

## ASSOCIATION OF PRIVATE AIRPORT OPERATORS

Regn No. S/64468/2009

**Kiran Kumar Grandhi**  
President

**R.K. Jain**  
Vice President

**Satyam Nayar**  
Secretary General



**APAO/COP-33/2011-12**

**Date: 27/01/2012**

The Secretary,  
Airports Economic Regulatory Authority of India,  
AERA Building, Administrative Complex,  
Safdarjung Airport, New Delhi - 110 003

**Subject: Determination of Development Fee in respect of CSIA Mumbai, Consultation Paper No. 33/2011-12**

Dear Madam,

We appreciate the Authority releasing the Consultation Paper for Determination of Development Fee in respect of CSIA Mumbai. Our comments on the above Consultation Paper are furnished below:

APAO strongly supports the request made by MIAL for the DF of Rs. 100/- per embarking Domestic Passenger and Rs. 600/- per embarking International Passenger and request the Honourable Authority to kindly approve the same at the earliest because of the following reasons:

1. Any possibility for increase in Equity depends on AAI's participation. AAI has expressed its inability to contribute to any additional equity due to its commitment of modernising and upgrading other AAI airports in the country. In the absence of their inability to contribute any additional equity, it will not be feasible to increase equity contribution from other Shareholders.
2. The lenders to the project (including IDBI Bank) is not willing to provide additional debt at the present condition.
3. The project is ongoing and needs infusion of additional means of finance for timely completion of the projects.
4. Since additional funds through equity and debt are not possible, DF is the only funding route available as a measure of last resort for financing the project and therefore request the Honourable Authority to kindly approve the same.
5. We also request the Authority to kindly complete the audit process at the earliest to determine the revised project cost to Rs. 12,380 Crores and the rate and tenure of DF.
6. In view of the reasons/justifications mentioned above, DF requires to be approved urgently to avoid any further escalation of the project cost and further delay in project completion.
7. This will give the right signal to the market and the investors.

We once again request the Honourable Authority to approve the proposal of MIAL at the earliest.

We look forward to your kind consideration of our submission On the Consultation Paper.

With Best Regards,  
**For Association of Private Airport Operators**

**Satyam Nayar**  
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