

MO JB 20/7/07
Most immediate

By Special Post

No.AV.24011/1/95-VB(Vol.VI)
Government of India
Ministry of Civil Aviation
AD Section

TOP Most
Priority

RECEIVED
AD
of the MO

'B' Block, Rajiv Gandhi Bhavan
Safdarjung Airport
New Delhi, Dated 6th July, 2007

P. Ekamwar
put up

OFFICE MEMORANDUM

MO JB 20/7/07
JMD

Subject:- Setting up of an International Airport at Navi Mumbai.

1. The undersigned is directed to refer to Chief Minister, Maharashtra, letter No.CIDCO/T&C/ACTE/046/012, dated 13.2.2007 on the above mentioned subject and to say that the competent authority has given 'in principle' approval for the setting up of a Greenfield airport through Public Private Partnership (PPP) at Navi Mumbai, Maharashtra subject to the following conditions:

(a) At an appropriate stage, an Empowered Group of Ministers, assisted by an Inter-Ministerial Group, to look into all the relevant issues, including the following:-

- (i) the legal questions, including the bidding and contractual aspects, with a view to protecting the Central Government from any liability due to non-performance by the State Government or any other reason;
- (ii) the concerns of the Ministry of Defence; and
- (iii) the drainage and flood control dimension in view of urban and infrastructure related pressures in the area and lessons from the recent Mumbai floods

(b) Ministry of Civil Aviation will set up a Steering Committee comprising of officials of the State Government, Ministry of Civil Aviation, City & Industries Development Corporation of Maharashtra Limited (CIDCO) and Airports Authority of India which will oversee the structure and implementation of the project including funding proposal, preparation of tender and other documents, bidding and selection of the strategic partner.

(c) The private partner will be selected through a transparent and competitive bidding process.

(d) Para 3.4.1 of the State Support Agreement (SSA) executed with Mumbai International Airport Private Limited (MIAPL), a Right of First Refusal (ROFR) has been given to MIAPL in respect of a second airport within its vicinity. The relevant extract is reproduced below:

"The Right of First Refusal (ROFR) with regard to a second airport within a 150 km (One Hundred and Fifty Kilometer) radius of the Airport will be given to the JVC by following a competitive bidding process, in which the JVC can also participate if it wishes to exercise its ROFR as set forth below. In the event, the JVC is not the successful bidder but its bid is within the range of 10% of the most competitive bid received, the JVC will have the ROFR by matching the first ranked in terms of the selection criteria for the second airport, provided the JVC has satisfactory performance without any material default (being a default entitling the counter party to suspend obligations and/or terminate the agreement) under any Project Agreement at the time of exercising the ROFR. Provided however, nothing in this Clause 3.4.1 shall apply to any proposal by GOI to develop a second airport at Chakan, Pune or at any other place in its vicinity."

The above clause will be suitably incorporated in the tender document for selection of the private partner. There are no other rights granted to MIAPL with regard to the second airport at Mumbai.

2. Government of Maharashtra is requested to take further necessary action in the matter.

sd/-
(Anna Roy)
Director

Government of Maharashtra
(Shri Jhony Joseph, Chief Secretary)
Mumbai.

1. The Managing Director, CIDCO, CIDCO Bhavan, CBD-Belapur, Navi Mumbai with reference to letter No. CIDCO/T&C/ACTE/002/011/2007 dated 17.1.2007.
2. The-Chairman, AAI, R.G. Bhavan, New Delhi.


(Anna Roy)
Director