, the Service Provider shall pay a monthly license fee for space/area including area allotted by YIAPL to the Service Provider for the NHS Facility. The License Fee is subject to an annual escalation of 5% for the 1st 3 years and thereafter shall be recalculated and notified by YIAPL.

9.2.109 The Authority notes that the Concessionaire is required to pay, in addition to the above, Utility Charges and CAM Charges. However, YIAPL has not projected any income towards these charges in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.110 YIAPL, in its response dated 9th January 2025, has informed that the site is yet to be handed over to the Service Provider. YIAPL has also provided the basis for the IPP used in estimating the IT revenue as follows:

Table 194: Basis for estimation of IPP for IT as submitted by YIAPL

(Rs. in crores)

Particulars	FY 26	FY 27	FY 28	FY 29	FY 30
Gross Revenue	-	3.16	12.97	13.62	14.30
Revenue share (%)	0.00%	12.50%	15.10%	18.80%	20.00%
Revenue share	**-**	**0.40**	**1.96**	**2.56**	**2.86**
Pax traffic (MPPA)	5.94	9.01	11.98	15.41	18.65
IPP (Rs.)	**-**	**0.44**	**1.64**	**1.66**	**1.53**

9.2.111 The Authority has reviewed the above submission and notes that YIAPL has projected the Gross Revenue with a year-on-year increase of 5%, starting from FY 2026-27 (revenue projected for approx. 3 months) and not from the Airport COD. On enquiry with YIAPL on the same, it was noted that the projections submitted in the MYTP were based on assumptions at the time of pre-bid. However, as per the License Agreement signed in January 2024 the revenue is payable from Airport COD. Hence, the Authority proposes to consider the service fee and other revenue as payable from Airport COD, i.e. 1st April 2026.

9.2.112 The Authority also notes that the Revenue Share percentage considered by YIAPL in their projection (refer Table 194) is not in line with the signed License Agreement.

9.2.113 Based on the above analysis, the Authority proposes to estimate the IT Revenue for the First Control Period based on the following assumptions:

- In the absence of revenue share figures in the License Agreement, the Gross Revenue for FY 2026-27 has been back-calculated based on the FY 2027-28 revenue figures submitted by YIAPL, assuming a constant annual growth rate of 5% as indicated in YIAPL's response to the Independent Consultant's query.

Table 195: Estimation of Gross Revenue for IT for FY 2026-27 based on FY 2027-28 revenue submitted by YIAPL

(Rs. in crores)

Particulars	Ref	FY 27	FY 28
Gross Revenue	A=Next FY A/(1+B)	12.35	12.97
Escalation %	B	5%	5%

9.2.114 The IT Revenue proposed by the Authority for the First Control Period is detailed below:

Table 196: IT Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
IT Revenue for the year	**A**	**0.38**	**2.27**	**2.56**	**2.86**	**3.00**	**11.07**
As per the Authority							
Service Fee							
Gross Revenue (refer Table 194 and Table 195)	B	12.35	12.97	13.62	14.30	15.02	**68.26**
Revenue Share %	C	12.50%	17.50%	20.00%	20.00%	20.00%	
Service Fee for the year	**D=B×C**	**1.54**	**2.27**	**2.72**	**2.86**	**3.00**	**12.40**
License Fee							

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Min. area as per Concession Agreement in sqm	E	179.15	179.15	179.15	179.15	179.15	
Min. area in sq. ft.	F=E×10.76	1,928.35	1,928.35	1,928.35	1,928.35	1,928.35	
Monthly rate per sq. ft. in Rs.	G=Prev. FY G×(1+H)	31.50	33.08	34.73	36.47	38.29	
Escalation %	H		5.00%	5.00%	5.00%	5.00%	
Min. License Fee for the year	**I=F×G×12**	**0.07**	**0.08**	**0.08**	**0.08**	**0.09**	**0.40**
IT Revenue for the year	**J=D+I**	**1.62**	**2.35**	**2.80**	**2.94**	**3.09**	**12.80**
Difference	*K=J-A*	*1.24*	*0.08*	*0.25*	*0.08*	*0.09*	***1.73***

** On account of rationalizing based on the agreement.*

M. Maintenance, Repair and Overhaul (MRO) – Rs. 407.99 crores

9.2.115 The Authority notes that YIAPL has not entered into an agreement for concessioning of MRO service at NIA. Additionally, the Authority notes that in their response dated 25th November 2024, YIAPL provided the following basis for the IPP submitted in the MYTP:

Table 197: Basis of estimation of IPP pertaining to MRO as submitted by YIAPL

Particulars	Ref.	Year 1	Year 2	Year 3	Year 4	Year 5
Area in acres	A	12.00	20.00	40.00	40.00	40.00
Area in sq. ft.	**B=A×43,560**	**5,22,720**	**8,71,200**	**17,42,400**	**17,42,400**	**17,42,400**
Monthly Rate per sq. ft. in Rs.	C	35.00	36.75	38.59	40.52	46.59
Escalation (%)	D		5.00%	5.00%	5.00%	15.00%
Annual Revenue in Rs. crores	**E=B×C×12**	**20.12***	**38.42**	**80.68**	**84.72**	**97.42**
Passenger traffic in MPPA	F	5.94	9.01	11.98	15.41	18.65
IPP in Rs.	**G=E×10÷F**	**33.88**	**42.64**	**67.35**	**54.97**	**52.24**

**Prorated based on the days of operation within the year, taking into account the Commercial Operation Date of 30th April 2025*

9.2.116 On enquiring with YIAPL on the basis for arriving at rate per sq. ft. in the projections submitted, YIAPL in their response dated 9th January 2025, stated that the rate as given in the table "*is based on internal and market assessment of NIA*".

9.2.117 The Authority notes that MRO service is for providing maintenance and repair of aircraft to facilitate Aeronautical Services. Therefore, the Authority proposes to consider the revenues from MRO service as Aeronautical. Further, the Authority directs YIAPL to submit the contracts pertaining to MRO, to the extent such contracts have been concessioned, during the consultation process.

N. Real Estate Revenues – Rs. 44.26 crores

9.2.118 The Authority notes that the Real Estate Revenues pertain to revenue from the development of two land parcels on the landside of the Airport, measuring 24 Ha and 46 Ha respectively. Additionally, the Authority notes that YIAPL has projected revenue from 46 Ha land parcel only in the last tariff year of the First Control Period.

9.2.119 The Authority also notes that YIAPL has excluded the real estate revenue from 24 Ha land parcel from the total NAR used for cross-subsidization as indicated in Table 162. This is in accordance with Clause 28.1.3 of the Master Concession Agreement, the relevant extract of which is reproduced below:

"The revenue generated from City Side Development on 24 hec land as stated in clause 1.3 of Annex 1 Schedule A shall not be considered for the purpose of cross-subsidization of Aeronautical Tariff determination by AERA."

9.2.120 Based on the above, the Authority proposes to consider only the real estate revenue from the 46 Ha land parcel as part of NAR used for cross-subsidization during the First Control Period.

9.2.121 On enquiry with YIAPL on the reason for projecting the revenue from 46 Ha land parcel only from the last tariff year, YIAPL in their response dated 25th November 2024, provided the following reason for the delay in generating revenue from 46 Ha land parcel:

"The decision to delay real estate revenue generation at Noida International Airport (NIA) is justified by the current uncertainty surrounding demand in this greenfield airport context. A market assessment of the 46 hectares allocated for real estate development revealed a lack of encouraging responses from potential investors at this stage. Further, NIA in its earlier submission (refer para 8.1.4 of the previous MYTP) has already submitted that the revenue estimates for non-aeronautical activities were aggressive and sensitive to various assumptions, raising the risk of downward revisions."

9.2.122 The Authority notes that YIAPL has estimated that this real estate block would be developed into a full-fledged office complex with space being let out to various tenants by area. Upon enquiry, YIAPL provided the basis for estimation of revenue from 46 Ha land parcel as follows:

Table 198: Basis of estimation submitted by YIAPL for the Real Estate Revenues generated from 46 Ha land parcel on the landside of Noida International Airport

Particulars	Ref.	FY 30
Projected Areas for Office Space in sq. ft.	A	1,66,667
Rate (annual) per sq. ft.	B	590.98
Revenue Share in Rs. crores	**C=A×B**	**9.85**
Less: 10% operating expenses in Rs. crores	D=C×10%	0.98
Net Revenue to Concessionaire in Rs. crores	**E=C–D**	**8.86**
Revenue Share with NIA (%)	F	10.00%
Anticipated revenue for NIA in Rs. crores	**G=E×F**	**0.89**

9.2.123 The Authority notes that the rate per sq. ft. projected by YIAPL is lower compared to the rate for office space rental in OBW (refer Table 181). However, the Authority notes that the office rental market in Jewar is still in the nascent stage and not comparable to more established markets in other cities. Therefore, the Authority proposes to consider the rent projections as submitted by YIAPL for the 46 hectares land parcel and proposes to true up the Real Estate Revenue at the time of tariff determination for the next Control Period.

Table 199: Real Estate Revenues proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
24 Ha*	A	2.19	1.88	9.39	12.37	14.52	**40.35**
46 Ha	B	-	-	-	0.89	3.03	**3.91**
Real Estate Revenues	**C=A+B**	**2.19**	**1.88**	**9.39**	**13.25**	**17.55**	**44.26**
As per the Authority							
24 Ha	D	-	-	-	-	-	**-**
46 Ha	E	-	-	-	0.89	3.03	**3.91**
Real Estate Revenues	**F=D+E**	**-**	**-**	**-**	**0.89**	**3.03**	**3.91**
*Difference**	*G=F-C*	*(2.19)*	*(1.88)*	*(9.39)*	*(12.37)*	*-14.52*	***-40.35***

**Not considered for cross subsidization*

O. Public Transportation Centre (PTC) – Rs. 97.71 crores

9.2.124 The Authority notes that the revenue from the Public Transportation Centre (PTC) pertains to the retail and F&B outlets in the PTC, which is proposed to be developed near the main entrance of the airport and becomes operational only in FY 2029-30.

