

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 3682  
(To be answered on the 18<sup>th</sup> March 2021)**

**BIDDING PROCESS FOR PRIVATISATION OF AIRPORT**

**3682.      ADV. DEAN KURIAKOSE  
              SHRI M. SELVARAJ  
              SHRI K. MURALEEDHARAN  
              SHRI BENNY BEHANAN  
              SHRI ANTO ANTONY  
              SHRI SAPTAGIRI SANKAR ULAKA  
              SHRI UTTAM KUMAR REDDY NALAMADA  
              SHRI VINCENT H.PALA  
              DR. A. CHALLAKUMAR**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Ministry is aware of the concerns raised raised by NITI Aayog and Department of Economic Affairs on the airport bidding process in 2019, where the Adani group had been awarded six airports and if so, the details of the action taken on such objections;
- (b) whether public consultations were held before the privatization of these airports and if so, the details thereof, including the number and dates of such consultations along with participating stakeholders and if not, the reasons therefor;
- (c) whether the Ministry received objections from any State against such privatization and if so, the details of action taken on such objections;
- (d) the present status regarding privatisation of Trivandrum Airports;
- (e) whether there was any objection against lack of prior experience and technical capacity of the bidder who was awarded the project; and
- (f) if so, the reasons for overruling the same and awarding all the six airports to the same bidder?

**ANSWER**

**Minister of State (IC) in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

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**(a): Airports Authority of India (AAI) has recently awarded six airports namely Ahmedabad in Gujarat, Jaipur in Rajasthan, Lucknow in Uttar Pradesh, Guwahati in Assam, Thiruvananthapuram in Kerala and Mangaluru in Karnataka for Operations, Management and Development under Public Private Partnership (PPP) for a lease period of 50 years. The terms and conditions of the transaction of PPP of six airports were decided by the Empowered Group of Secretaries (EGoS) Chaired by CEO, NITI Aayog which inter-alia comprised of Secretaries of Ministry of Finance (Department of Economic Affairs and Department of Expenditure) also. Therefore, the Ministry of Finance and NITI Aayog were part of the decision making process and the EGoS finalized the contours of the bidding process for PPP of six airports. In order to ensure more competition and to give more flexibility to bidders, the following conditions among others were stipulated:-**

- i. No prior airport experience**
- ii. No cap on number of airports a participating entity could bid for**
- iii. Per Passenger Fee as bidding parameter instead of revenue sharing.**

**(b): In accordance with the provisions of Section 12A of AAI Act, 1994 (as amended in 2003), Airports Authority of India (AAI), with the approval of the Government of India, may make a lease of the premises of an airport (including buildings and structures thereon and appertaining thereto) to carry out some of its functions, in the public interest or in the interest of better management of airports. Accordingly, AAI has leased out some of its airports viz. Delhi, Mumbai, Ahmedabad, Lucknow, Mangalore, Jaipur, Guwahati and Thiruvananthapuram for Operations, Management and Development under Public Private Partnership (PPP) mode, where the ownership of these leased airports remains with AAI.**

**(c) & (d): The observations of State Governments concerned, if any, are considered on merit during the transaction process for PPP of airports. As regards Thiruvananthapuram airport, Government of Kerala (GoK) had suggested (i) Transfer of Thiruvananthapuram airport to GoK for operation and management by forming an Special Purpose Vehicle (SPV) or (ii) offer Right of First Refusal (RoFR) to the SPV of GoK. The Central Government considered the views of GoK and offered following two options to the Govt. of Kerala as a special case in respect of PPP of Thiruvananthapuram airport:**

**OPTION A: Govt. of India will invite Chief Secretary and other officials of Govt. of Kerala as special invitees for the purpose of participation in the selection process for the PPP partner of Thiruvananthapuram airport so as to address the concerns/interests of the State Govt.**

**OR**

**OPTION B: To proceed with alternative option of RoFR as suggested by GoK with the stipulation that an entity/SPV in which GOK has a direct equity of**

**26% or more, provided the SPVs bid falls within the range of (plus or minus) 10% of the highest bid.**

**GoK, vide their letter dated 18.12.2018, accepted OPTION B i.e. RoFR for Govt. of Kerala Sponsored Entity with range parameter of (plus or minus) 10% of the highest bid. Accordingly, the Request for Proposal (RFP) document for Thiruvananthapuram airport was amended and the provision of RoFR benefit to the State Govt. designated entity was incorporated.**

**AAI has completed the bidding process wherein M/s Adani Enterprises Limited (AEL) has quoted the highest bid for Thiruvananthapuram airport. AAI has issued Letter of Award in respect of Thiruvananthapuram airport on 01.09.2020 to the Concessionaire. Concession Agreement was signed between AAI and M/s AEL on 19.01.2021 for Thiruvananthapuram airport.**

**(e) & (f): The terms and conditions of the transaction of PPP of six airports were decided by the Empowered Group of Secretaries (EGoS) chaired by CEO, NITI Aayog which inter-alia comprised of Secretaries of Ministry of Finance (Department of Economic Affairs, and Department of Expenditure) also. Therefore, the Ministry of Finance and NITI Aayog were part of the decision making process and the EGoS finalized the contours and decided not to make airport experience as a pre-requisite for the bidding process for PPP of six airports.**

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