भारतीय विमानपत्तन प्राधिकरण
AIRPORTS AUTHORITY OF INDIA

आज़ादी का अमृत महोत्सव

E-File No. AAI/1014/2021-JVC/632 September ~~22~~, 2022
23

M/s. Amit Ray & Company,
401/403, D Definity, Jay Prakash,
Railway Station, Goregaon East,
Mumbai-400063

Sub:- Appointment of Independent Auditor for Verification of Levy & Collection of ADF and MDF by Mumbai International Airport Ltd. (MIAL) for the Financial Years 2022-23 & 2023-24 at CSMIA, Mumbai.

Tender Reference: (2022_AAI_123924_1)

Dear Sir,

The approval of the Competent Authority is hereby conveyed towards the appointment of M/s Amit Ray & Company, Chartered Accountants, Mumbai, as an Independent Auditor for verification of Levy and collection of DF-I (Airport Development Fee) and DF-II (Metro Development Fee) by Mumbai International Airport Ltd. (MIAL) as per the AAI Development Rules 2011 (copy enclosed) issued through Gazette Notification by Ministry of Civil Aviation on 2nd August, 2011, on the following terms and conditions:

I. Scope of Work: -

The illustrative (but not exhaustive) list of tasks to be performed by the Auditor against levy and collection of DF-I (ADF) and DF-II (MDF) is given as under: -

Scope for DF-I work

1. To verify the quantum of. DF-I Bills raised by MIAL on various Domestic and International Airlines in terms of Standard Operating Procedure, (SOP) issued vide letter no.- AAI/MC/MIAL-06/DF/2316-18 dated 3rd May 2012;
2. To verify the actual amount deposited directly by various airlines into AAI (CSIA) DF-I Escrow Account with respect to bills raised by MIAL to respective airlines;
3. To verify the Receipt and Payment Account showing the receipts, payments, and, utilization of DF-I funds by MIAL, on monthly basis, showing cumulative statement;
4. To verify the Statement of Accounts prepared by MIAL, showing billing, actual collection and DF-I funds utilized;

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राजीव गांधी भवन
Rajiv Gandhi Bhawan
सफदरजंग हवाई अड्डा नई दिल्ली- 110003
Safdarjung Airport, New Delhi-110003
दूरभाष : 011-24632950
Phone : 011-24632950

5. To verify the utilization Certificate issued by MIAL against DF-I and confirming that funds utilized only for acquiring the Aeronautical Assets and has/have been issued as per rule 5(2) of AAI (Major Airports) DF Rules 2011 issued by MoCA Notification on 02.08.2011;

6. Reconciliation of collected funds (through DF-I) with sanction funds as per AERA's Order. Also project the period up to which DF-I is expected to continue based on the forecast of passenger movement. The factor must be incorporated in the monthly audit report;

7. To certify transfer of funds from DF-I (CSIA) Escrow Account to MIAL Bank account on monthly basis and reflect the cumulative figure of DF amount transferred during the current financial year in monthly report. Further auditor has also to reflect financial year wise total amount of DF-I transferred to MIAL from the date of applicability of DF-I Account to the period of Audit report;

8. To verify the DF-I amount paid by MIAL to the Bankers on monthly basis towards loan recovery indicating principal and interest separately. Further, auditor has to confirm that payments made by MIAL to bankers does not include any penal interest, levied by the Bank/Banks. If any penal interest is paid by MIAL, the same has to be brought out in monthly audit report;

9. To reconcile the TDS amount deducted by various Airlines on DF-I on monthly basis in order to confirm that TDS deducted in the name of beneficiary (MIAL) has been deposited again in Receipt account of DF-I positively by next month;

10. Any other deposit by any Airline to MIAL's bank account pertaining to DF-I, may also be reflected in the respective monthly reports;

11. Verify from old DF-I Audit Reports, the utilization of DF Fund from inception i.e. from 01.04.2009 till 31.03.2022 and submit report chronologically, of utilization of DF funds for payment of DF related project expenses, any expenditure debited to fund for other than DF related projects, bank charges, payment of statutory taxes, collection charges to Airlines, repayment of DF Loans – principal repayment including interest, loan arrangement fee debited to fund, details of recoupment of such funds into Escrow, Repayment of other project loans availed for creation of other than DF funded assets. Whether the position reflected in the reports are consistent with the annual financial statements of MIAL;

