

Indian Aviation Sector



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Aviation Sector Opportunities

Indian Airports working on vision 2040. The vision aims for 1.1 billion passenger trips, 20 million tonnes of freight, and an investment of \$50 billions by 2040. India has a robust asset base in terms of airport infrastructure, serving major centres and making the goal of 200 airports by 2040. It is currently the 3rd largest aviation market, behind China and the US. MoCA's vision 2040 seeks to elevate India to major player in aviation sector.



Over the previous two decades, high-growth markets such as India have developed the capacity necessary to satisfy the constant growth in demand for air travel. In certain Airports, capacity has been built in advance or has been added after large costs have been incurred.

Indian Airports freight traffic at international and domestic airports. The traffic increased from 501234 million tonnes in April-May 2021 to 540265 million Tonnes in April-May 2022 registering an increase of 7.8% in recent past. In view of rising air traffic, the Indian Government has been working towards increasing the

number of airports in the country. In a recent development State Government signed MOU with Airport Authority of India (AAI) to Operate & Manage the 5 airports owned by the UP govt for 30 years. These 5 airports are Aligarh, Azamgarh, Chitrakoot, Muirpur and Shravasti.

Further to develop the Sector, the Government of India has approved the proposal for development for Phase I of the new greenfield airports at Dholera, Gujarat. The project entails



an estimated investment of 13.05 billion and is expected to be completed within 48 months. This airport is expected to become a major cargo hub to serve the industrial region. It will also cater to the nearby region and serve as a second airport in Ahmedabad city. Additionally, AAI has also undertaken construction work on a new greenfield airport in Rajkot, Gujarat. Spread over 2534 acres, with an estimated investment of Rs 14.05 billion, the new airport is envisioned to be a transportation hub for people travelling from Gujarat.

India's Aviation industry still possesses a huge potential for growth, and the govt, along with

the private sector, is working towards tapping this. In the coming years, Indian Government plans to invest around Rs 980 billion in setting up new greenfield airports and expanding existing brownfield airports. Of this, Rs 620 billion will be invested by the private sector and

Rs 360 billion by the govt through AAI. The govt is also planning to expand 42 brownfield airports and set up 3 new greenfield airports through AAI, while the private sector will expand 7 existing brownfield airports and set up 3 new greenfield airports.

Smart Solutions in Aviation Sector

India Airports already deployed technology that works in conjunction with airport staff to provide better and more efficient services. Recent trends in technological deployment show a move towards smart technology in following operations:

In-Line Baggage Screening

In a key development, the Airports in India has mandated to carry-out in-line baggage screening at airports. This will not only improve security at airports but also streamline the process to make it more efficient. Airport has facilitated passengers to move forward, up to check-in counters without any queue for baggage X-ray, saving time for both passengers and the aircraft. The airport also plans to implement a baggage trolley retrieval system.



As per latest update, in-line baggage screening is operational at Srinagar, Chandigarh, Chennai, Goa, Kolkata, Ahmedabad, Lucknow, Varanasi, Jaipur, Trivandrum and Calicut airports and many more started transforming in future.

Electronic Gates

Electronic gates are used as barriers at many airports so as to segment passengers in various stages of departure. Passengers can self-scan their boarding pass so as to move into the boarding area. Major airports at Delhi and Mumbai are using these gates at immigration counters, wherein passengers are only able to pass once they have cleared all the formalities. Mumbai airport has also capitalised on touchless check-in technologies.



Smart Airports – The Way Forward

Introduction

Many Airports are planning on deploying digital interventions to ease operations and enhance passengers experience like two-dimensional verification scanner system, self-service kiosks, which will enables to print both the boarding pass and the baggage tag.

In times to come, technologies that will define future aviation are advanced self-service, facial recognition and biometrics, robotics and automation, contactless technology, IOT-



enabled baggage trolleys, AI and ML. For digital transformation to be effective, airports should select the right technology partners and identify a model that caters to its needs and customers. The aviation industry can deploy advanced technologies for the simplest things and gradually grow into a full-fledged digital ecosystem.

Cargo Facilities

Growth of Air Cargo revenue – Airlines have witnessed a 520% increase in cargo revenue in

the past 2 years. With the Government's vision of 10 million tonnes of annual cargo throughput by 2030, the air cargo market in India is all set to tap the potential of domestic and international markets. Pradhan Air Express has been set up as a new cargo airline to promote this vision.

Work on Cargo terminal of Ahmedabad airport progresses – Phase I of the semi-automated cargo terminal project at Ahmedabad Airport has began construction work. It will be capable of handling domestic cargo, international cargo, express cargo and cold chain pharma



and other perishable cargo. Work on phase I is likely to be completed by June 2023.

