

ऐरा/20010/एमआईएल/डीएफ और एमडीएफ/2020-21
AERA/20010/MIAL/DF & MDF/2020-21
भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

आदेश संख्या 43/2022-23

Order No. 43/2022-23

ऐरा भवन/AERA Building
प्रशासनिक कॉम्प्लेक्स/Administrative Complex
सफदरजंग हवाईअड्डा/Safdarjung Airport
नई दिल्ली/New Delhi – 110003

जारी करने की तारीख: 29 मार्च, 2023/ Date of Issue: 29th March, 2023

विषय: छत्रपति शिवाजी महाराज अंतरराष्ट्रीय हवाईअड्डा, मुंबई में परियोजना निर्माण कार्य और मेट्रो कार्य के लिए विकास शुल्क (डीएफ) लगाने के मामले के संबंध में

Sub.: In the matter of levy of Development Fee (DF) for Project Work and Metro Work at Chhatrapati Shivaji Maharaj International Airport, Mumbai – reg.

1. **DF and MDF:**

1.1 **Development Fee (DF) for Project Financing:** The Airports Economic Regulatory Authority of India (AERA) sanctioned a levy of DF @ Rs.100/- per embarking domestic passenger and Rs.600/- per embarking international passenger, based on the traffic forecast, to cover a deficit in project financing vide Order No. 29/2012-13 dated 21.12.2012 for a total amount of Rs.3845.50 crores.

1.2 **Metro Development Fee (MDF) for Metro Works:** AERA also sanctioned levy of MDF for financing the Metro Works at Mumbai Chhatrapati Shivaji Maharaj International Airport @ Rs.20/- per domestic embarking passenger and Rs.120/- per international embarking passenger for a total amount of Rs.518.00 crores vide Order No. 46/2015-16 dated 28.01.2016.

2. Above stated rates of DF and MDF were merged into a combined DF of Rs.120/- per domestic embarking passenger and Rs.720/- per international embarking passenger at CSMI Airport vide decision no.7.a of AERA's Order No. 46/2015-16 dated 28.01.2016 and were initially approved by AERA to be collected up to 31.03.2021 based on traffic forecast.

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3 On request from Mumbai International Airport Limited (MIAL) for extension of the period due to shortfall in the collection of DF/MDF due to actual traffic being less than that forecasted due to the impact of Covid-19 and based on the recommendation of Airports Authority of India (AAI), being the Nodal agency for the management of DF and MDF (as outlined in the DF Rule 2011), AERA extended the collection periods, from time to time, as per the following orders:

- (i) Order No. 66/2020-21 dated 24.03.2021 allowed Chhatrapati Shivaji Maharaj International Airport, Mumbai to continue collecting DF @ Rs.120/- per domestic embarking passenger and Rs.720/- per international embarking passenger till 31.03.2022.
- (ii) Order No. 49/2021-22 dated 28.03.2022 allowed Chhatrapati Shivaji Maharaj International Airport, Mumbai to continue collecting DF @ Rs.120/- per domestic embarking passenger and Rs.720/- per international embarking passenger till 30.06.2022.
- (iii) Order No. 09/2022-23 dated 30.06.2022 allowed Chhatrapati Shivaji Maharaj International Airport, Mumbai to continue collecting DF @ Rs.120/- per domestic embarking passenger and Rs.720/- per international embarking passenger till 31.03.2023.
- (iv) It was also decided that the position will be reviewed, based on the actual audited figures submitted by AAI, and take further action.

4. For the sake of brevity, detailed analysis and justifications for extending the period as brought out under above mentioned Orders, have not been reproduced here.

5. Airports Authority of India (Major Airports) Development Fee Rules, 2011, notified by MoCA on 02.08.2011, inter-alia, set forth responsibility on AAI to monitor and regulate the receipts and utilization of development fees.

