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India’s second richest Adani now country’s largest airport operator

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Dhaka: Adani Airport Holdings Ltd, owned by the billionaire Gautam Adani, took over Mumbai’s Chhatrapati Shivaji Maharaj International Airport, the second busiest airport in India, in mid-July after completion of all formalities.

AAHL earlier signed an agreement with the Hyderabad-based GVK Group in August 2020 to acquire its 50.5 per cent stake in Mumbai International Airport Ltd, which was operating the Mumbai airport until now. Later in February 2021, AAHL acquired another 23.5 per cent stake for Rs 16.85 billion (USD 225 million) from the two foreign partners in the company, taking its share up to 74 per cent. The remaining 26 per cent is owned by the government-owned Airports Authority of India.

AAHL is a wholly owned subsidiary of the Gujarat-headquartered Adani Enterprises, having interests in various areas including mining services, solar manufacturing, roads, airport services, and data centers.

This acquisition also entitles Adani to a 74 per cent stake in the proposed Navi Mumbai International Airport, to be the second airport for Mumbai, India’s commercial capital. At a cost of USD 2.2 billion, Navi Mumbai’s first phase is to become operational in 2023 and the airport is to be completed in phases by 2031.

Earlier, AAHL had won bids to modernise and operate six smaller airports in India–Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati and Thiruvananthapuram–for 50 years. With this new acquisition, the group will have a presence in the airport business of every region in the country.

In a statement, AAHL said acquisition of the stake in MIAL made it the largest airport infrastructure company in India, accounting for a fourth of all airport foot traffic and a third of India’s air cargo shipments. AAHL will cater to a 300-million strong post-pandemic consumer base comprising fliers and non-fliers, it added.

Gautam Adani, Chairman of the Adani Group, in a statement expressed the group’s objective claiming it is to reinvent airports as ecosystems that drove local economic development. “Our airport expansion strategy is intended to help converge our nation’s Tier 1 cities with Tier 2 and Tier 3 cities in a hub and spoke model. I believe that the economic value that cities create will be maximized around airports, and the cities of tomorrow will be built with the airport as the focal point,” Adani said.