

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1967
ANSWERED ON:05.12.2012
DF AT DELHI AIRPORT
Rathod Shri Ramesh;Semmalai Shri S.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Operation, Management and Development Agreement (OMDA) signed by Airports Authority of India (AAI) & GMR does not envisage charging of development fee and the JV is supposed to arrange finance through debt and equity contributions;
- (b) if so, the circumstances under which DIAL [Delhi International Airport (P) Limited] was allowed to charge development fee from passengers;
- (c) whether allowing GMR to collect development fee violates the bidding procedure, as it was never informed to all the bidders who participated in the process of bidding and evaluation of bidding criteria; and
- (d) if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

- (a): As per clause 13.1(a) of OMDA `It is expressly understood that the JVC shall arrange for financing and/or meeting all financing requirements through suitable debt and equity contributions in order to comply with its obligations hereunder including development of the Airport pursuant to the Master Plan and the Major Development Plans`. However as per 20.3.7 of OMDA under the heading Governing Law it has been specified that `This Agreement shall be governed by and construed in accordance with the laws of India`.
- (b), (c) & (d): Development Fee (DF) has been determined at IGI Airport, Delhi under Section 22A of Airports Authority of India (AAI) Act, 1994 to bridge the funding gap as a means of last resort for funding the airport project. The said Section was specifically incorporated in the AAI Act when the Government in 2003 had decided to develop the airports with private-sector participation. The Amendment in AAI Act, 1994 was known to all the bidders upfront who participated in the bidding process during the selection of Joint Venture Partners for restructuring and modernisation of Delhi and Mumbai airports.