6.1 AAI, vide letter no. AAI/MC/MIAL-06/DF-A/2022/669 dated 17.10.2022, submitted the status of DF billing as on 31.08.2022 without duly certified Independent Auditor's Report. Further, AAI vide letter AAI/MC/MIAL-06/MDF/2022/670 dated 17.10.2022, submitted status report on MDF alongwith the observations of the Independent Auditor and its billing status as on 31.08.2022.



6.2 MIAL, vide letter no. MIAL/CEO/2022-23/29 dated 25.11.2022, requested AERA to resolve issues pertaining to levy of Development Fee (DF)/Metro Development Fee (MDF) for MIAL and sought extension of levy beyond 31.03.2023. Comments of AAI were sought by AERA on the contentions raised by MIAL.

7. With a view to thoroughly examine the subject issue and take appropriate decision for further extension of the levy of DF and MDF at CSI Airport, AERA and AAI along with Independent Auditor, appointed by AAI, had multiple rounds of discussions to conclude the issue. Accordingly, AAI was requested to furnish the relevant details duly certified by Independent Auditor to enable AERA to take final decision for continuation/discontinuation of DF/MDF. The matter has been followed up with AAI through various communications from time to time. In response, AAI, vide letter no. AAI/MC/MIAL-06/DF-A/2022 dated 28.03.2023, inter-alia, submitted as under:

"some rectification in the DF reports with respect to Interunit Transactions with MIAL are yet to be carried out by the IA. The final DF audit reports shall be submitted to AERA shortly".

From this, it is evident that AAI is yet to furnish the complete information required for taking appropriate decision in the matter.

8. **AERA's Observations:**

8.1 **Billable amount of DF (Project Financing):** As brought out in Para 7 above, AAI has furnished only partial information in response to AERA's letter dated 23.12.2022 and in the absence of complete information, AERA, as an interim measure, decides to extend the DF (as mentioned in Para 1.1 above) for three months beyond 31.03.2023 till 30.06.2023.

8.2 **Billable amount of MDF (Metro Works):** MIAL, vide letter no. MIAL/CFO/22-23/64 dated 18.03.2023 has informed that MIAL has achieved the amount projected by AERA vide Order No. 46/2015-16 and "MIAL has discontinued MDF billing w.e.f. 02.03.2023".



ORDER:

Based on the material available with it, AERA in exercise of its powers conferred by Section 13(1)(b) of the Airports Economic Regulatory Authority Act, 2008 read with Section 22A of the Airports Authority of India Act, 1994 hereby orders that:

- (I) **Levy of Development Fee (DF):**
- a) Chhatrapati Shivaji Maharaj International Airport, Mumbai is allowed to collect the DF @ Rs. 100/- per domestic embarking passenger and @ Rs. 600/- per international embarking passenger till **30.06.2023**.
- b) The above DF rates will be applicable on the tickets issued on or after the date of issue of this order.
- (II) **Levy of Metro Development Fee (MDF) stands discontinued w.e.f. 02.03.2023.**
- (III) Release of DF/MDF from Escrow Account should be in accordance with Airports Authority of India (Major Airports) Development Fee Rules, 2011 issued by Ministry of Civil Aviation dated 2nd August 2011.
- (IV) AAI is directed to submit the complete details/information as sought vide AERA's letter dated 23.12.2022, after taking cognizance of the clarifications contained therein on priority.
- (V) Based on the detailed information to be provided by AAI, appropriate action in this regard will be taken by AERA in due course.

By the Order and in the Name of the Authority


(Col Manu Sooden)
Secretary

To,
Shri Prakash Tulsiani, Chief Executive Officer,
Mumbai International Airport Limited,
CSMI Airport, 1st Floor, Terminal 1,
Santacruz (E), Mumbai 400 099.

Copy to:

- (i) Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi 110 003.
- (ii) Chairman, Airports Authority of India, Rajiv Gandhi Bhavan, Safdarjung Airport, New Delhi 110 003.

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