

AIRPORT REVAMP

GMR gets Delhi, GVK Mumbai

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The controversial Delhi and Mumbai airport modernisation project concluded on Tuesday with the empowered group of ministers (EGoM) approving the bids of the GMR-Fraport and GVK-South Africa consortia for Delhi and Mumbai, respectively. The proposals of the two consortia will now be placed before the Cabinet on Wednesday for final approval, civil aviation minister Praful Patel said.

Briefing the media after the EGoM meeting, Mr Patel said the proposals GMR-Fraport and GVK-South Africa were approved after considering the financial bids of the top four consortia. GMR-Fraport was given the choice to match the highest bids since it was the sole bidder to qualify the technical cut-off of 80%.

The GMR-Fraport combine, which had originally offered 43.64% revenue share to the government for the

	DELHI			MUMBAI		
	Technical points Old	Technical points New	Revenue share (%)	Technical points Old	Technical points New	Revenue share (%)
GMR	84.7	81.7	43.6	84.7	81.7	33.0
RELIANCE	80.9	74.8	45.9	81.0	74.8	21.3
GVK	DID NOT BID			76.0	73.0	38.7
DS	73.1	73.3	40.2	73.1	73.3	28.1

Delhi airport, matched the highest bid of Reliance-ASA by offering 45.99% revenue share. The two other consortia — DS Constructions-Munich and Sterlite-McQuaire offered 40.15% and 37.04%, respectively.

For Mumbai, GVK-South Africa offered 38.7% revenue share overtaking GMR-Fraport at 33.3%; DS Construction-Munich at 28.12% and Reliance-ASA at 21.33%. The bid of Sterlite-McQuaire, which apparently

offered the highest revenue share for Mumbai, was not opened since it did not figure among the top four bidders.

After the Cabinet approval, the two successful bidders will form two joint venture companies for Delhi and Mumbai, in which Airports Authority of India will hold 26% stake. Following that, the two consortia will be given access to the airports and within six months they will be required to present a master plan for the two airports.

On the financial side, the private consortia will have to pay upfront Rs 150 crore each to AAI and invest Rs 2,800 crore in Delhi and Rs 2,400 crore in Mumbai airport in the first phase, to be completed by 2010.

The change in the bid conditions has led to resentment among several bidders who have begun protesting against deviation from the original tender conditions, with some contemplating a legal recourse.

Graphic: SENTHIL