

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:84
ANSWERED ON:08.12.2003
PRIVATISATION OF AIRPORTS
A.P. JITHENDER REDDY;ANANTA NAYAK

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether a final decision regarding restructuring of Delhi and Mumbai Airports through private participation has been taken by the Government;
- (b) if so, the details thereof and the reasons therefor;
- (c) the nature and extent of equity participation of private partners;
- (d) the names of the firms which have come forward in this regard;
- (e) the details of terms and conditions fixed with the firms;
- (f) the implication of privatisation on management;
- (g) whether some other airports would also be developed in similar fashion; and
- (h) if so, by when the decision is likely to be taken in this regard?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDY)

(a), (b), (c), (d), (e), (f), (g) and (h):- A Statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO THE PARTS (a), (b), (c), (d), (e),(f), (g) & (h) OF THE LOK SABHA STARRED QUESTION NO. 84 FOR ANSWER ON 08.12.2003 REGARDING PRIVATISATION OF AIRPORTS

(a) & (b) : The proposal of restructuring of airports at New Delhi and Mumbai of Airports Authority of India (AAI) through Joint Venture (JV) route was approved on 11th September 2003 to upgrade them to world class international airports. An Empowered Group of Ministers (EGOM) has been constituted to decide the detailed modalities including the design parameters, bid evaluation criteria etc. based on which joint venture partner will be selected.

(c): The successful bidder will form Joint Venture Company with Airports Authority of India (AAI) through a Shareholders' Agreement. After completion of mandated modalities, Delhi and Mumbai airports will be handed over to the Joint Venture Companies for operation and management / maintenance. Airports Authority of India (AAI) and other Government of India / Public Sector entities would together hold 26 % equity; and the remaining 74% equity will be contributed by private sector partner(s).

(d) & (e) : The names of the firms will be known after selection of Joint Venture Partners through Global tendering process and terms and conditions are yet to be finalised for incorporation in the Concession Agreement.

(f): On completion of restructuring process of Delhi and Mumbai airports, the JV company will manage these airports with international standards. However, functions relating to Air Traffic Services and Civil Aviation Security shall continue to be performed by AAI.

(g): There is no proposal at present to restructure other airports through Joint Venture route.

(h): Does not arise.