

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO : 1611**  
(TO BE ANSWERED ON THE 13<sup>th</sup> December 2021)

**CLAUSES FOR PRIVATISATION OF AIRPORTS**

1611. SHRI JAWHAR SIRCAR

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether any clause exists or existed about not leasing all airports that are offered for privatisation to any single owner;
- (b) when and why was it relaxed;
- (c) whether the single party that won the bid for all six airports offered in 2018-19 was given special consideration to delay its takeover;
- (d) whether the lease of the airports for a period of 50 years violates the limit of 30 years mandated by the Airports Authority Act; and
- (e) whether the payment received of some Rs. 500 crore is less than Rs.1,330 crore stipulated in the bidding document proposed by the Ministry to the PPAC?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

- (a): No clause exists or existed in the bid document about not leasing all airports offered for Public Private Partnership (PPP) to a single entity in the recently undertaken PPP Transaction of 06 airports namely Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru.
- (b): Does not arise in view of the (a) above.
- (c): No special consideration was extended to the party that won the bid for all the above six airports for delaying the taking over. The additional time granted for taking over the airports was on account of Force majeure provisions in the Concession Agreements due to Covid-19 first and second waves.
- (d): The lease period of 50 years has been fixed with the approval of the Central Government in accordance with the provisions of Airports Authority of India (AAI) Act.
- (e): As per the Concession Agreements, the Concessionaires of 03 Airports viz. Ahmedabad, Mangaluru and Lucknow have to pay to Airports Authority of India (AAI) an amount comprising of two components i.e. (a) deemed initial Regulatory Assets Base (RAB) for aeronautical & non- aeronautical assets and (b) Cost of Capital Work in Progress (CWIP) incurred by AAI up to the date of take over of

the airport by the Concessionaire. So far, the Concessionaires have paid AAI a sum of approximately Rs. 1103 crore comprising deemed initial RAB upto 31.03.2018 and cost of CWIP as on take over date of respective airports. The remaining adjusted deemed initial RAB upto take over date of the airports, as determined by Airport Economic Regulatory Authority of India (AERA), is part of balance payment that the Concessionaires is liable to pay.

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