9.2.125 In its response dated 25th November 2024, YIAPL stated, "*Additional retail, F&B and services are planned at Public Transportation Centre (PTC) will contribute to the IPP. This has been estimated based on market research and the available benchmarks of executed contracts.*"

9.2.126 Further, in response dated 12th December 2024, YIAPL provided a detailed breakdown of the revenue. The basis for estimation is summarized as follows:

Table 200: Summary of the basis of estimation of Revenue from Public Transportation Centre as submitted by YIAPL for the First Control Period

Outlet	F&B	Retail
No of outlets	6	14
Expected Footfall (Nos)	5,000 to 9,000	2,000 to 10,000
Average Conversion Rate (%)	0.47	0.35
Average Transaction Value (Rs.)	60 to 450	200 to 2,000
Revenue Share (%)	10% to 25%	4% to 20%
Minimum Monthly Guarantee (MMG)	80% of Revenue Share	80% of Revenue Share

9.2.127 The Income Per Passenger computation submitted by YIAPL in its response is summarized as follows

Table 201: Computation of Income Per Passenger (IPP) pertaining to PTC as submitted by YIAPL

Particulars	FY 30
Total Monthly Income to NIA in Year 5 (Rs. Lakh)	39.06
Total Annual Income to NIA in Year 5 (Rs. Lakh)	**468.70**
Annual passenger in year 5	1,86,50,000
IPP in Rs.	**25.13**

9.2.128 The Authority also notes that the process of executing the concession/license agreements for licensing the Retail and F&B outlets at PTC has not yet been initiated. In view of the above, the Authority proposes to consider revenue from the PTC as being generated only from FY 2029-30 onwards. The Authority further proposes to undertake true up based on actuals at the time of tariff determination for the next Control Period.

9.2.129 The Authority has made the following modifications to the estimates submitted by YIAPL.

- IPP of Rs. 25.13 for FY 2029-30, as per Table 201, with escalation at 5% per annum thereafter.
- Traffic as proposed by the Authority for the First Control Period (refer Table 32).

9.2.130 The estimated revenue from the PTC for the First Control Period is as follows:

Table 202: Revenue from Public Transportation Centre (PTC) proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
Revenue from PTC	**A**	**-**	**-**	**-**	**46.63**	**51.08**	**97.71**
As per the Authority							
Revenue from PTC	**B**	**-**	**-**	**-**	**45.56**	**52.89**	**98.45**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
*Difference**	*C=B-A*	-	-	-	*(1.06)*	*1.81*	***0.75***

**On account of changes as given in para 9.2.129.*

9.2.131 The Authority directs YIAPL to submit the contracts pertaining to the unawarded Retail & F&B outlets in the Public Transportation Centre, to the extent such contracts have been concessioned, during the consultation process.

P. <u>Real State (Admin Block) – Rs. 31.13 crores</u>

9.2.132 The Authority notes that this revenue relates to the revenue generated from renting out space in the Admin Block to third parties. The construction of the same is estimated to be completed only in FY 2028-29.

9.2.133 On enquiry of the nature of concessionaires occupying this Admin Block, YIAPL in its response dated 25th November 2024 has clarified that "*These are revenues from admin block constructed in the airport premises for the airline offices. This has been estimated based on market research.*"

9.2.134 In further responses dated 27th December 2024, YIAPL provided the following information regarding the basis for estimating this revenue:

"*There is currently uncertainty surrounding demand in the greenfield airport context considering the location of the airport. In response to these challenges, NIA has deferred the plan for revenue from real estate (admin block) and revenue from the same will start from FY 29 onwards.*

Further, NIA states that we have submitted the revenue basis the estimates for concession model and same are aggressive and sensitive to various assumptions, raising the risk of downward revisions."

9.2.135 Considering that the building will be occupied by Airline offices, the Authority proposes to classify the revenue from Admin block as Aeronautical in nature in accordance with the Authority's decision in the recent tariff orders for other airports. Further, the Authority directs YIAPL to submit the agreements pertaining to the Real Estate (Admin Block), to the extent such agreements have been concessioned, during the consultation process.

Q. <u>Cargo Fuel Station – Rs. 3.30 crores</u>

9.2.136 The Authority notes that YIAPL has awarded the license for designing, setting up, developing, testing, commissioning, financing, operating, maintaining and managing the fuel stations at different locations within the Airport including Cargo Landside for a period of 30 (thirty) years. According to the draft License Agreement, the Licensee is required to pay YIAPL the following:

Table 203: Revenue Entitlement of YIAPL as per the License Agreement for Fuel Station

Nature of Revenue	Details
Annual Rental Charges and Revenue Share Amount	Clause 5.1.1.– The Licensee shall pay to YIAPL, a license fee, which shall be the aggregate of the following: Annual Rental Charges and Actual Revenue Share Amount

9.2.137 The Authority also notes that the Licensee is required to pay, in addition to above, Utility Charges, Data and Voice Port Charges and Miscellaneous Charges. However, YIAPL has not projected any income towards these charges (including CAM Charges) in their MYTP submission. The Authority's proposal regarding treatment of other charges is detailed in para 9.2.2.

9.2.138 There are three locations of fuel stations within YIAPL premises. It is noted that while the revenue from two of the locations are classified under the head “Services”, the revenue from Cargo side Location is classified under the head “Cargo Fuel Station”.

9.2.139 The Authority also notes that, according to the draft License Agreement, the fuel station in the cargo side location will be operational 24 months from Airport COD which is FY 2028-29. As per the agreement, the License is required to pay YIAPL annual rental charges from the date of commencement of the fuel station. The annual rental charge for the first year of operation is Rs. 2.20 crores. Thereafter, the annual rental charges will increase by the higher of 3% or the change in the price index. On enquiry about the reasons for difference between the projections of YIAPL and the agreement rental amounts, YIAPL has informed that the estimates provided by them in their MYTP were based on the assumptions available with them at the time of submission which has subsequently changed.

9.2.140 The Authority also notes that, in addition to the annual rental charges, a revenue share is also payable to YIAPL from the date of commencement of the fuel station. However, the Authority notes that YIAPL has not projected any revenue share from the Fuel Station. On enquiry, YIAPL via email dated 11th March 2025, provided the basis for the revenue share as given below.

Table 204: Revenue share pertaining to Fuel Station as submitted by YIAPL

Particulars	Ref.	FY 26	FY 27	FY 28	FY 29	FY 30
Petrol in litres per day	A	1,683	2,331	3,076	3,924	4,730
Diesel in litres per day	B	442	605	795	1,013	1,220
Petrol licensee fee per litres in Rs.	C=Prev. FY C×(1+E)	0.37	0.38	0.38	0.39	0.40
Diesel licensee fee per litres in Rs.	D=Prev. FY D×(1+E)	0.31	0.31	0.32	0.33	0.33
% Increase in licensee fee	E		2.00%	2.00%	2.00%	2.00%
Licensee fee in a day in Rs.	F=A×C+B×D	757	1,067	1,435	1,867	2,295
Annual License Fee in Rs.	**G=F×365**	**2,76,203**	**3,89,379**	**5,23,711**	**6,81,312**	**8,37,550**

9.2.141 The Authority has reviewed the assumptions and finds them to be in order. Accordingly, the Authority proposes to consider the revenue from the Cargo Fuel Station from FY 2028-29 onwards, in accordance with the draft License Agreement. The revenue is estimated based on:

- annual rental charges, escalated at 3% per annum; and
- revenue share as detailed in Table 204, after shifting forward by one year to correspond with the revised COD of 1st April 2026.

9.2.142 Based on the above analysis, the Authority proposes to consider the following revenue from the Cargo Fuel Station for the First Control Period:

Table 205: Revenue from Cargo Fuel Station proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
Revenue from Cargo Fuel Station	**A**	**-**	**-**	**1.00**	**1.10**	**1.20**	**3.30**
As per the Authority							
Annual Rental Charges	**B=Prev. FY B×(1+C)**	**-**	**-**	**2.20**	**2.27**	**2.33**	**6.80**
Inflation %	C	-	-	-	3.00%	3.00%	
Revenue Share (refer Table 204)	**D**	**-**	**-**	**0.05**	**0.07**	**0.08**	**0.20**

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Revenue from Cargo Fuel Station	**E=B+D**	**-**	**-**	**2.25**	**2.33**	**2.42**	**7.00**
*Difference**	*F=E-A*	-	-	*1.25*	*1.23*	*1.22*	**3.70**

** On account of rationalizing based on the agreement.*

R. Other Income incl. Interest Income – Rs. 183.39 crores

9.2.143 The Authority notes that YIAPL has included the following in its estimation of Other Income:

- **Interest on Cash Balance:** Estimated at an interest rate of 6% on the opening cash balance, net of minimum cash required.
- **Interest on Debt Servicing Reserve Account (DSRA):** Estimated at an interest rate of 5% on the average balance of DSRA during the year.

9.2.144 It is pertinent to note that Interest Income falls under the category of Non-Aeronautical Revenues. The calculation of Interest Income estimates depends on cash flows and surpluses, which are determined based on the projected revenue collection.

9.2.145 The Authority notes that Other Income is dependent on many factors including aeronautical revenue which is in turn dependent on the tariff rate card. However, since the tariff rate card would be submitted by the AO only after the issue of this consultation paper, the Authority proposes to consider the Other Income as submitted by YIAPL in their MYTP submission/ financial model for FY 2030-31.

9.2.146 The Authority further proposes to recompute the Other Income at the time of Tariff Order, considering any changes to the building blocks and changes in Aeronautical Revenue based on the tariff decided by the Authority for NIA for the First Control Period.

