

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Development of Greenfield airports at Gulbarga, Shimoga and Bijapur on PPP basis – selection of a Private developer.

**Read:1. G.O.No.IDD 24 DIA 2000 dated 23.03.2007.
2. G.O.No.IDD 16 DIA 2002 dated 23.03.2007.
3. G.O.No.IDD 88 DIA 2003 dated 23.03.2007.
4. G.O.No.IDD 14 DIA 2007(P-II) dated 24.9.2007.**

Preamble:

In the Government Orders dated 23.03.2007 read at Sl.No. (1), (2) & (3) above sanction has been accorded for development of Gulbarga, Shimoga & Bijapur airports on Public Private Partnership (PPP) basis. A two stage bidding process comprising Expression of Interest (EOI) and Request for Proposal (RFP) has been adopted in selection of suitable private developer for the projects.

2. In the second stage of selection process, proposals were invited from those parties who had expressed their interest at the EOI stage (“Eligible Applicants”) and the evaluation of the RFP proposals was carried out by a Technical Scrutiny Committee constituted by the Government with the assistance of iDeCK. The details of the bids received are as follows:

- (a) **Gulbarga Airport:-** Consortium of Maytas Infra Ltd., NCC Infrastructure Holdings Ltd., and VIE India Project Development and Holding LLC.

- (b) **Shimoga Airport:-**
 - (i) Consortium of Maytas Infra Ltd., NCC Infrastructure Holdings Ltd., and VIE India Project Development and Holding LLC.
 - (ii) Consortium of SREI Infrastructure Finance Ltd., and Shristi Infrastructure Development Corporation Ltd.

3. As regards Bijapur Airport no proposal was received, for development of the airport on PPP basis. It was decided to take necessary action to initiate the re-bid process for selection of a developer.

4. The Technical Scrutiny Committee constituted vide G.O read at (4) above, had evaluated the proposals and found that the consortium of SREI Infrastructure Finance Ltd. and Shristi Infrastructure Development Corporation Ltd., was not qualified as they did not satisfy the minimum criteria prescribed for being eligible. But both the proposals of the consortium led by Maytas Infra Ltd. were qualified. The Financial Offers (Price Proposals) of the consortium led by M/s Maytas Infra Ltd., are as follows:

(a) Gulbarga Airport: Annual lease rent of Rs.15,111 per acre.
(Approx. 567 acres)

(b) Shimoga Airport: Annual lease rent of Rs.20,232 per acre.
(Approx. 662.38 acres)

5. The Government after carefully examining the above aspects and technical evaluation, considers it expedient to entrust the responsibility of developing the greenfield airports at Gulbarga & Shimoga to the successful bidder / developer: the Consortium led by Maytas Infra Ltd. Hence this order.

GOVERNMENT ORDER NO. IDD 14 DIA 2007,
BANGALORE, DATED 15.11.2007

The State Government after careful consideration of the above mentioned circumstances have accorded sanction to award the development and operation of the greenfield airports at Gulbarga and Shimoga to the consortium of Maytas Infra Ltd., NCC Infrastructure Holdings Ltd., and VIE India Project Development and Holding LLC on PPP (BOT) basis with the following terms and conditions:-

(a) The project is awarded, for a initial period of 30 years and thereafter the term of the project can be extended by the

project developer for another period of 30 years. Consequent to the expiry of the 60th year, the term of the Project Development agreement may be extended by a further period of 30 years based on the mutual consent of both the parties.

(b) Further, State Government accepts the price proposals of the consortium led by Maytas Infra Ltd., i.e. Rs. 15,111/- lease rent per acre per annum for development and operation of airport at Gulbarga and Rs. 20,232/- lease rent per acre per annum for development and operation of airport at Shimoga. The lease rent will be increased by 10% every three years during the lease period.

(c) Sanction is also accorded to authorize the Under Secretary to Govt., Infrastructure Development Department / Deputy Commissioner of the district to enter into a Project Development Agreement (as developed by iDeCK) with the consortium led by Maytas Infra Ltd., for both the airports at Gulbarga and Shimoga.

2. This order issues with the concurrence of FD vide U.O. Note No.1525 Exp-I/2007 dated 12.11.2007.

By order and in the name of the
Governor of Karnataka,

Sd/-

(T.B. Renuka Prasad)

Deputy Secretary to Government,
Infrastructure Development Department

To

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7. The Principal Secretary to Government, Finance Department.
8. The Dy.Commissioner, Gulbarga district, Gulbarga.
9. The Dy.Commissioner, Shimoga Distric, Shimoga.
- 10.The Managing Director, KSIIDC, Khanija Bhavan, Race Course Road, Bangalore.
- 11.The Managing Director, iDeCK, Bangalore
- 12.The Under Secretary (Exp.I), Finance Department, Vidhana Soudha, Bangalore.
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