

Changi raises stake in Bengal Aerotropolis Projects, to run airport for 15 years

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Within two months of West Bengal chief minister Mamata Banerjee visiting Singapore to seek investments, Singapore-based Changi Airports International has raised its stake in the upcoming airport city project at Durgapur to 32.2 per cent.

Changi Airport India, a wholly-owned subsidiary of Changi Airports International, had earlier picked up a 26 per cent stake in Bengal Aerotropolis Projects (BAPL), which is executing the airport city project at Andal near Durgapur in Bardhaman district in West Bengal.

"This was discussed during the chief minister's Singapore visit in August. This certainly means reposing faith in the project as well as in the state. There is infusion of fresh capital. It was in the form of a rights issue to the tune of Rs 50 crore," Partha Ghosh, promoter and managing director of BAPL, told *Business Standard*.

BENGAL AEROTROPOLIS PROJECTS LTD

Shareholding as on Oct 30, 2014 (%)



** According to BAPL, three promoters have equal share through various companies.
Source: BAPL

Three Indian promoters of BAPL - Utsav Parekh, R R Modi and Partha Ghosh - have a combined stake of 53.92 per cent. Besides, infrastructure

development and finance company IL&FS and West Bengal Industrial Development Corporation hold 12.66 per cent and 1.22 per cent stake, respectively.

Changi is the single-largest stakeholder in the project and has been at the forefront of the airport part of the project, handling everything from project management to route development. Meanwhile, the Singaporean firm has also entered into an agreement with BAPL to operate the airport for an 15 years.

"Initially, the understanding was that it would operate for the first year only. Now, as part of the new agreement, they will operate the airport for 15 years. There is a fee structure for this for this arrangement," said Ghosh.

The airport project has missed several deadlines and is behind schedule by about a year. While the physical construction of the airport, which has been named Kazi Nazrul Islam Airport, is almost complete and the formal inauguration was held in September last year, several bottle-

necks have kept the airport from becoming operational.

One of the major issues was the transfer of high-tension power-transmission lines on the way of the approach road to the airport, which was necessary to make the airport operational. Recently, some land owners of the proposed main road connecting the airport with NH-2 demanded higher compensation.

"The transfer of high-tension power transmission lines is in full swing. And land for the connecting road was acquired in 2010. Yes, some people recently demanded higher compensation. Both the issues are being addressed. AAI (Airports Authority of India) and DGCA (Director General of Civil Aviation) team would be visiting next month. We hope that by early January, we will get the final approval and test flights will take off," Ghosh added.

BAPL is now in talks with domestic carriers and hopes to make the airport commercially operational within the current financial year.