9.2.147 The Other Income proposed by the Authority for the First Control Period is as given below.

Table 206: Other Income proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
Interest on DSRA	A	16.45	18.91	19.00	18.49	17.45	**90.30**
Interest on Cash Balance	B	0.00	0.00	7.85	29.75	55.50	**93.10**
Other Income	**C=A+B**	**16.45**	**18.91**	**26.85**	**48.24**	**72.95**	**183.39**
As per the Authority							
Interest on DSRA	D	16.45	18.91	19.00	18.49	17.45	**90.30**
Interest on Cash Balance	E	0.00	0.00	7.85	29.75	55.50	**93.10**
Other Income	**F=D+E**	**16.45**	**18.91**	**26.85**	**48.24**	**72.95**	**183.39**
Difference	*G=F-C*	-	-	-	-	-	**-**

S. Landside Plaza – Rs. 12.66 crores

9.2.148 The Authority notes that the revenue from the Landside Plaza pertains to the retail and F&B outlets in the Landside Plaza, which is proposed to become operational in FY 2030-31.

9.2.149 The Authority also notes that the process of executing the concession/license agreements for licensing the Retail and F&B outlets at Landside Plaza has not yet been initiated. In view of the above, the Authority proposes to consider revenue from the Landside Plaza as being generated only from FY 2030-31 onwards and at the values as submitted by YIAPL in the financial model. The Authority further proposes to undertake true up based on actuals at the time of tariff determination for the next Control Period.

9.2.150 The estimated revenue from the Landside Plaza for the First Control Period is as follows:

Table 207: Revenue from Landside Plaza proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
As per YIAPL - redrawn submission							
Revenue from Landside Plaza	**A**	**-**	**-**	**-**	**-**	**12.66**	**12.66**
As per the Authority							
Revenue from Landside Plaza	**B**	**-**	**-**	**-**	**-**	**12.66**	**12.66**
Difference	*C=B-A*	-	-	-	-	-	**-**

9.2.151 The Authority directs YIAPL to submit the contracts pertaining to the unawarded Retail & F&B outlets in the Landside Plaza, to the extent such contracts have been concessioned, during the consultation process.

9.2.152 The Authority has also benchmarked the NAR submitted by YIAPL with the NAR of DIAL as per the latest Order No. 20/2024-25 dated 28th March 2025 to ensure that airports within the same vicinity are in the reasonable range of IPP as compared to DIAL. Except for 3 categories of NAR, in the other categories, the IPP submitted by YIAPL was in line with the IPP of DIAL. The 3 categories where the IPP of YIAPL was lower than that of DIAL are IFK, Advertising and Duty Free. With respect to these three, the Authority notes the following:

- In Flight Kitchen – International traffic accounts for only 5% of the total traffic at YIAPL during the First Control Period. Given that a significant share of domestic aircraft consists of low-cost carriers, the IPP at YIAPL is expected to be lower in the First Control Period compared to DIAL
- Advertising – This is contract-driven and depends on the area and type of advertising space. Hence a direct IPP comparison might not be justified. The revenue share in YIAPL is higher than that of DIAL.
- Duty Free – International traffic accounts for only 5% of the total traffic at YIAPL during the First Control Period. While Delhi attracts premium travelers, NIA has a smaller base of high-spending international travelers, which might reduce the demand for premium / luxury goods. Consequently, IPP in NIA would be lower. Hence the Authority finds the IPP of NIA justified.

9.2.153 The Authority notes that YIAPL has indicated that Data & Voice port charges and other miscellaneous charges are expected to be minimal and has requested consideration of this at the time of true up. Therefore, the Authority proposes to consider 1% of the total Non-Aeronautical Revenue towards these charges.

9.2.154 Based on the analysis as detailed above, the Authority proposes the following estimates for Non-Aeronautical Revenue for the First Control Period:

Table 208: Non-Aeronautical Revenue proposed by the Authority for the First Control Period

(Rs. in crores)

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
A	Integrated Warehousing and Logistics Zone (IWLZ)	Table 168	3.73	3.81	3.91	4.01	4.11	**19.57**
B	Advertising & Promotion	Table 170	14.20	15.68	17.31	20.84	25.10	**93.12**
C	Duty Free	Table 172	4.59	14.46	22.35	28.35	33.14	**102.89**
D	Food & Beverage (F&B)	Table 174	22.90	37.46	57.84	78.22	88.40	**284.82**

Sl. No.	Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
E	Lounges	Table 176	16.59	27.29	44.92	56.07	65.37	**210.24**
F	Hotel	Table 178	2.60	2.90	7.75	10.81	12.00	**36.06**
G	Space Rentals	Table 181	2.43	2.80	3.13	3.77	3.96	**16.10**
H	Retail	Table 183	28.06	35.18	47.71	67.36	96.12	**274.42**
I	Services	Table 187	6.31	9.89	14.95	18.54	21.11	**70.80**
J	Mobility	Table 190	16.98	23.03	34.75	42.98	52.39	**170.13**
K	In-Flight Kitchen (IFK)	Table 192	1.44	1.51	2.96	3.60	4.30	**13.81**
L	IT	Table 196	1.62	2.35	2.80	2.94	3.09	**12.80**
M	Maintenance, Repair & Overhaul (MRO)	Para 9.2.117	-	-	-	-	-	-
N	Real Estate Revenues	Table 199	-	-	-	0.89	3.03	**3.91**
O	Public Transportation Centre (PTC)	Table 202	-	-	-	45.56	52.89	**98.45**
P	Real State (Admin Block)	Para 9.2.135	-	-	-	-	-	-
Q	Cargo Fuel Station	Table 205	-	-	2.25	2.33	2.42	**7.00**
S	Landside Plaza	Table 207	-	-	-	-	12.66	**12.66**
	Total NAR before other income and miscellaneous income		**121.44**	**176.35**	**262.63**	**386.27**	**480.10**	**1,426.79**
R	Add: Other Income incl. Interest Income	Table 206	16.45	18.91	26.85	48.24	72.95	**183.39**
	Add: Data & Voice Port Charges and Miscellaneous Charges	Para 9.2.153	1.21	1.76	2.63	3.86	4.80	**14.27**
	Total NAR		**139.10**	**197.02**	**292.10**	**438.37**	**557.85**	**1,624.44**

9.2.155 The adjustments made by the Authority in Non-Aeronautical Revenue for the First Control Period of Noida International Airport, Jewar are as follows:

- Revenue from Integrated Warehousing and Logistics Zone (IWLZ) is treated as 25% Non-Aeronautical in nature and 75% Aeronautical in nature. MRO and Real State (Admin Block) are classified as aeronautical services and, hence, excluded from the Non-Aeronautical Revenue. This adjustment has led to a reduction of Rs. 494.58 crores in the estimated NAR for the period.
- Revenues from Advertising & Promotion, Duty Free, F&B, Lounges, Services, IFK, IT and Cargo Fuel Station were estimated in accordance with the terms of the respective Concession Agreement, License Agreement or LOIA, resulting in an upward revision of Rs. 120.98 crores in NAR.
- Revenue from Space Rental has been computed based on YIAPL's submission, after excluding areas leased to airlines and ground handling concessionaires providing aeronautical services. This has led to a reduction of Rs. 28.37 crores in the overall NAR.

- Retail Revenue has been estimated considering a 50% and 25% increase over YIAPL's submissions for the first and second tariff years, respectively, while YIAPL's figures have been retained for the subsequent years. However, considering the revised date for COD of 1st April 2026, there is an effective decrease of Rs. 5.61 crores in NAR.
- Revenue from PTC has been estimated based on the IPP submitted by YIAPL and the revised passenger traffic as given in Table 32, contributing an additional Rs. 0.75 crores to NAR.
- An additional 1% of the above Non-Aeronautical Revenue, amounting to Rs. 14.27 crores has been included towards Data & Voice port charges and other miscellaneous charges.

9.2.156 The Authority emphasizes the importance for YIAPL to generate and receive adequate amount of Non-Aeronautical Revenue comparable to other PPP airports in this aspect. This is necessary to effectively cross-subsidize the charges imposed on users and ensure efficient operations.

9.2.157 The Authority notes YIAPL's comments on the sensitivity of NAR and risks associated with the greenfield airport projects. Hence the Authority proposes to true up based on actuals at the time of determination of tariff for next Control Period, subject to minimum threshold as proposed by the Authority in Table 208.

9.3 Authority's proposal regarding Non-Aeronautical Revenue for the First Control Period

Based on the material before it and its analysis, the Authority proposes the following with regard to Non-Aeronautical Revenue for the First Control Period:

9.3.1 To consider Non-Aeronautical Revenue for the First Control Period for Noida International Airport, Jewar as per Table 208.

9.3.2 To consider revenue from IWLZ in a 75:25 aeronautical to non-aeronautical ratio, in line with the rationale provided in para 9.2.16, subject to truing up based on the actual revenue composition at the time of determination of tariff for next Control Period.

9.3.3 To consider revenue from MRO services as aeronautical, in line with the rationale provided in para 9.2.117.

9.3.4 To consider the portion of revenue from Space Rentals pertaining to provision of aeronautical services and the revenue from Real Estate (Admin Block) as aeronautical in line with rationale provided in paras 9.2.62 and 9.2.135 respectively.

9.3.5 The Authority directs Airport Operator (YIAPL) to submit the incremental NAR contracts awarded (including for space rentals, real estate, admin block, PTC, MRO, Mobility, Services, Landside Plaza), till the date of issue of this consultation paper during the stakeholders' consultation process.

9.3.6 To review Non-Aeronautical Revenue and true up based on actuals at the time of determination of tariff for next Control Period, subject to minimum threshold as proposed by the Authority in Table 208.

10. TAXATION FOR THE FIRST CONTROL PERIOD

10.1 YIAPL's submission regarding Aeronautical Taxation for the First Control Period

10.1.1 YIAPL has submitted the computation of income tax based on the PBT which is arrived at after considering the following:

- Aeronautical revenues
- 30% of non-aeronautical revenues
- O&M expenses
- Interest on debt
- Interest on working capital and
- Depreciation computed separately for the purpose of tax.

