

**AERA/20010/MIAL/DF & MDF/2020-21/
Airports Economic Regulatory Authority of India**

Order No. 66/2020-21

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

Date of Issue: 24th March, 2021

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

AERA has sanctioned a levy of DF @Rs.100/- per embarking domestic passenger and Rs.600/- per embarking international passenger to cover a deficit in project financing vide its Order No. 29/2012-13 dated 21.12.2012 for a total amount of Rs.3845.00 crores to be collected up to 30.04.2021.

2. Further the Authority has sanctioned levy of DF 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 its Order No. 46/2015-16 dated 28.01.2016. Both the levies were merged in to a combined DF of Rs.120/- per domestic embarking passenger and Rs.720/- per international embarking passenger and were approved to be collected up to 31.03.2021.

3. Whereas a request was received from MIAL for extension of period of levy vide letter no. MIAL/VPR/2020-21/09 dated 20.08.2020 for Project DF, and, letter no. MIAL/VPR/2020-21/12 dated 16.09.2020 for Metro DF, due to shortfall in the collection of both the levies.

4. AAI confirmed vide their letter no. AAI/MC/MIAL-06/DF-A/2020/165 dated 21.12.2020, that as on 31.03.2020, an amount of Rs.524.57 crores are yet to be collected under Project DF, and, further vide letter no. AAI/MC/MIAL-06/2020/115 dated 12.11.2020 that a deficit of Rs.102.70 crores is to be collected under Metro DF. During the period April 2020 to January 2021 domestic passengers were less by 76.4% and International passengers were less by 91.9% when compared to the previous year for the same period. As a result of this, the collection of DF during the period April 2020 to March 2021 is expected to be much less than the anticipated amount and the deficit would not be covered by 31.03.2021. The DF collection for the period FY 2020-21 will be known only after the completion of the financial year and completion of the audit.

The Authority has examined the facts, and, on the basis number of passenger traffic anticipated in the Tariff Order for the 3rd Control Period of MIAL, during FY 2020-21 the Authority expects MIAL to collect Rs. 80.63 crores. After the end of FY 2020-21 still there will be a short fall of Rs. 546.64 crores.




So, in view of the facts stated above, there is a necessity to extend the levy of DF beyond March 2021, to recover the sanctioned DF amount. However, the traffic projections for the period FY2021-22 and FY2022-23 are tentative and may change depending on COVID situation and other economic factors and collection may vary from the present calculations. Accordingly, it is decided to extend the levy of DF up to March 2022. The position will be reviewed after December 2021 and further action/Order will be issued based on such review.

ORDER

5. In view of the above, to avoid any regulatory vacuum in respect of levy of DF being collected by the regulated entity, the Authority in exercise of its powers conferred by section 13(1) of the Airports Economic Regulatory Authority Act, 2008 hereby orders that:

- (i) Chhatrapati Shivaji Maharaj International Airport, Mumbai is allowed to continue to collect DF @ Rs.120/- per domestic embarking passenger and Rs.720/- per international embarking passenger till 31.03.2022 as an interim measure.
- (ii) The position will be reviewed by the end of December 2021 and further decision will be taken based on the report of Independent Auditor, appointed by the Airports Authority of India.

By the Order and in the Name of the Authority


(Col Manu Sooden)
Secretary

To,

Shri R K Jain, 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.

