



## **Federation of Indian Airlines**

E-166, Upper Ground Floor,  
Kalkaji,  
New Delhi - 110019.  
Website: [www.fiaindia.in](http://www.fiaindia.in)

**URGENT &  
IMPORTANT**

**09 April 2025**

**To,  
The Chairperson,  
Airports Economic Regulatory Authority,  
AERA Building, Administrative Complex,  
Safdarjung Airport,  
New Delhi- 110 003.**

**Kind Attention – Shri. S.K.G. Rahate**

**Sub:** FIA Response to the AERA CP. No. 08/2024-25 dated 10.03.2025 regarding determination of Aeronautical Tariff for Chhatrapati Shivaji Maharaj International Airport, Mumbai (CSMIA) for the Fourth Control Period (01.04.2024 to 31.03.2029)- reg.

**Ref:** *AERA stakeholder consultation meeting dated 25<sup>th</sup> March, 2025.*

Dear Sir,

The Federation of Indian Airlines (FIA), representing its member airlines – IndiGo, SpiceJet, and Air India – expresses sincere appreciation for AERA's continued commitment to stakeholder engagement, particularly through the consultation process and the recent meeting held on 25th March 2025.

As highlighted by the Investment Information and Credit Rating Agency of India (ICRA), the Indian aviation sector is projected to report net losses exceeding INR 3,000 crore in FY25. The industry remains under intense financial pressure due to geo-political tensions, persistent supply chain disruptions, volatile Aviation Turbine Fuel (ATF) prices, forex fluctuations, and minimal direct financial support from the government.

We commend AERA's considered approach in rationalizing the Regulatory Asset Base (RAB), O&M expenses, and Non-Aeronautical Revenue (NAR), as well as for revising the cost of debt to 9% from the originally proposed 10.15%, in alignment with comparable evaluations across Adani-operated airports such as Jaipur. This thoughtful reduction in the proposed aeronautical tariffs will bring much-needed relief to both airlines and passengers, helping to soften the financial strain on the sector.

Such decisions reaffirm AERA's commitment to balancing economic viability for airports while supporting the sustainability of airlines and promoting affordability for Indian air travellers.



## **Federation of Indian Airlines**

**E-166, Upper Ground Floor,  
Kalkaji,  
New Delhi - 110019.**

**Website: [www.faiindia.in](http://www.faiindia.in)**

However, in light of continuing macroeconomic challenges — particularly elevated ATF prices (denominated in USD), a weakening Indian Rupee, and the price-sensitive nature of air travel demand — FIA respectfully urges AERA to continue pursuing policy and regulatory frameworks that promote long-term viability, in line with the Hon'ble Prime Minister's vision of an aviation ecosystem that is **"Affordable yet Sustainable."**

We remain confident that AERA will give due consideration to these recommendations, aligning them with the objectives set forth in the National Civil Aviation Policy, 2016. FIA looks forward to AERA's continued support as we collectively strive to ensure the health and growth of India's civil aviation sector.

Yours Truly,

**For and on behalf of the Federation of Indian Airlines,**

**Ujjwal Dey  
Director**

Copy to:

Director (P&S Tariff), Airports Economic Regulatory Authority of India.