

# GVK keen to hike stake in Mumbai, Bangalore airports

## Mumbai terminal expansion on track, says Chairman

**V. Rishi Kumar**

*Hyderabad, Oct. 3*

GVK Power & Infrastructure Ltd, part of the diversified GVK group, which has management control of both the Mumbai and Bangalore international airport projects, is keen to further increase its stake in both these projects, Mr G.V.K. Reddy, Chairman of GVK group, said.

In an exclusive interaction with *Business Line*, Mr. Reddy said: "We are keen to further consolidate our holding in both these companies as and when the lock-in period for shares is over. The GVK management has the first right of refusal for additional stake in both these projects. The company will exercise that right to consolidate the holding further. With these two projects, we are the country's largest private sector manager of airports," Mr. Reddy said.



The Chairman of GVK Group, Mr G.V. Krishna Reddy

The company already has a controlling stake in Mumbai International Airport Ltd (with 51 per cent) and management control of the Bangalore International Airport Ltd projects, which together logged a passenger traffic of over 41 million last financial year.

### **NEGOTIATIONS**

The MIAL has completed 31 of the 32 mandatory projects. The only project remaining to be

completed is the international airport terminal expansion. This was pending due to handing over of the right to shift the Chhatrapati Shivaji statue which was located in the midst of the expansion project. "It took us nearly four years of negotiations. Last month, we secured the nod from the Government. Now we expect to complete the new terminal by 2013," he explained.

"It is much easier to handle a

greenfield project. We are going through the process of implementation of the brownfield Mumbai airport upgradation and expansion. If the issue relating to slum rehabilitation and land acquisition has been one of the challenges, even the aspect of executing without disturbing the existing process has been tough," he said.

The airport also faces constraints in terms of availability of land. As opposed to, say, 4,500 acres to 5,000 acres provided for the Bangalore and Hyderabad airports, respectively, this airport barely has 1,800 acres, he said. This is also one of the key aspects to factor in its development. "Nevertheless, we are confident of completing the project as per schedule," Mr Reddy said.

The BIAL expansion was designed to take the passenger handling capacity up from 11.2 million to 17.2 million by 2015.