F. No. 1/12/2025-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)
*****

STC Building,
Janpath, New Delhi
Dated: 20th August 2026

Record of Discussion

**Subject: Record of Discussion of 149th meeting of the PPPAC for considering the proposals of the Ministry of Civil Aviation.**

**Reference:** PPPAC meeting held on 04.08.2026

**Sir / Madam,**

The undersigned is directed to forward the Record of Discussion of the 149th meeting of the PPPAC held on 04.08.2026 under the Chairmanship of Secretary (EA), for information and necessary action.

2. This issues with the approval of the Competent Authority.

Rahul Singh
Rahul Singh
(Director)

To,

1. Secretary, Department of Expenditure, Kartavya Bhawan-01, New Delhi-01
2. Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, New Delhi
3. CEO, NITI Aayog, Yojana Bhawan, New Delhi-01
4. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi-01
5. Chairman, Airports Authority of India, New Delhi.

Copy to:

1. Sr. PPS to Secretary (EA)
2. Sr. PPS to JS (IFS)

**Subject: Record of Discussion of 149th meeting of the PPPAC for considering the following project proposals of the Ministry of Civil Aviation:**

i. Concession for operations, management and development of Sri Guru Ram Dass Jee International Airport, Amritsar and Kangra-Gaggal Airport.

ii. Concession for operations, management and development of Lal Bahadur Shastri International Airport, Varanasi, Gaya International Airport and Kushinagar International Airport

iii. Concession for Operations, Management and Development of Biju Patnaik International Airport, Bhubaneshwar & Hubballi Airport.

iv. Concession for operations, management and development of Swami Vivekananda Airport, Raipur & Aurangabad Airport.

v. Concession for Operations, Management and Development of Tiruchirappalli International Airport & Tirupati Airport.

1. The 149th meeting of the PPPAC was held on 04.08.2026 at 15:00 hrs to consider the above-mentioned project proposals. List of attendees is placed in **Annexure-I.**

2. On behalf of the Chair, the Joint Secretary (IFS) welcomed the attendees and informed that the Ministry of Civil Aviation (MoCA) has submitted five project proposals comprising 11 airports to PPPAC for 'in-principle' approval. Thereafter Joint Secretary (IFS) requested MoCA to make a presentation to the PPPAC. With the permission of the Secretary (EA), MoCA made a detailed presentation to the PPPAC.

3. The basic details of the project are given in the table below:

**Table 1: Details of the project as per PPPAC Memos**

| | |
|---|---|
| **Project Description** | I. Concession for operations, management and development of Sri Guru Ram Dass Jee International Airport, Amritsar and Kangra-Gaggal Airport<br>II Concession for operations, management and development of Lal Bahadur Shastri International Airport, Varanasi, Gaya International Airport and Kushinagar International Airport<br>III Concession for Operations, Management and Development of Biju Patnaik International Airport, Bhubaneshwar & Hubballi Airport<br>IV Concession for operations, management and development of Swami Vivekananda Airport, Raipur & Aurangabad Airport<br>V. Concession for Operations, Management and Development of Tiruchirappalli International Airport & Tirupati Airport |
| **PPP Model** | Operation, Management and Development |
| **Concession Period** | 50 years |
| **Administrative Ministry / Department** | Ministry of Civil Aviation |
| **Sponsoring Authority** | Airports Authority of India |

| | |
|---|---|
| **Implementing Agency** | Airports Authority of India |
| **Location** | i. Amritsar, Punjab & Kangra-Gaggal, Himachal Pradesh<br>ii. Varanasi, Uttar Pradesh, Gaya, Bihar and Kushinagar, Uttar Pradesh<br>iii. Bhubaneshwar, Odisha & Hubballi, Karnataka<br>iv. Raipur, Chhattisgarh and Aurangabad, Maharashtra<br>v. Tiruchirappalli, Tamil Nadu & Tirupati, Andhra Pradesh |
| **Salient Features** | |

| S.No. | Airport | Sanctioned Capex with CWIP (as on 31.03.2026) | Book Value / Net block as on 31.03.2026 | Additional Capex | Estimated Total Investment by Concessionaire |
|---|---|---|---|---|---|
| 1) | Amritsar | 109 | 101 | 277 | 523 |
| 2) | Kangra | | 36 | 0 | |
| 3) | Raipur | 380 | 91 | 1,000 | 1,496 |
| 4) | Aurangabad | | 25 | 0 | |
| 5) | Bhubaneswar | 464 | 402 | 1,440 | 2,725 |
| 6) | Hubbali | | 55 | 364 | |
| 7) | Tiruchirappalli | 206 | 1,073 | 0 | 1,411 |
| 8) | Tirupati | | 132 | 0 | |
| 9) | Varanasi | 2,221 | 81 | 0 | 2,467 |
| 10) | Gaya | | 63 | 0 | |
| 11) | Kushinagar | | 102 | 0 | |

