

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 09/2023-24

Order No. 09/2023-24

ऐरा भवन/AERA Building

प्रशासनिक कॉम्प्लेक्स/Administrative Complex

सफदरजंग हवाईअड्डा/Safdarjung Airport

नई दिल्ली/New Delhi – 110003

जारी करने की तारीख: 14 जून, 2023/ Date of Issue: 14th June, 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 Connectivity Project at Chhatrapati Shivaji Maharaj International Airport, Mumbai – reg.

1. DF and MDF:

- a. **Development Fee (DF) for Project Financing:** MoCA, vide letter No. AV.24011/001/2009-AD dated 27th February 2009 determined, on an ad-hoc basis, the rate of Development Fees (DF) leviable at CSI Airport, Mumbai. Thereafter, on the establishment of the Airports Economic Regulatory Authority of India (AERA), vide Order No. 29/2012-13 dated 21.12.2012, AERA sanctioned a levy of DF @ Rs.100.00 per embarking domestic passenger and Rs.600.00 per embarking international passenger at CSI Airport, Mumbai, based on the traffic forecast, permitting DF billing of Rs. 3845.50 Cr., of which Rs. 2515.00 Cr. represented the balance DF and remaining amount of Rs. 1330.50 Cr. represented the interest component.
- b. **Metro Development Fee (MDF) for Metro Connectivity Project:** AERA also sanctioned the levy of MDF at Mumbai Chhatrapati Shivaji Maharaj International Airport @ Rs.20.00 per domestic embarking passenger and Rs.120.00 per international embarking passenger for financing the Metro



Connectivity Project for a cost of Rs.518.00 Cr. 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.
3. On request from Mumbai International Airport Limited (MIAL) for extension of the period because of the shortfall in the collection of DF/MDF, due to actual traffic being less than that forecasted in the background of Covid-19 impact, based on the inputs provided by AAI, being the Nodal agency for management of DF/MDF (as outlined in DF Rule 2011) and duly audited by the Independent Auditor appointed by AAI, AERA extended the collection periods, from time to time, as per the following orders:
 - a. 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.
 - b. 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.
 - c. 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.
 - d. Upon discontinuation of MDF w.e.f 02.03.2023, Chhatrapati Shivaji Maharaj International Airport, Mumbai was allowed to continue collecting DF @ Rs.100/- per domestic embarking passenger and Rs.600/- per international embarking passenger till 30.06.2023 (Refer Order No. 43/2022-23 dated 29.03.2023).



In the said order, AERA directed AAI to submit complete details/information as sought vide AERA letter dated 23.12.2022, after taking cognizance of the clarifications contained therein on priority.

It was also informed that based on the detailed information to be provided by AAI, appropriate action in this regard will be taken by AERA in due course.

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. AAI, vide letter no. AAI/MC/MIAL-06/DF-A/2022/931 dated 24.05.2023 and AAI/MC/MIAL-06/DF-A/2022/931 dated 09.06.2023, has submitted following details, duly audited by the Independent Auditor appointed by AAI for DF:
 - a. Billing done by MIAL for DF from May 2012 till December 2012: Rs. 176.92 Cr.
 - b. Billing done by MIAL for DF from January 2013 to January 2023: Rs. 3733.84 Cr.
 - c. Balance DF to be billed as on 31.01.2023: Rs. 488.30 Cr.

In addition, AAI in said letter has informed that the Independent Auditor, based on the Fixed Asset Register and as per the audited financial statement, stated that the DF asset Gross Block is Rs. 3400 Cr.

7. MIAL has submitted month wise actual DF billing details for the month of February 2023 to May 2023 as given below:

Month	DF Billing (Rs. in Cr.)
February 2023	47.47
March 2023	46.49
April 2023	35.43
May 2023	45.02
Total	174.41
Average billing from February 2023 to May 2023	43.60



8. Authority's Observations:

- (i) The Authority, based on the information provided by AAI (Refer Para 6 above) notes that the balanced DF to be billed as on 31.01.2023 is Rs. 488.30 Cr. Further, as per para 7 above, the monthly average DF billing for the month of February 2023 to May 2023 is Rs. 43.60 Cr.
- (ii) The Authority also notes that MIAL has taken debt/loan for the purpose on which interest is being charged by the Bank(s) on reducing balance basis.
- (iii) The Authority, to ascertain the likely recovery period of balance DF amount, took cognizance of the facts and details provided by AAI/MIAL, and the current passenger traffic trends at Mumbai Airport. Based on the same, it is expected that the collection of balance DF plus applicable interest may take approximately 7 months i.e., to be recovered by 31.12.2023.
Hence, the Authority, further decides to extend the DF collection period till 31.12.2023.
- (iv) The Authority also directs AAI to reconcile and close the DF and MDF account on or before 30.06.2024, and to arrive at the over recovery or under recovery of DF in accordance with decision no. 8b of Order No. 46/2015-16. The under recovery (if any) will be adjusted appropriately at the time of tariff determination of 4th Control Period for MIAL.
- (v) The Authority also noted from AAI letter that they have enclosed asset details submitted by the Independent Auditor. MIAL, being the joint venture company of AAI, it is presumed that necessary verification has been done by AAI.

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. 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 for tickets issued till **31.12.2023**.
- ii. As there is time lag between date of booking of ticket and date of travel, MIAL is authorised to raise bills for DF on the basis of actual collection from passengers.



- iii. Metro Development Fee (MDF) was discontinued w.e.f. 02.03.2023 as per AERA Order No. 43/2022-23 dated 29.03.2023. MIAL is authorized to raise the bills for MDF, on the basis of actual MDF collection from passengers, due to the time lag between 02.03.2023 and implementation of order.
- iv. Cost of Metro connectivity project was restricted to Rs. 518 Cr. as per decision no. 2.a of order No. 46/2015-16 dated 28.01.2016. Accordingly, AAI is directed to release funds from Escrow Account as per laid down procedure.
- v. Levy of Development Fee (DF) will automatically stand discontinued on 31.12.2023(24:00 Hours).
- vi. Release of DF 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.
- vii. AAI is directed to reconcile and close the account by 30.06.2024, and to arrive at the over recovery or under recovery of DF/MDF in accordance with decision no. 8b of Order No. 46/2015-16. The under recovery (if any) will be adjusted appropriately by AERA at the time of tariff determination of 4th Control Period for MIAL.

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.

