

IGI airport to raise fees by up to 3,000

- A Monitor Desk Report

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New Delhi: Domestic passengers flying in and out of Delhi Airport during peak hours (5-8:55 am and pm) could soon face increased costs, while international first and business class travelers may see higher charges than those in economy or premium economy.

This proposal, if approved, would be the first of its kind for an Indian airport, a TOI report stated.

Delhi International Airport Ltd (DIAL) has suggested levying a user development fee (UDF) on arriving passengers, in addition to the existing fee for departures. The proposal also includes differential charges based on flight timings and class of travel. Sources indicate that these measures aim to avoid a steep uniform hike and support DIAL's expansion plans.

DIAL, which operates Indira Gandhi International (IGI) Airport, has submitted a proposed tariff card for aeronautical charges to the Airport

Economic Regulatory Authority (AERA). AERA will conduct a thorough evaluation before finalizing the revised charges. Aeronautical charges include landing and parking fees paid by airlines, as well as the UDF paid directly by passengers.

Currently, departing passengers at Delhi Airport pay a UDF of approximately Rs 52 (excluding taxes). DIAL has proposed increasing this fee to Rs 610 (1,073pc hike) and Rs 1,620 (3,015pc excluding taxes), along with hikes in other aeronautical charges. The final decision on these rates will be made by AERA.

International passenger traveling in business class will need to pay Rs 570 as UDF from April 2025, whereas economy and premium economy travelers will be charged Rs 280.

DIAL has undertaken significant capital expenditure projects, including expanding Terminal 1, constructing an elevated taxiway, and upgrading airport infrastructure. Future projects include the long-awaited air train connecting terminals and Aerocity. Additionally, Terminal 2 is set to be demolished to make way for a larger Terminal 4.

DIAL stated in its letter to AERA, "DIAL has been incurring losses in the past. For the current financial year, losses are expected to exceed Rs 1,500 crore. The recently completed Phase 3A expansion project involved a massive capital expenditure exceeding Rs 12,500 crore, a significant portion of which was funded by borrowings. As of Dec 2024, DIAL is carrying a substantial debt of over Rs 15,000 crore, including \$522 million in bonds maturing in Oct 2026."

The airport operator has highlighted its financial strain and stated that it may require new loans to meet upcoming debt obligations. "With the expected target revenue over the next four years, DIAL's average aeronautical revenue per passenger is projected to be Rs 370," it added. Given this outlook, the company anticipates losses over the next two financial years, which could impact its credit rating and borrowing capacity.

To ensure financial stability, DIAL has requested AERA to approve an aeronautical revenue per passenger of Rs 450 for FY 2025-26 and 2026-27, with additional adjustments spread over the following two years. The proposed tariff structure is expected to take effect from April 1, 2025, subject to AERA's approval.

