GOVERNMENT OF INDIA CIVIL AVIATION LOK SABHA

UNSTARRED QUESTION NO:1672 ANSWERED ON:10.08.2011 INTERNATIONAL AIRPORTS UNDER JVCS Alagiri Shri S. ;Kumar Shri P.;Sivasami Shri C.;Venugopal Shri P.;Yadav Shri M. Anjan Kumar

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of international airports in the country under the control of Joint Venture Companies (JVCs) at present,

(b) the mechanism put in place to monitor/ensure the working of these JVCs in accordance with the agreed terms and conditions;

(c) whether the Aviation Regulatory Authority has pointed out that the joint venture floated by the Delhi International Airport Limited (DIAL) has reduced Airport Authority of India (AAI) share of revenues to less than one-third of what was envisaged in the original agreement;

(d) if so, the details thereof alongwith the cases of violation of terms and conditions by each of these JVCs during each of the last three years and the current year alongwith the losses caused by them; and

(e) the corrective measures taken/being taken on the said cases alongwith the extent of success achieved?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a): the names of the international airports and the Joint Venture Companies (JVCs) of Airports Authority of India (AAI) are as under:

(i) Bangalore International Airport at Devenahalli- M/s Bangalore International Airport Limited (BIAL); (ii) Rajiv Gandhi International Airport, Shamshabad- M/s Hyderabad International Airport Limited (HIAL); (iii) Indira Gandhi International Airport, New Delhi - M/s Delhi International Airport Pvt. Ltd. (DIAL); (iv) Chhatrapati Shivaji International Airport, Mumbai- M/s Mumbai International Airport Pvt. Ltd. (MIAL); and (v) Dr. Baba Saheb Ambedkar International Airport, Nagpur- M/s Mihan India Ltd.

(b): Government of India has entered into two separate Concession Agreements with the JVCs, namely HIAL and BIAL for operation, management and development of Greenfield airports at Shamshabad and Devenahalli respectively. For restructuring and modernisation of Delhi and Mumbai airports, Airports Authority of India (AAI) had entered into two separate Operation, Management and Development Agreement (OMDA) with the JVCs i.e. DIAL and MIAL. The provisions of these agreements are regularly monitored by a separate OMDA monitoring cell and JVC cell of AAI. In addition, OMDA Implementation Oversight Committee (OIOC) has also been constituted under the Chairmanship of Secretary, Ministry of Civil Aviation to monitor the compliance of the provisions of the agreements.

(c): No, Madam. However, Airports Economic Regulatory Authority (AERA) had forwarded a reference received by them in this regard wherein it was stated that DIAL had sub-contracted many of its activities to Joint Venture companies, consequent to which the revenue, which DIAL would have received had it performed those activities itself, have got reduced.

(d): Under the provisions of OMDA, DIAL has been permitted to sub-contract/sub-lease/license some of its functions assigned under OMDA, and also form Joint Ventures, subject to condition that over all liability remains with them.

(e): Does not arise.