

Cabinet approves Upgradation and Modernisation of Nagpur International Airport through long term license involving Private Partner under Public Private Partnership (PPP)

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi today has approved the Extension of Lease Period of the Airports Authority of India (AAI)'s land leased to MIL (MIHAN India Limited) beyond 06.08.2039, so as to enable MIL to license Nagpur Airport to the Concessionaire, viz. GMR Nagpur International Airport Limited (GNIAL) for 30 years since Commercial Operation Date (COD).

This marks a major milestone in Nagpur airport's journey to becoming a regional aviation hub under the Multi-modal International Cargo Hub and Airport at Nagpur (MIHAN) project.

In 2009, a Joint Venture Company (JVC)- MIL was formed by AAI and Maharashtra Airport Development Company Ltd. (MADC) with equity structure of 49:51 respectively. Though Airport assets of AAI were transferred to MIL in 2009 for airport operation, the lease deed got delayed due to land demarcation issues. Subsequently, AAI land has been leased to MIL up to 06.08.2039.

In 2016, MIL floated a global tender for identifying a Partner to operate the airport under the Public-Private Partnership (PPP) model. GMR Airports Ltd. (GAL) emerged as the highest bidder, with quoted revenue share of 5.76%. This was later revised to 14.49% of Gross Revenue. Subsequently, MIL annulled the bidding process in March, 2020. This annulment was successfully challenged by GAL before Hon'ble Bombay High Court. Thereafter, Hon'ble Supreme Court of India also ruled in favor of GAL. Pursuant to Supreme Court Judgement dated 27th September, 2024, MIL signed Concession Agreement with 2nd JVC, i.e. GMR Nagpur International Airport Ltd. (GNIAL) on 8th October, 2024.

A New Era for Nagpur Airport :

With extension of Lease Period of the AAI land leased to MIL beyond 06.08.2039, it would now become co-terminus with the 30 years Concession Period of GNIAL, paving the way for handing over of airport to 2nd JVC-GNIAL. This is expected to usher in a new era of growth and infrastructure advancement for Nagpur Airport. With private sector efficiency and government oversight, the Airport is poised to see significant investment, modernization, and improved passenger and cargo services — Government of India's vision for robust infrastructure development in the aviation sector.

GNIAL will take up the transformation of Nagpur's Dr. Babasaheb Ambedkar International Airport into a world-class facility with phased development envisaged to reach the ultimate capacity of handling 30 million passengers annually, positioning it as a key Airport in Central India. This transformation is set to not only enhance connectivity within the Vidarbha region, but also strengthen its economic infrastructure. Cargo handling capabilities would also be significantly boosted.

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