12. To verify the various loans drawn by MIAL at different intervals against DF securitization, the terms of loan, the mandatory payments under the repayment

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schedule, the actual repayment of principal including interest payments against the schedule, verify details of defaults of loan repayment, verify debt servicing was consistent with prevailing cash flow position of MIAL during the same period. To submit a detailed report;

13. Verify calculation of "Interest on delayed deposit of DF amounts by MIAL to DF Escrow Account" for the period 01.01.2013 to 31.03.2022 from old monthly DF Audit Reports and submit report;

14. Verify Inter Unit Accounts of MIAL from inception of levy of ADF i.e. from 01.04.2009 till 31.03.2022 and submit report. For the period thereafter and till the end of contract, update status on monthly basis in the Audit Reports;

15. As per SOP issued vide letter no.- AAI/MC/MIAL-06/DF/2316-18 dated 3rd May 2012 and DF Rules 2011 issued by MoCA vide Notification dated 02.08.2011, if any person or a body of persons who fails to deposit the amount collected as development fees, the person or a body of persons shall be liable to pay interest at SBI base rate plus ten percent per annum. The auditor shall verify the interest payable and its deposition to Escrow Account. Facts will be incorporated in the audit report;

16. To verify the DF-II and MIAL's payment erroneously in DF-I Escrow Account on monthly basis. The Auditor will also prepare a cumulative statement showing the funds pertaining to MIAL and DF-II deposited in DF-I Escrow Account till date, amount refunded to MIAL and DF-II and balance to be refunded. The amount should be verified from the books of accounts of MIAL, DF-I, DF-II and correspondence made with various Airlines in this regard;

17. To perform any other duties as would be deemed necessary for the compliance of audit report of DF-I and to provide necessary information to AAI as and when required in respect of DF-I without any additional charges.

Scope for DF-II work

1. To verify quantum of DF-II Bills raised by MIAL on various Domestic and International Airlines in terms of Standard Operating Procedure (SOP) issued by AAI;
2. To verify the actual amount deposited directly by various Airlines into AAI (CSMIA) DF-II Escrow Account with respect to bills raised by MIAL to the respective Airlines;
3. Verification of Receipts and Payment Account showing the receipt and utilization of DF-II on monthly basis along with cumulative statement;
4. To verify the Statement of Accounts prepared by MIAL, showing billing, actual collection and DF-II funds utilized;
5. To verify the statement of accounts / report submitted by Mumbai Metro Rail Corporation (MMRC) duly certified by MIAL claiming the amount for release of funds from AAI (CSIA) DF-II Escrow Account to MMRC for Metro Connectivity;

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6. To verify the Certificate issued by MIAL that the DF-II amount is utilized only for Metro Connectivity at CSMI airport and has /have been issued by MIAL as per Rule 5(2) of AI (Major Airports) DF Rules 2011 issued on 02.08.2011;

7. Reconciliation of collected funds (through DF-II) with sanction funds as per AERA's Order. Also project the period up to which DF-II is expected to continue based on the forecast of passenger movement. The factor must be incorporated in the monthly audit report.

8. Auditor to certify deposit of DF-II funds in MIAL bank account by various airlines on monthly basis and reflect the cumulative figure of DF-II funds credited in MIAL's account during the current financial year.

9. Further auditor has also to verify financial year wise total amount of DF-II transferred to MIAL from the date of applicability of DF-II Account to the period of Audit report.

10. To reconcile the TDS amount deducted by various airlines on DF-I on monthly basis in order to confirm that TDS deducted in the name of beneficiary (MIAL) has been deposited again in Receipt account of DF-I positively by next month.

11. Verify Inter Unit Accounts of MIAL from inception of levy of MDF i.e. from 01.04.2016 till 31.03.2022 and submit report. For the period thereafter and till the end of contract, update status on monthly basis in the Audit Reports.