**Sources of revenue:**

1. **Aeronautical revenue items**
   - Landing Charges for passenger aircraft
   - Landing Charges for cargo aircraft
   - Housing and Parking Charges for Passenger Aircraft
   - Housing and Parking Charges for Cargo Freighter Aircraft
   - Revenue from Cargo
   - Revenue from Ground Handling
   - Revenue from Fuel Throughput
   - CUTE Charges
   - Revenue from UDF
2. **Non-Aeronautical Revenue items**
   - Duty Free Sales
   - Advertisement Revenue

| | |
|---|---|
| | • Food & Beverage Revenue<br>• Retail Revenue<br>• Car Park<br>• Public Admission<br>• Car Rental & Reservations<br>• Miscellaneous/Other Revenue<br>• Revenue from City Side Development (Real Estate)<br><br>**Concession Fee:**<br>i. Monthly Concession Fee = Per Passenger Fee for International Passengers x International Passenger Throughput for that month + Per Passenger Fee for Domestic Passengers x Domestic Passenger Throughput for that month<br>ii. Per Passenger Fee for International Passengers means 2 (two) times the Per Passenger Fee for Domestic Passengers. |
| **Project IRR and Equity IRR** | PIRR: • Amirtsar & Kangra 11.5%<br>• Tiruchirappalli and Tirupati 10.7%<br>• Bhubaneswar and Hubli 11.9%<br>• Varanasi and Gaya and Kushinagar 12%<br>• Raipur and Aurangabad 11.6%<br><br>EIRR: • Amritsar & Kangra 17.5%<br>• Tiruchirappalli and Tirupati 16.7%<br>• Bhubaneswar and Hubli 16.4%<br>• Varanasi and Gaya and Kushinagar 18.6%<br>• Raipur and Aurangabad 16.7% |
| **Bidding parameter** | Per-Passenger Fee for Domestic Passenger Throughput |
| **Bidding process** | Short-listing will be in one stage |

4. MoCA, with the objective of developing world-class airport infrastructure, has proposed the engagement of private partners for 11 airports, grouped into five bundles, with each bundle to be awarded to a single Concessionaire. The bundling seeks to enhance the long-term sustainability of smaller airports through cross-subsidisation from the revenues of larger airports. The proposal represents the second round of PPP transactions in the aviation sector, following the first round undertaken in 2018–19 pursuant to the appraisal by the PPPAC in its 85th meeting. For the present round, the Airports Authority of India (AAI) adopted a phased and data-driven approach to identify airports suitable for PPP and bundling. Initially, 12 major airports were assessed based on passenger traffic, land availability and commercial potential, financial performance, and airport-specific strengths and constraints, of which six were recommended for leasing. Subsequently, 136 smaller airports were evaluated for possible bundling with the major airports, based on parameters including traffic potential, capital expenditure requirements, geographical proximity, city-side development potential and financial viability. Following successive rounds of filtering, scoring and assessment of alternative major–small airport combinations, the AAI Board,

in its meeting held on 23.05.2022, approved the proposal comprising five major airports bundled with six smaller airports, with a view to leveraging geographical and operational synergies and improving the overall financial viability of the airport bundles.

5. Under the instant proposal, the Concessionaire would be responsible for the operation, management and development of the airports, including passenger terminals and city-side infrastructure comprising buildings, boundary walls, plant and equipment, furniture, vehicles, office appliances and computer software. AAI would continue to be responsible for Air Traffic Control (ATC) and Communication, Navigation and Surveillance (CNS) services. AAI Cargo Logistics and Allied Services Company Limited (AAICLAS), a wholly owned subsidiary of AAI, would also continue to undertake cargo operations alongside the Concessionaire. The Concessionaire would undertake the Sanctioned Capital Expenditure identified by AAI within three years from the Commercial Operations Date (COD). Thereafter, capacity-addition capital expenditure may be undertaken by the Concessionaire in three phases of expansion following COD.

6. After the detailed presentation, the Chair asked the PPPAC members for their observations. **Department of Legal Affairs (DoLA)** supported the proposal and stated that there were no further comments to offer.

