

GMR ready to operate Male airport again

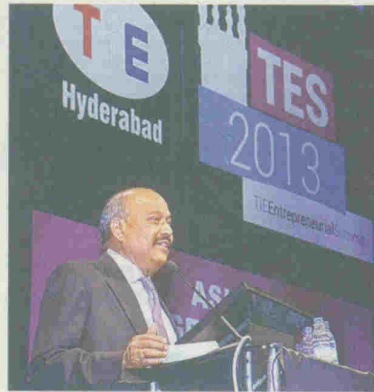
Chairman G M Rao denies that the group is exiting from Turkey's Istanbul airport; hopeful of bagging the Philippines project soon

BUSINESS BUREAU

Hyderabad: GMR group, the infrastructure major founded by G Mallikarjuna Rao, which has been waging a legal battle with the Maldivian government over the Male international airport dispute, is ready to operate the airport if the government there requests it to do so.

"If Maldivian government asks us to run the airport, we will run. If they invite us, we are ready to operate it. We will love to do that, definitely. We have made a claim for \$ 1.4 billion compensation," Rao, the group's Chairman, told media on the sidelines of TIE Entrepreneurial Summit here on Thursday. He blamed political situation for the group's exit from the island nation last year.

In 2010, GMR group bagged \$500-million airport project contract from Maldivian government headed by Mohamed Nasheed, to modernize and operate Ibrahim Nasir International Airport (INIA) in Male for 25 years.



G M Rao, Chairman, GMR Group, addressing the delegates of TIE Entrepreneurial Summit in Hyderabad on Thursday

The project ran into trouble after the regime change in the island nation and new government abruptly terminated the contract on November 27, 2012, forcing the infrastructure group to take legal

course. Following this, GMR went into arbitration in Singapore seeking compensation of \$ 1.4 billion for the 'wrongful termination' of a 25-year contract to develop and operate the Male airport. Recently,

Abdulla Yamin Abdul Gayoom took over as president of Maldives after a clinching victory in the elections.

When asked if any negotiations are being held to take over the operations of the airport again, Rao said they made a success story in Maldives but political issues played spoilsport.

Replying to a query, he said that group had no plans to exit from the Istanbul's Sabiha Gokcen International Airport by selling stake in the project. "These are all rumours. We don't have any such plans," he said.

Our strategy is portfolio management and we are just working out a portfolio strategy, not selling stake, he further said.

On listing of GMR Group's airports vertical, he said the group will hit the markets once they show good signs. "We are trying to list the airport verticals. All airports are under a holding company. Once the market is good, we will go for listing either locally or globally. However, we have

not yet decided on the listing plans," he said.

At present, the infrastructure group operates airports in New Delhi, Hyderabad and Istanbul in partnership with other companies. Recently, the group emerged as highest qualified bidder for \$326-million airport project in Philippines. Earlier addressing the TIE Summit, he said the group was hopeful of bagging the Philippines project in a few days. "We are ready to bid for more projects. But we will go for those projects which are handled transparently," he said.

Rao advised upcoming entrepreneurs to formulate flexible strategy to succeed in their endeavours. He also underscored the need for good family governance. "When I was running the Vysya Bank, I observed that most of companies failed because of family or partnership disputes. So, I am of firm belief that good family governance is paramount important before corporate governance," he explained.