10.1.2 The computation of income tax submitted by YIAPL is as follows:

Table 209: Aeronautical Taxation for the First Control Period submitted by YIAPL

(Rs. in crores)

Particulars	Ref	FY 26	FY 27	FY 28	FY 29	FY 30	Total
Revenue							
Aeronautical Revenue		507.1	792.8	1,093.5	1,427.5	1,765.2	**5,586.1**
30% Non-Aeronautical Revenue		29.2	59.5	88.7	116.5	161.0	**454.9**
Total Revenue	**A**	**536.30**	**852.31**	**1,182.18**	**1,543.92**	**1,926.25**	**6,041.0**
Expenses							
Operation & Maintenance Expenses		473.91	537.24	575.54	602.99	647.60	**2,837.3**
Depreciation (As per IT Act, 1961)		306.4	332.8	337.3	340.0	344.3	**1,660.8**
Interest on Debt		374.5	398.8	381.0	351.9	314.6	**1,820.8**
Interest on working capital		-	0.5	1.5	2.8	4.3	**9.1**
Total Expenses	**B**	**1,154.80**	**1,269.23**	**1,295.29**	**1,297.73**	**1,310.83**	**6,327.9**
Profit/Loss	**C=A-B**	**(618.50)**	**(416.90)**	**(113.10)**	**246.2**	**615.4**	**-286.9**
Tax Rate		25.17%	25.17%	25.17%	25.17%	25.17%	
Aeronautical Tax		**-**	**-**	**-**	**-**	**-**	**-**

10.2 Authority's examination regarding Aeronautical Taxation for the First Control Period

10.2.1 The Authority notes that Noida International Airport has calculated income tax based on the projected Aeronautical revenues and considering 30% of Non-Aeronautical revenues used for cross-subsidization of ARR.

10.2.2 The Authority also notes that as per the Income Tax computation submitted by YIAPL, there was no tax liability for any of the 5 years of the First Control Period because of losses / carry forward losses.

10.2.3 Further, the Authority takes cognizance of the fact that Aeronautical Taxation is dependent upon the tariff rate card to be approved by the Authority for Noida International Airport for the current Control Period. Therefore, the Authority proposes to determine the Aeronautical taxes for the current Control Period after its examination of the Tariff Rate Card to be submitted by YIAPL for the current Control Period (which is within 7 days from the issuance of this consultation paper), post the completion of stakeholders' consultation process.

10.2.4 For the purposes of this consultation paper, the Authority proposes to consider the Aeronautical taxation as NIL for the First Control period for reasons stated in para 10.2.3.

10.2.5 Additionally, the Authority proposes to compute the Tax for the First Control Period, at the Order Stage, considering the following approach:

- **Aeronautical Revenue**: The Authority notes that YIAPL has considered Aeronautical Revenue comprising income from Landing, Parking, Housing, and User Development Fee (UDF), along with revenue from Cargo, Ground Handling and Fuel Concession, CUTE/CUSS/BRS systems, and Fuel Pipeline, as reflected in the financial model. The Authority proposes to consider these components, updated based on the tariff rate card to be submitted post issuance of this Consultation Paper and review of the related concession/license agreements for Cargo, Ground Handling, Fuel, and CUTE/CUSS/BRS. Additionally, 75% of IWLZ Revenue (refer para 9.2.16), MRO Revenue (refer para 9.2.117), and lease rentals from Aeronautical activities (refer para 9.2.62), revenue from EV Charging works and utility provisions for APHOs, revenues from GPU/PCA etc, will also be included for determining Aeronautical Revenue during the First Control Period.
- **30% Non-Aeronautical Revenue**: The Authority proposes not to consider Non-Aeronautical Revenue for tax computation, in line with its approach adopted in recent tariff orders for other airports.
- **Operation & Maintenance (O&M) Expenses**: The Authority proposes to consider Aeronautical O&M Expenses as provided in Table 161, subject to revision, if any, post receipt of the tariff rate card and stakeholder comments.
- **Depreciation**: Depreciation will be determined as per the provisions of the Income Tax Act, 1961, based on Aeronautical Assets outlined in Table 98.
- **Interest on Debt**: Interest expense will be computed considering the borrowing schedule submitted by YIAPL, updated for the proposed Aeronautical Asset additions during the First Control Period.
- **Interest on Working Capital**: The Authority proposes to update the interest on working capital post receipt of the tariff rate card from YIAPL and in light of any modifications to other building blocks, if any. (refer para 8.2.167).
- **Tax Rate:** The Authority proposes to consider a applicable corporate tax rate for calculation of Aeronautical tax.

10.3 Authority's proposal regarding Aeronautical Taxation for the First Control Period

Based on the material before it and its analysis, the Authority proposes the following with regard to Aeronautical Taxation for the First Control Period:

10.3.1 To consider the Aeronautical Taxation for the First Control Period for Noida International Airport, Jewar based on the Aeronautical Revenues as per Tariff Rate Card and other building blocks as discussed in para 10.2.3 and 10.2.5.

10.3.2 To true up the Aeronautical Tax amount, taking into consideration all the relevant facts, at the time of tariff determination for the Second Control Period.

11. QUALITY OF SERVICE FOR THE FIRST CONTROL PERIOD

11.1 YIAPL's submission regarding Quality of Service for the First Control Period

YIAPL has submitted that Clause 26.7.1 of CA states that – *"The Concessionaire shall participate in the passenger survey of Airport Service Quality (the "ASQ") undertaken by Airports Council International (the "ACI") or any equivalent substitute thereof, conducted every quarter and shall ensure that the Airport achieves and maintains a rating of at least 4.2 (four point two) out of 5.0 (five) in such survey (the "Target Rating") and maintain the same throughout the rest of the Concession Period"*

11.1.1 YIAPL has also stated that Annex – I to Schedule L of the Concession Agreement mentions that *"The Concessionaire shall at all times procure and ensure that the services provided at the Airport conform to the minimum performance standards (the "Service Quality Requirements") specified in Annex – I of Schedule – L"*. YIAPL has listed in the MYTP the excerpt of this Schedule- L indicating the performance indicators, performance measures and the minimum performance standards for each indicator.

11.1.2 YIAPL in their MYTP has also stated that NIA would adhere to and maintain these standards and has considered the cost implications suitably while preparing future projections as provided in the MYTP submission.

11.2 Authority's examination regarding Quality of Service for the First Control Period

11.2.1 The Authority notes that:

- As per section 13 (1) (d) of the AERA Act, 2008, the Authority shall *"monitor the set performance standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any Authority authorized by it in this behalf."*
- As per section 13(1)(a)(ii), the Authority is required to determine the tariff for Aeronautical services taking into consideration *"the service provided, its quality and other relevant factors."*

11.2.2 The Authority notes that Annex- I of Schedule - L of the Concession Agreement for Noida International Airport lays down the following:

"The subjective quality of service shall be measured on the parameter of "Overall satisfaction with the airport" on the ACI ASQ survey to be conducted every quarter. The benchmark score for the parameter "Overall satisfaction with the airport" shall be at least equivalent to such score that the Airport is identified within top 20 (twenty) per centile of all airports in its category in the world. The Concessionaire shall also provide performance on all measured parameters of the ACI ASQ survey as part of the Statements being submitted as per the provisions of the Agreement."

11.2.3 The Authority also notes the clause of the concession agreement that mandates the Airport Operator to maintain a rating of at least 4.2 out of 5 in the ACI ASQ survey or any equivalent substitute thereof, and to maintain the same throughout the concession period.

11.2.4 The Authority has also issued Consultation Paper No. 03/2025-26 dated 18th August 2025 on the "Formulation of Performance Standards for Major Airports relating to Quality, Continuity, and Reliability of Service and Associated Activities." The final order will be issued in due course and shall be applicable to YIAPL as and when the same becomes effective and applicable to major airports.

11.3 Authority's proposal regarding Quality of Service for the First Control Period

Based on the material before it and its analysis, the Authority proposes the following regarding Quality of service for the First Control Period:

11.3.1 YIAPL should ensure that service quality at Noida International Airport adheres to the performance standards outlined in the Concession Agreement and shall additionally comply with such performance standards as may be notified pursuant to the final order referred to in para 11.2.4, once the same become applicable to major airports, during the First Control Period.

12. AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

12.1 YIAPL's submission regarding Aggregate Revenue Requirement (ARR) for the First Control Period

12.1.1 YIAPL submitted the Aggregate Revenue Requirement (ARR) and Yield per Passenger (YPP) for the First Control Period based on the regulatory building blocks forming part of its MYTP submission. Subsequent to the MYTP submission, YIAPL furnished additional information and revised submissions in respect of certain building blocks, including intimation of change in COD and related revisions to capital expenditure and traffic projections vide its communication dated 3rd February 2026, along with other interim updates.

12.1.2 The Authority has examined these revised and updated submissions and, after taking into account the change in COD and the consequent revision and extension of the Control Period, has redrawn the ARR and YPP after giving due consideration to the information furnished by YIAPL in the interim. In respect of those building blocks where revised submissions were either not fully provided or were not supported with sufficient details, especially for FY 2030-31, the Authority has relied on the original MYTP submission/financial model submitted by YIAPL, suitably aligned to the revised Control Period, for the purpose of re-drawing the ARR table. The assumptions underlying the re-drawn submission are set out in the respective chapters.

12.1.3 The table below summarises the ARR and YPP of YIAPL as redrawn by the Authority in accordance with the approach detailed above.

