

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:114
ANSWERED ON:17.08.2012
LEASE OF LAND AT DELHI AIRPORT
Rathod Shri Ramesh

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether prime land in Delhi has allegedly been leased to a private Airport Operator for a pittance Rs. 100/- annual lease rent for 60 years;
- (b) if so, the reasons and the justification therefor;
- (c) whether a number of complaints have been received by the Ministry of Civil Aviation (MoCA) in this regard;
- (d) if so, the details thereof and the action taken by the MoCA in this regard;
- (e) whether the Government proposes to revisit the whole agreement taking into consideration the huge profits stated to have accrued to the Group at the cost of passengers; and
- (f) if not, the reasons therefor?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(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 Lok Sabha Starred () Question No.114 for 17.08.2012 regarding Lease of Land at Delhi Airport.

(a) & (b): Yes, Madam. The transaction structure of restructuring and modernisation of Delhi and Mumbai airports envisaged leasing of asset on a token rent. The lease rent was kept this way because Revenue Sharing was the only criterion for selection of the private-sector partner. The selection was done by international competitive bidding process so as to maximise revenue earning to Airports Authority of India (AAI).

It is pertinent to mention that as against the minimum 5% of Revenue Sharing envisaged in the 'Bid', offer for revenue sharing @45.99% was received for Delhi airport. Restructuring has helped in increasing the net revenue earning of AAI from these airports.

(c): No, Madam.

(d): Does not arise.

(e): No, Madam.

(f): There has been an investment of more than Rs.12000 crore at Delhi airport. It is worthwhile to note that because of this AAI could invest its resources in development of 35 non-metro and 23 other airports. Therefore, precious AAI resources were spared for modernization of other metro and non-metro airports. Amount invested by AAI in its airport projects during XI Plan was about Rs. 12000 crores. After restructuring, Delhi airport ranks amongst the best airports in the world. The net income of AAI from Delhi airport since privatisation has been constantly rising. The details are: 2006-07 (Rs.401 crores); 2007-08 (Rs.403 crores); 2008-09 (Rs.441 crores); 2009-10 (Rs.539 crores); 2010-11 (Rs.577 crores) and 2011-12 (Rs.704 crores).

Based on current growth trend, The net income of AAI from Delhi airport will substantially increase every year.