

**F.No.AERA/20010/MYTP/DIAL-DF/20012-13/Vol. VI**  
**Airports Economic Regulatory Authority of India**

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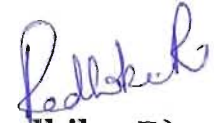
**AERA Building**  
**Administrative Complex,**  
**Safdarjung Airport,**  
**New Delhi – 110 003.**

**Dated the 24<sup>th</sup> December, 2012**

**Public Notice No. 11/2012-13**

**Subject: Consultation Paper No. 32/2012-13 dated 12.12.2012 –**  
**Comments/Submissions received – reg.**

Attention of all concerned is invited to Consultation Paper No. 32/2011-12 issued by the Authority on 12.12.2012, in the matter of Review of levy of Development Fee at Indira Gandhi International Airport, New Delhi and Public Notice No. 09/2012-13 dated 20.12.2012 vide which the comments of the stakeholders were uploaded. The comments of Air India, which have subsequently been received on the proposal, are appended herewith for the information of all concerned.



**(Radhika. R)**

**DGM**

**Tel: 24695044-47**

विनीता भंडारी

Vineeta Bhandari

कार्यपालक निदेशक (उत्तरी क्षेत्र)

Executive Director (Northern Region)



Ref. No. DRD/53

19<sup>th</sup> December 2012

Dear *Capt Chaudhary,*

**Sub: Review of levy of Development Fee at Indira Gandhi International Airport**

At the outset Air India would like to express its disapproval to the proposal for continued levy of Development Fee by DIAL.

The gap in capital financing of the Delhi airport project being proposed to be met through the levy of Development Fee is a good business sense for DIAL but if every business which is not able to fund its capital requirements is able to increase costs for the public then we shall have no end to increase in charges and the public will suffer. Also related businesses will automatically suffer like the airlines as demand will fall reducing passenger footfall at the airport. If DIAL needs money to expand then they need to fund it themselves or through their partners and not make the passengers pay the same. It is a normal business risk and DIAL should manage their own funding instead of making AERA arrange for the funds through continued levy of DF.

In addition the levy of DF has arisen mainly due to the cost overruns. Passengers are being unnecessarily burdened with extra costs due to inability of the concessionaire to raise funds from the market. DIAL needs to explore other financing options and exhaust them at whatever cost and not charge the passengers. The charge on the passengers results also in burdening the airlines making things difficult as demand falls.

DIAL has a long period of ownership of 30 years plus to recover their costs and need not recover their costs in a short period of time. Levy of the DF is only beneficial to the airport operator/DIAL and the long gestation period which DIAL has the ownership of the Delhi Airport would make more profits for it over the years from increased number of passengers than through such short term unpopular charges.

In view of the above, it is reiterated that by increasing the tenure of levy of DF not only the passengers have to pay DF for a longer period but also the airlines will be indirectly burdened. Such a levy should be discontinued at the earliest in the interest of the public at large.

With *regards,*

Yours sincerely,

*Vineeta Bhandari*  
(Mrs. Vineeta Bhandari)

Capt Kapil Chaudhary,  
Secretary, AERA  
Stores Building  
Safdarjung Airport,  
New Delhi

एयर इण्डिया लिमिटेड Air India Limited

आई.जी.आई. एयरपोर्ट, टर्मिनल-1, नई दिल्ली-110037 IGI Airport, Terminal-1, New Delhi-110037

कार्या. Off. : 25672800, 25672820 फ़ैक्स Fax : 25672805 E-mail : v.bhandari@airindia.in

रजिस्टर्ड कार्यालय : एयरलाइन्स हाउस, 113, गुरुद्वारा रकबगंज रोड, नई दिल्ली-110001 EPABX : 23422000  
Regd. Office : Airlines House, 113 Gurudwara Rakabganj Road, New Delhi-110001 EPABX : 23422000

वेब साईट Web site : www.airindia.in