GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:389
ANSWERED ON:30.07.2009
AIRPORTS ON LEASE
Kodikunnil Shri Suresh;Sudhakaran Shri K.

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has given or proposes to give on lease new airports at Hyderabad, Bangalore, Delhi and Mumbai on Build-Operate- Transfer (BOT) basis;

(b) if so, the details thereof;

(c) whether the Government has ensured independent quality inspection and certification of the new infrastructure at the airports throughout the lease period;

(d) if so, the details thereof;

(e) whether the leaseholders have agreed to handover the airports to the Government on completion of lease in good and proper operational condition; and

(f) if so, the details in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a),(b),(c),(d),(e)&(f) A Statement is laid on the Table of the House. Statement in reply to parts (a),(b),(c),(d),(e)&(f) of the Starred () Question No.389 for 30-07-2009 regarding Airports on Lease.

(a) & (b) IGI Airport, New Delhi and CSI Airport, Mumbai have been given to two Joint Venture Companies (JVCs) namely M/s Delhi International Airport Pvt. Ltd. (DIAL) and Mumbai International Airport Pvt. Ltd. (MIAL)respectively on long-term lease to build, operate and transfer for a period of 30 years with a provision of extending the same for a further period of 30 years subject to satisfactory performance by the JVCs.

The Government of India has entered into a Concession Agreements with M/s Bangalore International Airport Ltd. (BIAL) and Hyderabad International Airport Ltd. (HIAL) for construction, operation and maintenance of new greenfield aiports at Devenahalli near Bangalore and Shamshabad near Hyderabad for a period of 30 years with effect from commissioning of the airports i.e. 24-05-2008 and 23-03-2008 respectively with a provision to extend it for a further period of 30 years. Beyond this period the term can be further extended on mutually accepted terms and conditions.

(c) Yes, Sir.

(d) In respect of Delhi and Mumbai airports, as per OMDA provisions, M/s. Engineers India Ltd. has been appointed as Independent Engineer who has been entrusted to review all designs, drawings & specifications to assess compliance with finalized major development plan, Development Standards & requirements and certification of commencement & completion of Mandatory Capital Projects.

In respect of Bangalore and Hyderabad airports, as per the provisions of the Concession Agreement both BIAL and HIAL have to develop, maintain and operate the Airport to high standards consistent with standards achieved at other leading international airports. A completion certificate from Independent Engineer appointed by the Lenders, certifying that the projects comply with the specifications of the Concession Agreement is required to be submitted to the Government of India (GoI).

Further, Joint Coordination Committees have also been constituted to assist the JVCs in achieving their objectives.

(e) & (f) As per OMDA provisions for DIAL & MIAL, JVC shall in accordance with Good Industry Practice ensure that all property, assets, rights and other items are vested in or transferred to AAI in good working order and in a good state of repair and that the Airport is transferred to AAI in a good operating order. In the event any of assets which are vested in as transferred to AAI are not fit for the purpose/ in good state of repair/ as would be expected of an international world class airport, as certified by an Independent Engineer, then the repair of all such assets shall be payable by the JVC to AAI and same may be deducted from any transfer payment payable by AAI to JVC.

Similarly, as per the Concession Agreement with BIAL and HIAL, there is a separate provision for the transfer of the airports elucidating the manner and conditions under which the Bangalore and Hyderabad airports are to be transferred to AAI after the expiry of the lease period.