7. The observations raised by **JS, IFS** and the responses thereto by MoCA are given below:

i. **It is recommended to clearly define the mandatory development obligation of the Concessionaire and the trigger for subsequent capacity-linked expansion phases in the DCA which will be submitted at the time of seeking final recommendation of PPPAC. This will ensure that the development obligations of the Concessionaire across the concession period are interpreted in a uniform manner by all stakeholders.**

**Response:** The operational control of the airport is intended to be handed over to the private player for the concession period. The Concessionaire's mandatory development obligations would include undertaking AAI's sanctioned capex as well as the additional capex which is anticipated in the first 7 years for capacity augmentation subject to traffic threshold. Considering the airports are of different sizes and scale, the timeline for capacity saturation as per international standards and AERA norms is likely to vary across airports. Based on CAGR-based traffic projects, a need for additional capex has been arrived for 3 bundles (Amritsar-Kangra, Raipur-Aurangabad, Bhubaneswar-Hubbali). At present, the tentative cost for infrastructure required at these airports has been derived from AAI's Engineering Department. Moving forward, the reconciliation of such additional capex with AERA norms will be undertaken. Subsequently, the indicative infrastructure requirement for capacity expansion as per AERA norms, will be included in the DCA for uniform interpretation by all stakeholders.

ii. **Since the instant proposal is for seeking in-principle approval of the PPPAC, MoCA may clarify the steps intended to be undertaken post such approval.**

**Response:** Post receiving in-principle approval of PPPAC, MoCA shall undertake a market sounding exercise wherein outreach to various infrastructure players will be carried out. Bundling is being proposed for the first time for which market reaction will be assessed and suitably incorporated in the proposal which will be submitted for final recommendation of PPPAC.

8. The observations raised by **PD, NITI Aayog** and the responses thereto by MoCA are given below:

i. **The timeline for seeking final recommendation of the PPPAC may be indicated. The Concession Agreement of the previous PPP transaction is available as reference, which will have to be customised as per the bunding arrangement of the instant proposal. Accordingly, the proposal seeking final recommendation of PPPAC may be fast tracked.**

**Response:** While learnings are being derived from the previous PPP transaction, a fresh market sounding exercise is warranted in the present case since the bundling arrangement is being attempted for the first time in this sector. The feedback of the private players on the proposal for bundling of airports will be reviewed by AAI, based on which necessary modifications to the proposal will be considered. MoCA would fast-track the process for submission of the proposal seeking final recommendation by the PPPAC.

ii. **In any PPP project, technical eligibility criteria are determined on the basis of Total Project Cost, which in turn is dependent on the infrastructure being created. The visibility on the infrastructure to be created by the Concessionaire, commensurate with the capacity being targeted, should be provided in Schedule B of the DCA, so as to clearly inform the Total Project Cost and provide a level playing field.**

**Response:** The Concessionaire would be required to undertake the capital expenditure sanctioned by AAI, including works already committed or awarded by AAI but yet to be executed. In addition, the Concessionaire would be responsible for undertaking the capacity-augmentation expenditure anticipated during the first seven years, subject to the achievement of the applicable traffic or capacity thresholds in accordance with AERA norms. The indicative infrastructure requirements, associated capital expenditure and applicable expansion triggers would be suitably specified in Schedule B of the DCA, thereby providing visibility regarding the Total Project Cost and ensuring a level playing field for prospective bidders. However, the timing of such capacity augmentation would be linked to objective traffic- or capacity-based triggers, rather than rigid time-bound milestones, to avoid premature creation of infrastructure in the event of lower-than-projected traffic.

iii. **While the decisions taken during 85th PPPAC provide a useful guidance for the instant proposal, the best practices identified based on subsequent developments in PPP in other sectors such as highways should also be taken into consideration and adopted if relevant.**

**Response:** The decisions taken by the PPPAC at its 85th meeting would serve as a reference for structuring the instant proposal. In addition, subsequent developments and relevant best practices emerging from PPP transactions in other infrastructure sectors, including highways, would be examined and, wherever relevant, suitably adapted to the requirements of the aviation sector and incorporated into the bid documents and DCA submitted for seeking final recommendation by the PPPAC.

iv. **The learnings derived from the financial close during the last round of PPP transactions may be reviewed and suitably incorporated in the instant proposal after interaction with lenders.**

**Response:** MoCA acknowledged the observation and stated that the relevant learnings from the financial closure of the previous round of airport PPP transactions would be reviewed and, following consultations with lenders, suitably incorporated into the instant proposal.