Table 210: Aggregate Revenue Requirement drawn up by the Authority, as YIAPL submission, for the First Control Period

(Rs. in crores)

Particulars	Ref.	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Average RAB (refer Table 104)#	A	6,615.45	6,255.35	5,904.50	5,561.50	5,215.00	
FRoR* (refer Table 107)	B	14.77%	14.77%	14.77%	14.77%	14.77%	
Return on RAB	**C=A×B**	**977.00**	**923.82**	**872.00**	**821.34**	**770.17**	**4,364.33**
Depreciation# (refer Table 100)	D	360.10	360.10	364.60	367.40	371.60	**1,823.80**
O&M Expenses# (refer Table 119)	E	566.62	589.57	621.17	662.17	676.52	**3,116.05**
Taxation (refer Table 209)	F	-	-	-	-	-	**-**
NAR (refer Table 165) #	G	163.61	281.66	367.06	522.01	671.44	**2,005.78**
Less: 30% of NAR	H=30%*G	49.10	84.50	110.10	156.60	201.40	**601.70**
ARR	**I=Sum(C:F) -H**	**1,854.61**	**1,788.99**	**1,747.67**	**1,694.32**	**1,616.89**	**8,702.48**
Discount Factor @ 14.77%	J	1.00	0.88	0.77	0.67	0.58	
PV of Forecasted ARR	**K=I×J**	**1,854.61**	**1,574.31**	**1,345.71**	**1,135.19**	**937.80**	**6,847.62**
Total Traffic in MPPA# (refer Table 15)	**L**	6.35	9.01	11.98	15.41	18.65	**61.40**
Yield per passenger (YPP) (Rs.)	**M=K÷L×10**						**1,115.25**

**Based on the MYTP submitted by YIAPL*
 # Re-drawn based on revised information submitted by YIAPL

12.2 Authority's examination regarding Aggregate Revenue Requirement (ARR) for the First Control Period

12.2.1 The observations and proposals of the Authority across the regulatory building blocks impact the computation of ARR and Yield. With respect to each element of the regulatory building blocks considered by AO in computation of ARR and Yield in the table above, the Authority proposes as follows:

i. To consider the average RAB in accordance with Table 105.
ii. To consider the FRoR in accordance with Table 110.
iii. To consider the Depreciation as per Table 102.
iv. To consider the O&M Expenses as per Table 161
v. To consider the Aeronautical Taxation as per para 10.2.3.
vi. To consider the Non-Aeronautical Revenue as per Table 208.
vii. To consider the Total Traffic in accordance with Table 32.

12.2.2 After considering the above, the Authority proposes to consider the following ARR and YPP as per the below table:

Table 211: Aggregate Revenue Requirement proposed by the Authority for the First Control Period

(Rs. in crores)

Particulars	Ref	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Average RAB (refer Table 105)	A	6,051.02	5,731.45	5,415.02	5,101.25	4,786.56	
FRoR (refer Table 110)	B	12.69%	12.69%	12.69%	12.69%	12.69%	
Return on RAB	C=A×B	**768.09**	**727.53**	**687.36**	**647.53**	**607.59**	**3,438.10**
Depreciation (refer Table 102)	D	319.95	319.18	323.68	323.85	325.53	**1,612.20**
O&M Expenses (refer Table 161)	E	439.65	450.07	454.63	470.08	478.36	**2,292.80**
Taxation (refer Para 10.2.4)	F	-	-	-	-	-	**-**
ARR	**J=SUM (C:F)**	**1,527.70**	**1,496.78**	**1,465.67**	**1,441.47**	**1,411.48**	**7,343.09**
NAR (refer Table 208)	K	139.10	197.02	292.10	438.37	557.85	**1,624.44**
Less: 30% of NAR	L=K×30%	41.73	59.11	87.63	131.51	167.35	**487.33**
Net ARR	**M=J–L**	**1,485.97**	**1,437.67**	**1,378.04**	**1,309.96**	**1,244.12**	**6,855.76**
PV Factor @ 12.69%	N	1.00	0.89	0.79	0.70	0.62	
PV of Forecasted ARR	**O=M×N**	**1,485.97**	**1,275.74**	**1,085.08**	**915.29**	**771.38**	**5,533.45**
Sum PV of ARR	**P**						**5,533.45**
Total Traffic in MPPA (refer Table 32)	**Q**	6.74	10.26	15.06	18.13	20.04	**70.23**
Yield per passenger (YPP) (Rs.)	**R=P÷Q**						**787.91**
Departing passengers in MPPA	S						35.11
Yield per departing passenger (Rs.)	**T=P÷S**						**1,575.83**

12.2.3 The Authority proposes the ARR of Rs. 6,855.76 crores (Rs. 5,533.45 crores in NPV terms) as against the ARR of Rs. 8,702.48 crores (Rs. 6,847.62 crores in NPV terms) as submitted by YIAPL. Major reasons for variance between the ARR proposed by the Authority and the ARR submitted by YIAPL are as follows:

(i) Rationalization of Capex costs submitted by YIAPL mainly in (a) Contingencies - Rs. 283.75 crores on account of non-aeronautical and items for which break up was not submitted by YIAPL and (b) General and Maintenance Capex – Rs. 39 crores (c) Financing Allowance by Rs. 20.06 crores

(ii) Reduction in FROR from 14.77% as submitted by YIAPL to 12.69% as proposed by the Authority resulting in a decrease in return on RAB combined with capex rationalization.

(iii) Various adjustments and rationalization in Operating and Maintenance expenses as detailed in paragraph 8.2.177.

(iv) Adjustments and Rationalizations to Non-Aeronautical revenue as detailed in paragraph 9.2.155 including Revenue from Integrated Warehousing and Logistics Zone (IWLZ), MRO and Real State (Admin Block) being classified as aeronautical services and, hence, excluded from the Non-Aeronautical Revenue.

12.2.4 In this regard, the Authority has drawn reference to the guiding principles issued by the International Civil Aviation Organization ("ICAO") on charges for Airports and Air Navigation Services (ICAO DoC 9082), which lays down the main purpose of economic oversight which is to achieve a balance between the interest of Airports and the Airport Users. The said policy document also emphasizes balancing the interests of airports on one hand and aircraft operators, end users on the other, in view of the importance of the air transport system to States. Therefore, the policy document recommends that States encourage increased cooperation between airports and aircraft operators to ensure that the economic difficulties facing them all are shared in a reasonable manner.

12.2.5 This may also be read in conjunction with the objectives of the National Civil Aviation Policy (NCAP) 2016, which intends to provide affordable and sustainable air travel for passengers/ masses. As per para 12 (c) of the NCAP, "*In case the tariff in one particular year or contractual period turns out to be excessive, the Airport Operator and the Regulator will explore ways to keep the tariff reasonable and spread the excess amount over the future*." The above has also been conveyed by AERA vide its Order No. 14/2016-17 dated 12th January 2017. Clause 3.6.2 of the MoU between YIAPL and MoCA, mentions that "*... the Concessionaire shall have to work with AERA to explore ways to keep the tariffs comparable with the tariffs of the neighbouring airports*".

12.2.6 Determination of Aeronautical charges and UDF requires a delicate balance between cost recovery and its potential impact on air traffic demand. This balance is crucial for the financial viability of the airport and its ability to sustain operations while also ensuring that the tariffs remain competitive enough to attract and retain airlines and passengers. Therefore, the Authority, based on the Tariff Rate Card to be submitted by YIAPL would decide the balance between cost recovery and its potential impact on air traffic demand.

12.2.7 The Authority notes that, it is necessary to have the individual year-wise Tariff Card laying down the different aeronautical charges and the workings for the aeronautical revenues, in order to have a constructive stakeholder discussion and hence YIAPL is directed to submit the detailed Annual Tariff proposals in line with the ARR and Yield arrived at by the Authority within 7 days of issue of the Consultation Paper.

12.3 Authority's proposal regarding Aggregate Revenue Requirement (ARR) for the First Control Period

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

12.3.1 To consider ARR for the First Control Period for Noida International Airport as per Table 211.

12.3.2 The Authority directs Airport Operator (YIAPL) to submit the Annual Tariff Proposal (Tariff Rate Card) within 7 days from issue of this Consultation Paper which will be put up for stakeholders’ consultation as detailed in para 12.2.7.

13. SUMMARY OF AUTHORITY'S PROPOSALS PUT FORTH FOR STAKEHOLDERS' CONSULTATION

Chapter 3: PRE-COD LOSSES FOR THE PERIOD FROM 22ND JANUARY 2020 TO COD

3.3.1 Not to consider the pre-COD losses as part of tariff for the period from Company inception to COD for Noida International Airport, Jewar.

3.3.2 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.

Chapter 4: TRAFFIC FOR THE FIRST CONTROL PERIOD

4.3.1 To consider the Passenger, ATM and Cargo traffic for the First Control Period for Noida International Airport as per Table 32.

4.3.2 To true up the traffic volume (Passenger, ATM and Cargo traffic) based on the actual traffic for the First Control Period at the time of determination of the tariff for the next Control Period.

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

5.7.1 To consider the Terminal Building Ratio (TBLR) of 88:12 (Aeronautical: Non-Aeronautical) as detailed in para 5.4.4 and in line with IMG norms.

5.7.2 To consider financing allowance during the First Control Period as detailed in Table 91.

5.7.3 To consider the Capital Expenditure for the First Control Period in accordance with Table 93.

5.7.4 To consider the aeronautical additions for the First Control Period in accordance with Table 96.

5.7.5 To examine the accounting of input tax credits in accordance with Chapter V of The Central Goods and Services Tax Act, 2017 and make necessary adjustments at the time of determination of tariffs for the next Control Period (as detailed in para 5.3.180).

5.7.6 To reduce (adjust) 1% of the uncapitalized project cost from the ARR in case any particular capital project is not completed / capitalized as per the approved capitalization schedule, as detailed in para 5.3.245. The same will be examined at the time of determination of tariff for the next Control Period.

5.7.7 To true-up the aeronautical capital expenditure based on actuals, cost efficiency and reasonableness, at the time of determination of tariff for Next Control Period.

5.7.8 To adopt Aeronautical Depreciation as per Table 102 for the First Control Period.

5.7.9 To true up the Depreciation of the First Control Period based on the actual asset additions and actual date of capitalization at the time of tariff determination of the next Control Period.

5.7.10 To consider average RAB for the First Control Period for NIA as per Table 105.

5.7.11 To direct YIAPL to submit the revenues earned by the airport operator from EV charging works and utility provisions for APHOs as detailed in Para 5.3.151 during the stakeholder consultation process.

5.7.12 To direct YIAPL to submit the revenues from GPU/PCA during the stakeholder consultation process as detailed in Para 5.3.171.