12. To verify the DF-I and MIAL's payment erroneously in DF-II Escrow Account on monthly basis. The Auditor will also prepare a cumulative statement showing the funds pertaining to MIAL and DF-I deposited in DF-II Escrow Account till date, amount refunded to MIAL and DF-I and balance to be refunded. The amount should be verified from the books of accounts of MIAL, DF-I, DF-II and correspondence made with various Airlines in this regard;

13. To perform any other duties as would be deemed necessary for the compliance of audit report of DF-II and to provide necessary information to AAI as and when required in respect of DF-II without any additional charges.

14. As per SOP issued vide letter no.- AAI/MC/MIAL-06/DF/2316-18 dated 3rd May 2012 and DF Rules 2011 issued by MoCA vide Notification dated 02.08.2011, if any person or a body of persons who fails to deposit the amount collected as development fees, the person or a body of persons shall be liable to pay interest at SBI base rate plus ten percent per annum. The auditor shall verify the interest payable and its deposition to Escrow Account. Facts will be incorporated in the audit report.

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II. Submission of Report

(i) The DF Auditor has to submit monthly audit report in triplicate for both audit (DF-I & DF-II) separately to Executive Director- JVC/Regulatory. Airports Authority of India, 1st Floor, C Block, Rajiv Gandhi Bhavan, Safdarjung Airports, New Delhi.

(ii) The report should clearly mention the following:

(a) The data has been collected / verified to the extent of 100% for preparing of Audit Report.

(b) The list of documents verified during the execution of the audit work for both DF-I & DF-II.

(c) Executive Summary of the audit along with audit observation including impact of the same in INR.

(d) Area of concern with reference to DF-I and DF-II Audit for consideration / information to Management.

(iii) To avoid delay in submission of the monthly report, the JVC (MIAL) shall reply to the comments of the Independent Auditor within 10 days of receipt of the draft report from Independent Auditor.

III. Period of Assignment.

Period of contract will be two years effective from 1st April 2022 to 31st March 2024 (Two Years) for both DF-I and DF-II Audit work. The period of engagement is extendable up to one year, for reconciliation purposes, on the same terms and conditions including the price.

The engagement of auditor can also be discontinued prior to the end of two years in case AERA determines not to extend further, the tenure of the levies (DF and/or MDF) beyond 31.03.2023, in that case, the period of engagement of auditor for the work of DF I and /or DF II will be restricted accordingly.

The extension of engagement of auditor will depend upon the satisfactory performance of auditor and at the discretion of the management of AAI. Further, in case of non-satisfactory performance during the currency of contract, the contract may be terminated by AAI Management by giving notice to Independent DF Auditor, in which case, the Security Deposit will be forfeited, fully or proportionately, as the case may be. The payment of professional fee for respective quarter, for DF-I and DF-II, shall be on actual basis.

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IV. **Fee:**

Professional Fee of Rs.7,40,000/- (Rupees Seven Lakhs Forty Thousand Only) plus applicable Goods & Services Tax thereon for the period mentioned in Para No. III above. Professional fee is as follows:

S. No.	Item Description	Qty	Unit	Basic Rate	Amount
1	Professional fee for audit of verification of levy and collection of DF-I (Airport Development Fee) by Mumbai International Airport Ltd. (MIAL) levied at CSMI Airport, Mumbai for Financial Year 2022-23 & 2023-24.	1	Job	3,70,000/=	3,70,000/=
2	Professional fee for audit of verification of levy and collection of DF-II (Metro Development Fee) by Mumbai International Airport Ltd. (MIAL) levied at CSMI Airport, Mumbai for Financial Year 2022-23 & 2023-24.	1	Job	3,70,000/=	3,70,000/=
	Total Amount				7,40,000/=

V **Terms of Payment:**

The modality of payment will be as follows:

a) First, auditor will raise invoice to AAI on quarterly basis addressing ED-JVC/Regulatory, CHQ. AAI will release the payment after acceptance of report by competent authority, subject to recoveries towards statutory deductions as applicable. GST will be paid as per actual.
b) After releasing payment to auditor, AAI will raise reimbursement claim to MIAL as the payment of professional fee shall be borne by JVC(MIAL), CSMIA, Mumbai, as per approved SOP.
c) The next payment to auditor, shall be released after settlement of reimbursement of AAI claim by MIAL.
d) The payment shall be made through electronic mode only.

VI. **Others:**

1) Any other item not covered in the scope shall be mutually decided by both the parties.