9. The observations raised by **AS, Department of Expenditure** and the responses thereto by MoCA are given below:

i. **Considering the Concessionaire's scope requirements, only those projects which are related to the aviation sector may be considered for assessing technical experience of the Bidders.**

**Response:** Considering the nature and breadth of the Concessionaire's obligations under the instant proposal, and consistent with the decisions taken by the PPPAC at its 85$^{th}$ meeting, it is proposed to permit participation by bidders with relevant cross-sectoral infrastructure experience. Accordingly, eligible technical experience would not be restricted exclusively to the aviation sector and would be assessed with reference to the infrastructure sub-sectors included in the Harmonised Master List of Infrastructure.

ii. **Each airport will have different potential for city side development, considering the size of the land available, the type of area (urban / semi-urban / rural), etc. The scope and nature of the city side development to be undertaken by the Concessionaire may be clarified. Providing the bidder a clear visibility of the area being made available for city side development will allow a more reasonable assessment of the project viability.**

**Response:** City-side land is proposed to be made available to the Concessionaire to enhance the financial viability of the respective airport bundles. The area of land available at each airport, the portion proposed to be provided to the Concessionaire, and the permissible scope and nature of city-side development would be clearly specified in the bid documents and DCA submitted for seeking final recommendation by the PPPAC.

iii. **It is unclear whether the Concessionaire will be mandated to, or actually have to, undertake the expansion works envisaged in the first 7 years. In case such development does not materialise, Including the cost of such expansion may inflate the technical eligibility criteria. Therefore, parity between the technical eligibility criteria and the actual development intended to be undertaken may be ensured.**

**Response:** The capacity-augmentation works anticipated during the first seven years would form part of the Concessionaire's mandatory development obligations, subject to the achievement of the applicable traffic- or capacity-based triggers in accordance with AERA norms. Accordingly, such works have been considered while determining the technical eligibility criteria to ensure that the selected bidder possesses the requisite capacity to undertake the envisaged expansion. The technical eligibility criteria would accordingly be aligned with the development obligations ultimately specified in the DCA, thereby ensuring parity between the eligibility requirements and the infrastructure intended to be developed by the Concessionaire.

10. The observations raised by the **Chair** and the responses thereto by MoCA are given below:

i. **Given the oligopolistic nature of the aviation sector, what measures have been envisaged to ensure that the risks related to concentration and over-leveraging are minimised, considering these risks can have a cascading effect across all the projects?**

**Response:** The number of airport bundles that may be awarded to a single bidder would be capped to mitigate the risks arising from market concentration and potential over-leveraging, including their possible cascading impact across projects. The modalities of such capping are being finalised and would be submitted as part of the proposal seeking final recommendation by the PPPAC.

ii. **Since the airports under consideration are presently operational, the status of existing employees of AAI at these airports vis-à-vis the instant proposal may be clarified.**

**Response:** The proposal provides for a 1-year Joint Management Period involving existing employees of AAI. Further, the Concessionaire would be required to retain 60% AAI employees upto 3 years. The previous round of transaction provided for 1-year Joint Management Period and 2-year Deemed Deputation Period. Historical evidence suggests that such arrangement with the Concessionaire has been acceptable to AAI employees.

**Recommendations**

11. After the detailed deliberations, the PPPAC granted 'in-principle' approval to the following project proposals of Ministry of Civil Aviation:

i. Concession for operations, management and development of Sri Guru Ram Dass Jee International Airport, Amritsar and Kangra-Gaggal Airport.
ii. Concession for operations, management and development of Lal Bahadur Shastri International Airport, Varanasi, Gaya International Airport and Kushinagar International Airport.
iii. Concession for Operations, Management and Development of Biju Patnaik International Airport, Bhubaneshwar & Hubballi Airport.
iv. Concession for operations, management and development of Swami Vivekananda Airport, Raipur & Aurangabad Airport.
v. Concession for Operations, Management and Development of Tiruchirappalli International Airport & Tirupati Airport.

12. The meeting ended with a vote of thanks to the Chair.

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Annexure-I

**List of the attendees of the 149th meeting of the PPPAC for considering the project proposals of the Ministry of Civil Aviation**

a. **Department of Economic Affairs, Ministry of Finance**
   1. Ms. Anuradha Thakur, Secretary (EA)
   2. Ms. Laya Madduri JS (IFS)
   3. Shri Rahul Singh, Director (PIU)
   4. Shri Jai Patil, Deputy Secretary
   5. Shri Rajender Singh, SO (PIU)
   6. Shri Abhinay Gaikwad, YP

b. **Department of Expenditure**
   1. Shri D. Anandan, Additional Secretary
   2. Ms. Preeti Balyan, Joint Director

c. **NITI Aayog**
   1. Shri. Partha Sarathi Reddy, Programme Director, NITI Aayog

d. **Department of Legal Affairs**
   1. Satish Kumar Singh, Assistant Legal Adviser

e. **Ministry of Civil Aviation**
   1. Shri Samir Kumar Sinha, Secretary
   2. Shri. Asangba Chuba Ao, Joint Secretary
   3. Shri. Shankhesh Mehta, Director
   4. Shri Vipin Kumar, Chairman, AAI
   5. Shri Pankaj Malhotra, Member (Finance), AAI
   6. Shri Anami Pandey, Executive Director (SIU), AAI
   7. Shri Sandeep Aggarwal, Joint General Manager