5.7.13 To direct YIAPL to submit a consolidated year-wise, detailed breakup of costs included in the CWIP as detailed in Para 5.3.238 and to provide a detailed, nature-wise breakup of pre-operative expenses during consultation stage as detailed in Para 5.3.225.

5.7.14 To direct YIAPL to submit detailed capitalisation schedules, including asset-wise categorisation and aeronautical/non-aeronautical allocation, based on actual capitalization as detailed in Para 5.6.4.

5.7.15 To true-up the RAB based on actuals at the time of tariff determination for the next Control Period.

Chapter 6: FAIR RATE OF RETURN FOR THE FIRST CONTROL PERIOD

6.3.1 To consider Cost of Debt as 10% as per YIAPL's submission as per para 6.2.7.

6.3.2 To true up the Cost of Debt for the First Control Period based on actual (or) SBI average 6-month MCLR plus 150 bps (whichever is lower) at the time of tariff determination for the Second Control Period.

6.3.3 To consider Cost of Equity at 15.18%.

6.3.4 To consider FRoR of 12.69% for Noida International Airport for the First Control Period as per Table 110.

Chapter 7: INFLATION FOR THE FIRST CONTROL PERIOD

7.3.1 To consider Inflation for the First Control Period for Noida International Airport as per Table 112.

Chapter 8: OPERATION AND MAINTENANCE EXPENSES FOR THE FIRST CONTROL PERIOD

8.3.1 To consider Aeronautical O&M expenses for the First Control Period for Noida International Airport as per Table 161.

8.3.2 To not consider the pre-COD losses as part of the Operation and Maintenance Expenses for the First Control Period as detailed in Chapter 3.

8.3.3 To review the exclusion of overhead at 30% in the CNS/ATM Expenditure after examining the stakeholders' comments, at the time of issuance of Tariff Order for the current Control Period.

8.3.4 The Authority directs Airport Operator (YIAPL) to submit the incremental O&M contracts awarded (including for Outsourcing costs, R&M expenses, etc), if any, till the date of issue of this consultation paper during the stakeholders' consultation process.

8.3.5 To consider the O&M expenses incurred by YIAPL during the First Control Period subject to reasonableness and efficiency, at the time of tariff determination for the next Control Period.

Chapter 9: NON-AERONAUTICAL REVENUE (NAR) FOR THE FIRST CONTROL PERIOD

9.3.1 To consider Non-Aeronautical Revenue for the First Control Period for Noida International Airport, Jewar as per Table 208.

9.3.2 To consider revenue from IWLZ in a 75:25 aeronautical to non-aeronautical ratio, in line with the rationale provided in para 9.2.16, subject to truing up based on the actual revenue composition at the time of determination of tariff for next Control Period.

9.3.3 To consider revenue from MRO services as aeronautical, in line with the rationale provided in para 9.2.117.

9.3.4 To consider the portion of revenue from Space Rentals pertaining to provision of aeronautical services and the revenue from Real Estate (Admin Block) as aeronautical in line with rationale provided in paras 9.2.62 and 9.2.135 respectively.

9.3.5 The Authority directs Airport Operator (YIAPL) to submit the incremental NAR contracts awarded (including for space rentals, real estate, admin block, PTC, MRO, Mobility, Services, Landside Plaza), till the date of issue of this consultation paper during the stakeholders' consultation process.

9.3.6 To review Non-Aeronautical Revenue and true up based on actuals at the time of determination of tariff for next Control Period, subject to minimum threshold as proposed by the Authority in Table 208.

Chapter 10: TAXATION FOR THE FIRST CONTROL PERIOD

10.3.1 To consider the Aeronautical Taxation for the First Control Period for Noida International Airport, Jewar based on the Aeronautical Revenues as per Tariff Rate Card and other building blocks as discussed in para 10.2.3 and 10.2.5.

10.3.2 To true up the Aeronautical Tax amount, taking into consideration all the relevant facts, at the time of tariff determination for the Second Control Period.

Chapter 11: QUALITY OF SERVICE FOR THE FIRST CONTROL PERIOD

11.3.1 YIAPL should ensure that service quality at Noida International Airport adheres to the performance standards outlined in the Concession Agreement and shall additionally comply with such performance standards as may be notified pursuant to the final order referred to in para 11.2.4, once the same become applicable to major airports, during the First Control Period.

Chapter 12: AGGREGATE REVENUE REQUIREMENT (ARR) FOR THE FIRST CONTROL PERIOD

12.3.1 To consider ARR for the First Control Period for Noida International Airport as per Table 211.

12.3.2 The Authority directs Airport Operator (YIAPL) to submit the Annual Tariff Proposal (Tariff Rate Card) within 7 days from issue of this Consultation Paper which will be put up for stakeholders' consultation as detailed in para 12.2.7.

14. STAKEHOLDERS' CONSULTATION TIMELINE

14.1.1 In accordance with the provision of Section 13(4) of the AERA Act, 2008, the proposals contained in the Chapter 13 - Summary of the Authority's proposals read with the relevant discussion in the other chapters of the Paper is hereby put forth for Stakeholders' Consultation.

14.1.2 For removal of doubts, it is clarified and explained that the contents of this Consultation Paper may not be construed as any Order or Direction by the Authority. The Authority shall pass an Order, in the matter, only after considering the submissions of the stakeholders in response hereto and by making such decisions fully documented and explained in terms of the provisions of the Act.

14.1.3 The Authority welcomes written evidence-based feedback, comments and suggestions from the stakeholders on the proposals made in this Consultation Paper, latest by 7th April 2026.

Secretary
Airports Economic Regulatory Authority of India
3rd Floor, Udaan Bhawan,
Safdarjung Airport New Delhi – 110003
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(Chairperson)

15. ANNEXURES

15.1 Annexure 1: Key clauses of Concession Agreement

Zurich Airport International AG (ZAIA) won the bid for development of the new airport at Jewar, Uttar Pradesh and signed the Concession Agreement (CA) on 7th October 2020 via a Special Purpose Vehicle (SPV) named "Yamuna International Airport Private Limited (YIAPL)". YIAPL was incorporated on 22nd January 2020 and is a 100% owned Subsidiary of ZAIA.

Certain relevant Clauses of the Concession Agreement read as below:

ARTICLE 3: GRANT OF CONCESSION

3.1 The Concession

3.1.1 Subject to and in accordance with the provisions of this Agreement, Applicable Laws and the Applicable Permits, the Authority hereby grants to the Concessionaire, the concession set forth herein including the exclusive right, licence and authority to develop, operate and maintain the Airport ("Concession") for an initial period of 40 years commencing from the Appointed Date, and the Concessionaire hereby accepts the Concession and agrees to implement the Project subject to and in accordance with the terms and conditions set forth herein.

Provided further that, at any time not earlier than 35th (Thirty fifth) anniversary of the Appointed Date and no later than 37th (Thirty seventh) anniversary of the Appointed Date, intimate the Authority about its interest and request for renewing/ extending the term of this Concession by another period of 30 (thirty) years in accordance with the provisions in Clause 42.5. While making such request, the Concessionaire shall submit a confirmation that it is agreeable to participate in the international competitive bidding process for the determination of the Premium for an additional period of 30 (thirty) years, in the form and manner, as may be prescribed by the Authority, at such time, and in any such case of international competitive bidding:

a. the Concessionaire shall have a right to match the highest bid, if its bid is within 10.00% of the highest bid that may be offered at that time in accordance with the terms and conditions of the bidding documents issued at such time,

b. the Affiliate(s) of the Concessionaire shall not be qualified, either directly or indirectly, participating in any such bidding process; and

c. it is clarified the Concessionaire shall be deemed to be qualified to submit the financial bid without being required to participate in the pre- qualification process and shall not be required to submit any documents for pre-qualification.

ARTICLE 12: CONSTRUCTION OF THE AIRPORT

12.2. Master Plan for the Site

12.2.1. The Concessionaire shall at all times procure and ensure that the Airport is constructed and developed in accordance with the Master Plan set forth in Schedule-A.

12.2.2. The Concessionaire may, with prior written consent of the Authority, use any area earmarked for future expansion of the Airport, for other purposes incidental to or associated with the Airport, until the same is required for the expansion specified in the Master Plan, subject to the condition that only temporary structures may be constructed in such area and the use thereof shall at all times be in conformity with Applicable Laws and Good Industry Practice.

12.2.3. The Concessionaire may, at any time during the Concession Period, seek approval of the Authority for modifications in the Master Plan to improve or augment the Aeronautical Services and upon receipt of any request hereunder, the Authority may grant such approval to the extent reasonably required.

ARTICLE 18: OPERATION OF AERONAUTICAL ASSETS

18.2. Ground Handling Services

18.2.1. The Concessionaire shall provide or cause to be provided, the infrastructure required for operation of the ground handling services required at the Airport for and in respect of aircrafts, passengers and cargo, which shall include ramp handling, traffic handling, aircraft handling, aircraft cleaning, loading and unloading (the "Ground Handling Services"). Such infrastructure shall include luggage conveyor belts, computer terminals, IT backbone and all other associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice.

18.2.2. The Concessionaire shall provide or cause to be provided Ground Handling Services in accordance with the provisions of this Agreement and Good Industry Practice. Further, Concessionaire shall procure additional 3rd party Ground handling service provider if required as per Applicable Laws.

18.3. Aircraft Fueling Services

18.3.1. The Concessionaire shall provide, or cause to be provided, the infrastructure required for operation of fuelling services for aircrafts at the Airport (the "Aircraft Fuelling Services"). Such infrastructure shall include tank farms, common hydrant fuelling systems and associated facilities in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice.

18.3.2. The Concessionaire shall provide or cause to be provided, Aircraft Fuelling Services in accordance with the provisions of this Agreement and Good Industry Practice. Further, Concessionaire shall procure additional 3rd party Aircraft Fuelling Services provider if required under Applicable Laws.

