

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4885
ANSWERED ON:09.12.2010
CHARGING OF DEVELOPMENT FEE
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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the State Support Agreement and Operation Management and Development Agreement signed by the Government of India with Delhi International Airport Ltd. (DIAL) does not contain any clause with reference to changing of development fee by DIAL;
- (b) if so, the details thereof;
- (c) the basis on which DIAL has been granted permission to levy development fee on passengers;
- (d) whether DIAL is not sharing this revenue collected from passengers as development fee with the Airports Authority of India; and
- (e) if so, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a): Yes, Madam.

(b): Does not arise.

(c):Development Fee (DF) has been approved under Section 22A of the Airports Authority of India (AAI) Act 1994, purely on an ad-hoc basis for a period of 36 months with effect from 01.03.2009. It is @ Rs.1300/- per departing international passenger and @ Rs.200/- per departing domestic passenger. The purpose of DF is to bridge the funding gap of Rs.1827 crores. Funds collected through the levy could be utilised only for the construction of such aeronautical assets which will be transferred by DIAL to AAI upon completion of lease period.

(d) & (e):DF is a pre-funding measure for the funding of the project and similar to debt and equity contributions in this respect as contemplated in Operation, Management and Development Agreement (OMDA). Since debt and equity are not considered to be the part of revenue, therefore, DF is also not part of the revenue. However, AAI gets 45.99% of the Gross Revenue earned by DIAL.