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2) Price quoted is all inclusive and excludes GST which will be paid as per actual. No other additional claim will be entertained.

3) General Manager, Joint Venture Cell at JV Cell, Rajiv Gandhi Bhawan, shall be the Officer-in-charge of the work. You are requested to visit the O/o General Manager JVC within 07 working days from receipt of this letter to sign and complete the contract agreement (enclosed in **Annexure-I**) in formal acceptance. The contract agreement shall be executed on a non-judicial stamp paper of Rs.100/- (Rupees One Hundred Only) and cost of stamp paper shall be borne by you.

4) As per conditions in section-III clause 3 (security deposit) of Special Terms & Conditions of Tender Document, the successful bidder shall be required to pay the 10% of the contract value towards security deposit which can be adjusted against EMD or can be deducted by AAI from the payments to be made towards professional fee. Alternately, you may, submit to AAI, the equivalent of 10% contract value towards Security Deposit in the form of Bank Guarantee in the proforma attached (enclosed in **Annexure-II**) within 07 working days of issue of this award letter.

5) In case of any dispute or differences arising between the parties, the same will be regulated as per the clause 7 of General Terms and Conditions of the tender document.

6) The terms and conditions mentioned in NIT, together with the award letter shall form part of contract agreement.

Please acknowledge receipt of this Letter of Award and submit your unconditional acceptance within 4 working days of issue of this letter. All other contractual formalities may be completed within stipulated time.

Thanking you,

Yours Sincerely,

23/9/2022

(Suresh Kumar Sharma)
General Manager (JV Cell)

Encl: Annexures I & II

<u>*Copy for information to:*</u>

(1) CEO, Mumbai International Airport Ltd. (MIAL), CSMI Airport, Ist Floor, Terminal 1B, Santa Cruz (East), Mumbai-400099;

(2) OSD to Member (Finance), AAI, Rajiv Gandhi Bhawan, N. Delhi.

Annexure-I

AGREEMENT

[to be submitted on non-judicial stamp paper of INR 100/-]

AGREEMENT

FOR

Appointment of Independent Auditor for verification of levy & collection of ADF & MDF by Mumbai International Airport Ltd. (MIAL) at CSMIA, Mumbai, for period FY 2022-23 & FY 2023-24

(Tender Reference: 2022_AAI_123924_1)

BETWEEN

AIRPORTS AUTHORITY OF INDIA, RAJIV GANDHI BHAWAN, SAFDARJUNG AIRPORT, NEW DELHI-110 003

AND

M/S ....

This agreement is made at New Delhi today .... day of .... of 2022 between AIRPORTS AUTHORITY OF INDIA, A body corporate constituted by the Central Government under the Airports Authority Act (Act 55 of 1994) and having its Corporate office at RAJIV GANDHI BHAWAN, SAFDURJUNG AIRPORT, NEW DELHI-110003 represented by hereinafter called the 'AUTHORITY' (which term shall unless excluded by or is repugnant to the context be deemed to include its Chairman, or Member, Executive Directors, General Managers, Officers or any of them specified by the Chairman on his behalf and shall also include its successors and assigns on one part and .... having its principal office space & place of business .... (hereafter called .... and represented by .... of the on the other part hereinafter called the CONTRACTOR (which term shall unless excluded by or is repugnant to the context, be deemed to include its higher, representative, successors and assigns of the contract) .

WHEREAS, AUTHORITY invited offers for the work of "Appointment of Independent Auditor for verification of levy & collection of ADF & MDF by Mumbai International Airport Ltd. (MIAL) at CSMIA, Mumbai, for period FY 2022-23 & FY 2023-24" (Tender Reference: 2022_AAI_123924_1)

WHEREAS, the CONTRACTOR has offered its bid, for "Appointment of Independent Auditor for verification of levy & collection of ADF & MDF by Mumbai International Airport Ltd. (MIAL) at CSMIA, Mumbai, for period FY 2022-23 & FY 2023-24" (Tender Reference: 2022_AAI_123924_1)

Now, therefore, in consideration of the promises and mutual covenants contained herein, the CONTRACTOR and the AUTHORITY (hereinafter referred to as the "parties") agree as follows:

