

2.1 Audit Objectives

The performance audit was conducted with the following objectives:

- To assess whether the interests of Government (through MOCA and AAI) have been adequately protected by the Public-Private Partnership (PPP) arrangements entered with the private operator and whether the risks and returns of the private operator were as envisaged in the arrangement;
- To study the actual operation of the PPP arrangements in CSI Airport, Mumbai in the elapsed period (2006-12) and assess its impact on Government (and its nominee AAI) and other stakeholders.

2.2 Audit criteria

The Performance Audit was carried out with reference to:

- The terms and conditions laid down in OMDA and the supporting agreements relating to concession period, levy of Development Fee, tariff determination, leasing of land, Master Plan, project cost *etc.*;
- Guidelines/directions issued by MOCA, Airports Economic Regulatory Authority (AERA) and AAI, the Agenda papers and Minutes of AAI Board Meetings.

2.3 Scope of Audit and Methodology

Audit was conducted on the basis of documents available with AAI and MOCA, records maintained at AAI's Airport Infrastructure Restructuring Department, New Delhi, JV Co-ordination Cell, Mumbai, Independent Engineer's Reports, Independent Auditor's Reports, Monthly Information System returns, records and information maintained by AAI for calculation of revenue share of AAI, and information/ data provided by MIAL through AAI. Audit covered the period 2006 to 2012. Audit methodology and objectives were discussed in the Entry Conference with the Member (Planning) AAI (Headquarters), Regional Executive Director-Western Region AAI, and MIAL representatives/ officials on 10 September 2012. A separate entry meeting was also held with the Joint Secretary, MOCA on 15 January 2013. The draft Audit Report was issued to AAI on 30 May 2013 and reply of AAI was received on 30 July 2013. Reply of AAI was incorporated and draft report issued to MOCA on 2 August 2013. Reply of MOCA was received on 18 November 2013. Audit findings were discussed during the Exit Conference on 18

December 2013 in which Secretary, MOCA and other senior officers of MOCA, AAI and MIAL were present.

2.4 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the senior officers and staff of MOCA, AERA, AAI at all levels during the Performance Audit.