ARTICLE 19: RESERVED AREA

19.4.1 The space for the following entities or purposes, shall constitute the Reserved Area in the Terminal Building:

(a) the Authority;

(b) security;

(c) DGCA;

(d) VIP lounges

(e) immigration;

(f) customs;

(g) quarantine;

(h) health; and

(i) Government of UP, Government of India and any other designated agencies, as required by Applicable Laws.

19.4.2 Control over the Reserved Area shall vest in the Authority and the respective Designated GOI Agencies responsible for carrying out the functions for which the space has been earmarked under Clause 19.4.1 or for any other purpose analogous to the purposes specified in Clause 19.4.1. The obligations of the Concessionaire in respect of Reserved Areas and its access thereto shall be restricted to maintenance of civil works, structures and equipment forming part of the Reserved Area; provided that it shall have unrestricted access thereto in case of Emergency, fire or other similar event.

19.4.3 The Concessionaire shall supply electricity and water, at its own cost and expense, to the Reserved Area within the Terminal Building. For avoidance of doubt, it is clarified that the cost of serving electricity/water to the reserved area for operational requirement only that has been mutually agreed between the Concessionaire and the relevant Government Instrumentality in the Master Plan prepared by the Concessionaire as per Schedule G shall be treated as, aeronautical cost and pass through, provided, the Concessionaire provides electricity & water, free of cost to these Reserved Area. However, the Designated GOI agency or the Concessionaire as per their mutual agreement will have to bear the cost in case of areas allotted for non-operational (other than public places) areas.

19.4.4 To the extent central air conditioning is installed and operated in the Terminal Building, the Concessionaire shall not deny the benefit thereof to the Reserved Area; provided that this obligation shall not extend to the hours when general air conditioning is switched off for passenger lounges and other common areas within the Terminal Building.

19.4.5 Notwithstanding anything to the contrary contained in this Clause 19.4, the Authority may, with consent of the Concessionaire, transfer the Reserved Area or any part thereof to the Concessionaire on such terms and conditions as may be agreed upon. In such an event, the Concessionaire shall make best endeavours to cooperate with the Authority, including the agencies designated by it, for procuring a safe and efficient environment in the Reserved Area.

19.4.6 If and when additional space is required for the purposes specified in Clause 19.4.1, the Concessionaire shall, in consultation with the relevant Designated GOI Agency, provide additional space to form part of the Reserved Area, on such terms and conditions as may be mutually agreed upon. For the avoidance of doubt, the Parties expressly agree that in the event additional space is required for expansion of the Reserved Area, the Concessionaire shall be entitled to recover from the relevant Designated GOI Agency a monthly rent equivalent to 50% (fifty per cent) of the average monthly rent received by the Concessionaire for all the space rented out by it in the Terminal Building during the preceding Accounting Year, and such rent shall be revised once in every 3 (three) years…..

Provided, however, that in the event the Terminal Building is expanded for handling additional passenger traffic, the Concessionaire shall provide additional space, free of cost, on a proportionate basis for use as Reserved Area and the treatment of such cost for the purpose of aeronautical tariff determination shall be undertaken as specified in clause 19.4.3.

ARTICLE 21: OPERATION OF CARGO AND MRO FACILITIES

<u>21.1. Operation and maintenance of Cargo Facilities</u>

21.1.1 Subject to the Applicable Laws and the Applicable Permits, the Concessionaire shall or cause to, develop, operate and maintain, the Cargo Facilities which shall include the buildings, structures and equipment required for handling of incoming and outgoing cargo, including short-term warehousing thereof in accordance with the provisions of this Agreement, Applicable Laws, relevant ICAO Documents and Annexes and Good Industry Practice.

21.1.2. The Concessionaire shall procure that the Cargo Facilities to be provided hereunder include adequate cargo and parcel space, handling equipment, storage and handling of perishable cargo and dangerous goods, space for cargo agents and customers, inspection area, office space, automation systems, screening equipment, storage facilities, and facilities for mail handling and courier shipments in accordance with the provisions of this Agreement and Good Industry Practice.

21.1.3. The Concessionaire shall operate and maintain the Cargo Facilities and provide the associated services to airlines and consignors in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice.

21.1.4. The Concessionaire shall provide, free of charge and in accordance with Good Industry Practice, office space and other facilities to customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions, and for back-office usage, charges shall apply mutually agreed rates to customs, security, quarantine and other facilities to customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions, and for back office usage, charges shall apply mutually agreed rates to customs, security, quarantine and other Designated GOI Agencies, as the case may be, for discharging their statutory functions.

21.3. Operation and maintenance of MRO Facilities

As and when developed, the Concessionaire shall operate and maintain or cause to be operated and maintained the MRO Facilities.

ARTICLE 22: RESERVED SERVICES

22.1. Reserved Services

22.1.1. The Concessionaire acknowledges and agrees that only the Designated GOI Agencies are authorised to undertake the following services ("Reserved Services") at the Airport:

i. CNS/ ATM Services

ii. security services;

iii. meteorological services;

iv. mandatory health services;

v. customs control;

v1. immigration services; and

vii. quarantine services:

viii. any other services, as may be notified by GOI, GoUP or any other designated Government Instrumentality, from time to time, in accordance with the Applicable Laws;

Provided that nothing in this Agreement shall restrict the Authority from requiring the Concessionaire to undertake any or all of the Reserved Services on such terms and conditions as may be mutually agreed between the Parties.

ARTICLE 53 : DEFINITIONS

"Cargo Facilities" means the real estate, buildings, structures and equipment, as the case may be, required for handling of incoming and outgoing cargo, including short-term warehousing thereof in accordance with the provisions of Article 2 1 of this Agreement;

Schedule B - Development of the Airport

2. Airport

2.1 Development of Airport shall include:

i. Construction and procurement of the Aeronautical Assets including runways, taxiways, apron, aircraft parking bays, and associated facilities with the following requirements –

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

b. Location of Runway:

Details of Noida International Airport	
Aerodrome Elevation	199 m AMSL
	Co-ordinates
ARP	28°10’32.20”N 77°36’22.47”E
RWY 10L	28°11’00.46”N 77°35’32.74”E
RWY 28R	28°10’34.69”N 77°37’52.67”E
RWY 10R	28°10’10.41”N 77°35’16.26”E
RWY 28L	28°09’43.00”N 77°37’45.15”E
Runway Dimension	
10L – 28R	3900 X 60 m.
10R – 28L	4150 X 60 m.

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

a. Level of service for Terminal Building - IATA Level of Service Optimum compliant.

b. 75 % (Seventy live percent) of each of the international and domestic aircrafts gates shall be served by the boarding bridges.

c. Unit area of the Terminal Building (including all miscellaneous and support spaces), per Peak Hour passenger (including arrival and departure), shall be minimum 30 sq. m.

d. Provide international standard range of retail and other passenger services; and

e. Terminal design must be capable of incremental expansion with minimum impact on current operations

f. All facilities and services should be of state-of-the-art technology and international standards.

5. Cargo Facilities

5.1. The Concessionaire shall earmark land within the Site for the development of a Cargo Facility in the Airport

5.2. The Cargo Facilities including apron, cargo terminal for international and domestic cargo and other allied facilities shall be developed in a Phase wise manner as per the applicable Standards and Good Industry Practice.

6. MRO Facilities

6.1. The Concessionaire shall earmark minimum 40 acres of land within the Site for the development of a MRO Facility in the Airport as per the applicable Standards and Specifications.

6.2. This earmarked area may not be used for any other activity

6.3. The Concessionaire has to mandatory enter into any arrangement with any third party or the Concessionaire itself decides for developing and operating the MRO Facilities and for associated activities latest by 10th anniversary of the COD of Phase I

6.4. The MRO Facility shall be developed, subject to the requirements specified in Clause 12.10 of the Concession Agreement, for serving aircrafts of type and size as per the demand established, which shall include the buildings, structures and equipment required by the aircraft as per the provisions in CAR 145 of DGCA. This will be built in accordance with the provisions of this Agreement, Applicable Laws, relevant ICAO Documents and Annexes, CAR Guidelines and Good Industry Practice.

7. Car Park

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

ARTICLE 28: CITY SIDE DEVELOPMENT

28.1.1. The Concessionaire shall undertake City Side Development on the 24 Hec land specified in Schedule-A, subject to the conditions stipulated in Schedule-B and Schedule-D, and to exploit such development for commercial purposes with the right to sub-license any or all parts thereof by means of Project Agreements.

28.1.2. The Concessionaire shall undertake or cause to be undertaken at its cost and in accordance with the provisions of this Agreement, Applicable Laws and Good Industry Practice, the development and maintenance of infrastructure such as roads, electric supply, water supply, sewerage and drainage systems forming part of City Side Development.

28.1.3. The revenue generated from City Side Development on 24 hec land as stated in clause 1.3 of Annex I Schedule A shall not be considered for the purpose of cross-subsidization of Aeronautical Tariff determination by AERA.

28.1.4. In case there is any increase in the area of city side beyond the 24 hectares that is earmarked in clause 1 .3 Annex 1, Schedule A of this agreement, the revenues from that incremental land shall be part of the 30% cross subsidy under shared till regime.

28.4.1. The Concessionaire shall procure that City Side Development and its land use shall at all times be in conformity with Applicable Laws and may include construction and operation of hotels, restaurants, convention centre, training centre, staff residence and hostels for employees working at the Airport, retail shops for passengers and tourists, travel related offices and amenities or analogous uses and any other activities provided as positive list in Annex IV of Schedule A.

It may be clarified that any activity, which is classified as aeronautical services as per AERA Act, if undertaken on city side land shall continue to be classified as Aeronautical Services for the purpose of tariff determination. Any decision of AERA on any activity undertaken on city side land being Aeronautical activity shall he final and binding on the Concessionaire.

ARTICLE 31: CONCESSION FEE AND LICENSE FEE

<u>31.1. Concession Fee</u>

In consideration of the grant of Concession, the Concessionaire shall pay to the Authority by way of concession fee a sum of Re.1 (Rupee one) per annum, and the Premium specified in Clause 31.2 (the “Concession Fee”).