For the purpose of this contract the following constitutes part of the agreement:

a. **Contract Period** – for two years with effect from **1st April 2022 up to 31st March 2024** AUTHORITY's Tender Documents for the Scope of "Appointment of Independent Auditor for verification of levy & collection of ADF & MDF by Mumbai International Airport Ltd. (MIAL) at CSMIA, Mumbai, for period FY 2022-23 & FY 2023-24"

b. comprised of **E-TENDER No (Tender Reference: 2022_AAI_123924_1)** and CONTRACTOR *Price bid opened on CPP e-portal on* 7th September 2022 *and* price bid of the CONTRACTOR for Rs. 7,40,000/- (Rupees Seven Lakhs Forty Thousand Only) excluding GST and accepted by AUTHORITY.

c. Bid Response Documents submitted by the CONTRACTOR in fulfilling the tender requirements that includes the signed Compliance.
d. Unconditional Acceptance of AUTHORITY Tender conditions as given by the CONTRACTOR.
e. AUTHORITY Contract Award Letter no. ....

IN WITNESS WHEREOF, The parties have caused this agreement and executed by their respected duly authorized representatives on the ....day........... and ....year written.

ON BEHALF OF

(M/S ....)

ON BEHALF OF

(AIRPORTS AUTHORITY OF INDIA)

1. Witness:

2. Witness:

ANNEXURE-II

FORM OF PERFORMANCE SECURITY (GUARANTEE)
Bank Guarantee Bond

1. In consideration of the Chairman, AAI (hereinafter called "AAI") having offered to accept the terms and conditions of the proposed agreement between ……………………………………and……………[hereinafter called the said Consultant(s)] for the work …………………………… (hereinafter "the said agreement") having agreed to production of a irrevocable Bank Guarantee for Rs.………………(Rupees ……………………only) as a security/guarantee from the consultant(s) for compliance of his obligations in accordance with the terms and conditions in the said agreement.

   We …………………………… (indicate the name of the Bank) (hereinafter referred to as "the Bank") hereby undertake to pay to the Chairman, AAI an amount not exceeding Rs.………… (Rupees ………………… only) on demand by AAI.

2. We ……………………………(Indicate the name of the Bank) do hereby undertake to pay the amounts due and payable under this Guarantee without any demure, merely on a demand from AAI stating that the amount claimed is required to meet the recoveries due or likely to be due from the said consultant(s). Any such demand made on the Bank Shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.………… (Rupees ……………………………… only).

3. We, the said Bank, further undertake to pay to the Chairman, AAI any money so demanded notwithstanding any dispute or disputes raised by the consultant (s) in any suit or proceeding pending before any court or tribunal relating thereto, our liability under this present being absolute and unequivocal.

   The payment so made by us under his bond shall be a valid discharge of our liability for payment there under and the consultant(s) shall have no claim against us for making such payment.

4. We………………… (Indicate the name of the bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of AAI under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till Engineer-in-charge on behalf of AAI certified that the terms and conditions of the said agreement have been fully and properly carried out by the said consultant(s) and accordingly discharges this guarantee.

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ANNEXURE-II

5. We .... (indicate the name of the bank) further agree with AAI that AAI shall have the fullest liberty without our consent and without effecting in any manner our obligations hereunder to vary any of terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by AAI against in the said contractors (s) and to forebear or enforce any of the terms and conditions relating to the said agreement and we shall not be relived from our liability by reason of any such variation, or extensions being granted to the said contractor(s) or for any forbearance, act of omission on the part of AAI or any indulgence by the AAI to the said consultant(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor(s).

7. We.............................. (Indicate the name of the bank) lastly undertake not to revoke this guarantee except with the previous consent of AAI in writing.

8. This guarantee shall be valid upto.........*............. unless extended on demand by AAI. Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs.........(Rupees..................only) or the extended date of expiry of this guarantee all our liabilities under this guarantee shall stand discharged.

In presence of: Dated this _____ Day of _____________

WITNESS

1. For and on behalf of (The Bank)

Signature _______________

2. Name & Designation _______________

Authorisation No. _______________
Name & Place _______________
Bank's Seal _______________

The above Guarantee is accepted by Airports Authority of India.
For and on behalf of Airports Authority of India.
Signature _______________
Name _______________
Designation _______________
Dated _______________

Note :- * Date of validity should be schedule date of completion + six months.