

April 26, 2010

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Mr. Sandeep Prakash,  
Secretary,  
Airports Economic Regulatory Authority of India,  
Rajiv Gandhi Bhavan,  
New Delhi – 110003.

25/28/4  
PSD-II  
SM (Sri) Saxena

Dear Sir,

**Subject: 10% Increase in Aeronautical Charges requested by Mumbai International Airport Ltd. (MIAL) with effect from 03.05.2009.**

With reference to your letter: D.O. No. AERA/20010/MIAL-AC/2010/883 and Consultation Paper No.1 /2010-11 dated 12 April 2010 pertaining to the above subject, we would like to advise you as follows:

We confirm and support the decision of AERA to reject the request made by MIAL for a 10% increase in aeronautical charges with effect from 03 May 2009.

We concur with the interpretation of AERA that an automatic year over year increase of 10% in aeronautical charges, tantamount to a doubling of rates in seven years regardless of costs incurred by the airport operator, is not warranted.

We are of the opinion that, prior to any further increase in aeronautical charges, existing charges should first be rationalized by AERA as they have been arrived at without the participation of all the stakeholders, in this case the airlines.

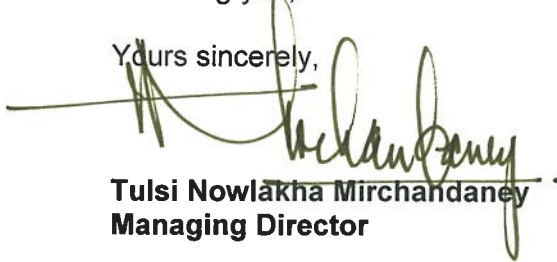
Such arbitrary increases in charges would place an undue financial burden on embattled airlines in the country that are already struggling to cope with a host of high cost heads, and are attempting to emerge from one of the most challenging years in aviation history.

We appreciate the process of user consultation prior to conceding to requests for increase in airport charges initiated by AERA, and would further suggest encouragement

of a transparent mechanism for determination of airport charges demanded by the airport operator.

Thanking you,

Yours sincerely,



Tulsi Nowlakhia Mirchandaney  
Managing Director