31.2. Premium

31.2.1. Without prejudice to the provisions of Clause 31.1, the Concessionaire agrees to pay to the Authority for each year commencing from the 6th (sixth) year of the occurrence of COD for Phase I, a premium (the “Premium”) equal to INR X per pax of traffic handled at the airport (Premium Rate) multiplied by the total traffic handled at the airport during that year, in the form and manner provided herein. For each subsequent year, the Premium Rate for that year shall be determined by increasing the Premium Rate of the preceding year by Price Index (in percentage) of the preceding year. The corresponding Premium for the subsequent year shall be calculated by Premium Rate of subsequent year multiplied by the total traffic handled at the airport in the subsequent year.

31.5. License fee

31.5.1. Upon execution of the Concession Agreement and in further consideration of the Authority providing licence rights for the Site for the Project to the concessionaire and granting the rights and access set forth in this Agreement, the concessionaire shall pay to the Authority, an annual licence fee (“Licence Fee”) of 3.33% of land value. The land value as on 29th April 2019 has been estimated to be INR 4326 crores (Four Thousand three hundred and twenty six crores). For the purpose of calculating the License fee, the land value shall be assumed to increase annually at the rate of Price Index with the base year as 1st January 2019.

31.5.2. The License Fee shall be due and payable in advance every year and the first Licence Fee shall be paid by the Concessionaire from the 10th year post Appointed Date. For avoidance of doubt, the land value at the 10th year post Appointed Date would be inflated by price index w.r.t the base year. The License Fee in INR crore for 10th Year post Appointed Date shall be calculated as -

$$L_{10} = 3.33\% \times 4326 \times \left\{1 + \left(\frac{Priceindex_{10thyearpost\ Appointed\ Date} - PriceIndex_{January\ 2019}}{PriceIndex_{January\ 2019}}\right)\right\}$$

The License Fee in INR crore for 11th Year post Appointed Date onwards shall be calculated as –

$$L_{11} = L_{10} \times \left\{1 + \left(\frac{Priceindex_{11thyear\ post\ Appointed\ Date} - PriceIndex_{10thYearpostAppointed\ Date}}{PriceIndex_{10thYearpostAppointed\ Date}}\right)\right\}$$

The authority shall not be obliged to demand payment of Licence Fee by notice or otherwise, and it shall be incumbent upon the Concessionaire to pay the Licence Fee as and when it falls due. The Licence Fee shall be payable by the Concessionaire during the term of this Concession Agreement.

For avoidance of doubt, it is clarified that treatment of License fee shall be allowed as pass-through cost in accordance with AERA Order No. 42/2018-19 dated 5th March 2019, for the purpose of aeronautical tariff estimation.

ARTICLE 32: USER FEE

32.3. Principles of Determination and Revision of Aeronautical Charges

32.3.1. The Parties hereto acknowledge and agree that any and all Aeronautical Charges that the Concessionaire can levy, collect and appropriate from a User shall be determined and revised by AERA, by way of an order by AERA, in accordance with the provisions of the AERA Act and this Agreement.

32.3.2. Aeronautical tariffs shall be determined as per Airports Economic Regulatory Authority (Terms and Conditions for Determination of Tariff for Airport Operators) Guidelines, 2011 with 30% Hybrid-Till framework as per AERA's order number 14/2016-17 (F.No. AERA/20010/Civil Aviation Policy/2014-15/Vol-I) dated 12th January

2017 (issued on 23rd January 2017) (Hybrid-Till Approval). For avoidance of doubt, revenues of the Concessionaire from City Side Development shall be excluded from the Hybrid-Till framework for the determination and regulation of the Aeronautical Charges subject to the provisions of clauses 28.1.3, 28.1.4 and 28.4.l.

32.3.3. The Aeronautical Charges shall be regulated and set/ re-set, in accordance with the Hybrid-Till Approval, terms of this Agreement and the Applicable Laws.

32.3.4. The Concessionaire hereby acknowledges and agrees that the Premium paid/ payable by the Concessionaire to the Authority, under and pursuant to the terms of this Agreement, shall not be included as a part of costs for provision of Aeronautical Services and no pass-through would be available in relation to the same.

Schedule A to the Concession Agreement

1.3 Total area of the Site is 1334 hectares, out of which 24 hectare of area is earmarked for City Side Development.

4 - The Concessionaire will prepare the Master Plan using the land use plan provided herewith (refer Map I) as a guideline with the following provisions:

a. The Concessionaire shall plan and construct the facilities as identified under the different land use provided in Map IB of this Agreement. The Concessionaire has the flexibility to plan and design the facilities within the defined land use subject to provisions of this Agreement.
b. The Master Plan should be in accordance with Civil Aviation Requirements (CAR) as prescribed by the DGCA, ICAO guidelines and conforming to Good Industry Practice.
c. Level of service for Terminal Building - IATA Level of Service optimum compliant. The total area of the Terminal Building shall be minimum 30 square meter per peak hour passenger for the design year.
d. Terminal design must be capable of incremental expansion with minimum impact on current operations.
e. The City Side development shall be as per provisions of this agreement, applicable development control regulations and Applicable Law.

6 - The Master Plan is to be submitted to the Authority in 60 days from the date of this Agreement. Within 30 (thirty) days of the receipt of the Master Plan, the Authority shall provide to the Concessionaire, any comments or changes that the Authority may have on the Master Plan. If the Authority provides any comments and/or suggestions to the Master Plan, then the Concessionaire shall within 30 (thirty) days of receipt thereof, suitably incorporating such comments and/or changes suggested by the Authority in the Master Plan. This Master Plan will become a part of the Concession Agreement.

7 - The Concessionaire will, within 90 [ninety] days from the date of acceptance of the Master Plan, submit Development Plan for Phase 1. The Development Plan for subsequent phases shall be prepared and submitted within 90 (ninety) days from the date of achieving the trigger for the respective phases as mentioned in the Table I of Annex II of Schedule A. The Authority shall within 30 (thirty) days of the receipt of Development Plan provide its comments. The Concessionaire shall incorporate the comments of Authority and submit the Development Plan within 30 (thirty) days from the receipt of comments from the Authority.

Schedule Z to the concession agreement– Memorandum of Understanding between YIAPL and MoCA - format

3.6.1 The Parties hereto acknowledge and agree that any and all Aeronautical Charges that the Concessionaire can levy, collect and appropriate from a User shall be determined and revised by AERA, by way of an order by AERA, in accordance with the provisions of the AERA Act and as per the extant guidelines issued by AERA.

3.6.2 The GOI has, vide its letter no. F. No. AV.2401 1/12/2013-AD dated April 13, 2015, approved the 30% (thirty percent) shared-till framework for the determination and regulation of the Aeronautical Charges at the Airport, and the same shall be accordingly considered by AERA. For avoidance of doubt, revenues of the Concessionaire from City Side Development shall be excluded from the shared-till framework for the determination and regulation of the Aeronautical Charges.

3.6.3 The Annual Premium shall not be considered as a part of the capital outlay for the Airport or the regulatory asset base or operating expense for the purpose of the determination of the Aeronautical Charges and shall always be excluded from being considered as a part of the cost for the determination of the Aeronautical Charges. The Concessionaire hereby acknowledges and agrees that the Annual Premium payable by the Concessionaire to the Authority shall not be considered for any purposes, for the determination or revision of the Aeronautical Charges, by AERA.

3.6.4 The Concessionaire shall be entitled to levy, collect and appropriate the Aeronautical Charges with effect from the COD for Phase I from the Users or the Airport, at the initial/ad-hoc rates of the tariff as may be approved by AERA. Such initial/ad-hoc rates of tariff shall be applicable and valid until the approval of Aeronautical Charges by AERA in accordance with the provisions of the AERA Act.

3.6.5 Any under-recovery or over-recovery of the Aeronautical Revenues in respect of the ad-hoc or final Aeronautical Charges approved by AERA for the first tariff control period (currently 5 (five) years) commencing from COD for Phase I , shall be carried forward and adjusted by AERA, while determining the allowable Aeronautical Revenues in the second tariff control period, as per AERA act and as per the extant guidelines issued by AERA.

3.6.6 Any under-recovery or over-recovery of Aeronautical Revenues after the first tariff control period shall be adjusted by AERA in accordance with AERA act and as per the extant guidelines issued by AERA.

3.6.7 The Concessionaire shall have to work with AERA to explore ways to keep the tariffs comparable with the tariffs of the neighbouring airports.

3.6.8 Any payments made by the Concessionaire to any Government Instrumentality for providing sovereign functions shall be considered as a part of the capital outlay for the Airport and an operating expense for the purpose of the determination of the Aeronautical Charges, and shall accordingly be considered as a part of the cost for the determination of the Aeronautical Charges.

Annexure IV of Schedule A

A. Hospitality
I. Resorts
2. 3-4 star hotels
3. 5 star hotels
4. Restaurant
5. Budget hotel.
B. Public Entities
1. Post office
2. Telephone Exchange
3. Police Station
4. Health Center
5. Hospital
C. Commercial Office Space
1. Shopping Plaza

2. Office Space
3. Airline offices
4. Government offices
D. Education and Training
1. Aviation Institution
2. Aviation related training such as flight attendants training etc.
3. College/University
4. Skill Development Centers
E. Logistics offices
I. Logistics operator offices
2. Custom clearing offices
3. Warehouses
4. Cold Storages
F. Packaging Centers
I. Loading/Unloading facilities, weighbridge, etc.
2. Truck parking
3. Drivers facilities
4. Petrol/Diesel/CNG pumps and other support services
G. Tourist/Visitors' Centre and Exhibition Ground
5. Leisure, entertainment, and cultural venues
6. Information desks and kiosks
7. Tourist facilities, rest rooms
8. Conference area
9. Cafe and recreation
10. Indoor and outdoor exhibition space.
11. Cultural centre
12. Museum and art galleries
13. Amphitheatre
14. Open Exhibition ground
15. Art and Craft workshop
16. Recreation club
17. Promotional activities of tourism

For clarification, residential developments are not permitted.