

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION**

RAJYA SABHA

QUESTION NO 02.03.2010

ANSWERED ON

USER DEVELOPMENT FEES BY PRIVATE OPERATORS .

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Shri Prakash Javadekar

Will the Minister of COAL HEALTH AND FAMILY WELFARE INFORMATION AND BROADCASTING CIVIL AVIATION be pleased to state :-

- (a) whether it is a fact that User Development Fees (UDF) are being charged by private operators at Mumbai and Delhi airports;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government has studied the impact of these fees over the economic viability of the project; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION

(SHRI PRAFUL PATEL)

A Statement is laid on the Table of the House.

Statement in reply to parts (a), (b), (c) & (d) of Rajya Sabha Starred () Question No.73 for 02.03.2010 regarding User Development Fees by private operators.

(a) & (b): Keeping in view the paramount importance of completing the project in time, the Government have, in terms of Section 22A of the AAI Act 1994, approved the levy of Development Fee (DF), purely on an ad-hoc basis to bridge the funding gap of Rs.1827 crores and Rs.1543 crores for Delhi and Mumbai airports respectively. M/s Delhi International Airport Pvt. Ltd. (DIAL) has been allowed to levy DF @ Rs.200/- per embarking domestic passenger and @ Rs.1300/- per embarking international passenger, inclusive of all applicable taxes, for a period of 36 months w.e.f.01.03.2009. M/s Mumbai International Airport Pvt. Ltd. (MIAL) has been allowed to levy DF @ Rs.600/- per embarking international passenger and @ Rs.100/- per embarking domestic passenger, inclusive of all applicable taxes for a period of 48 months w.e.f. 01.04.2009.

(c) & (d): DF has been levied under Section 22A of AAI Act, 1994 for funding or financing the cost of upgradation, expansion or development of the airport. Therefore, the economic viability of the project cannot be assessed at this stage. However, due diligence was conducted by the professional consultant which identified funding gap at these airports. The final determination of levy will be made by the Independent Regulator (AERA) on a detailed review.