Pune Airport cargo complex project sets forth : Around 1.76 acres of land has been received for implementation of the Pune Airport cargo complex project by the Defence Estates Office. The project involves the development of a domestic and international air cargo complex at Pune Airport in Maharashtra at an estimated cost of Rs 3 billion, and is expected to be completed by December 31, 2022.

Government Privatisation Plans – Monetisation in Aviation Sector

25 major AAI airports will be examined for monetisation. The primary purpose is to maximise the value of these 25 airports. The clustering of small airports with major airports to lease them out as a package has been considered as a way to optimise non-profitable airports with the assistance of private sector investment and participations. This will be a win-win for all parties as it will reduce the debt of the exchequer while handling over brownfield airports to private players on long-term concessions.

In what appears to be the final opportunity for private investors to enter the Indian airport sector, AAI has approved the privatisation process for 13 airports. AAI plans to bundle Jharsuguda

airport with Bhubaneswar airport, Kushinagar and Gaya airports with Varanasi airport, Kangra airport with Amritsar airport, Jalgaon airport with Raipur airport, Jabalpur airport and Indore airport, and Salem airport with Trichy airport.

Government also considering AAI's remaining stake in four airport joint ventures for sale as part of the monetisation pipeline. These includes airports operated by the private sector in Mumbai (26% stake), Delhi (26% Stake), Hyderabad (13%) and Bengaluru (13%). The process of divestment of stake in Bengaluru and Hyderabad airports has been initiated.



The policy and regulatory factors impacting the monetisation plans are time taken for the bidding process, risk of regulatory uncertainty, probability and risk of legal disputes, transaction cost, degree of capital control, ease of doing business and provisions for the participation of airline and cargo operators. In terms of financing and funding, the factors taken into consideration include ease of investment, return on investment, cost of financing, access to competitive and innovative

financing and taxation. A few contract related consideration includes the level of autonomy over decision making, incentives for sustainable measures, a well-defined quality and service monitoring mechanism, traffic risks, incentives for value

adding innovation and selection of operators.

Chennai Greenfield Airport

The second airport in Chennai is expected to come up at Parandur at an estimated investment of Rs 200 billion. It has an annual capacity of 100 million passengers. The project will include runways, terminal buildings, taxiways, a cargo terminal, an apron and other required amenities and is expected to be ready by 2028.

Railways

Indian railway market is expected growth with healthy rate to be the third largest in next five year. According to Indian Railways planned projects have the potential of bringing an investment of over US\$ 7.5 billion.

The Indian Railway launched the National Rail Plan, Vision 2030, to accelerate implemen-



tation of critical projects, such as multitrack congested routes, achieve 100% electrification, upgrade the speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgrade the speed to 130 kmph on all other golden quadrilateral-golden diagonal (GQ/GD) routes and eliminate all level crossings on the GQ/GD route, by 2030.



Artificial Intelligence in India

Artificial Intelligence (AI) being utilized to develop smart solutions to complex problems, and across all industries. AI encompasses several emerging technologies, including self-improving algorithms, machine learning, big data, and pattern recognition.

Soon, virtually any industry or sector in India



would be seen using this potent tool for getting simpler tasks done in less time. Latest innovations in the field of AI are the reason behind the rising demand for online courses in artificial intelligence in India.

Artificial Intelligence (AI) is transforming businesses in sectors like Banking, Healthcare



and Engineering. AI used in Data, Cloud, Robotics. The first steps to making India ready for the growing AI space and adapting to it, as well as being part of the contribution that AI can make to India's economy.

Ports

Indian government has identified 81 public private partnership (PPP) projects worth

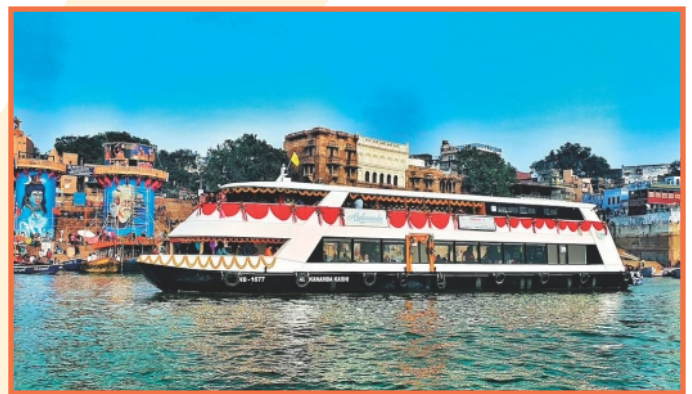


₹42,300 crore for developing berths and terminals across the major ports till 2024-25. The shipping ministry is identifying new road alignments, upgradation of existing roads, and new rail projects to manage the sizeable freight traffic demand of future.



Inland Water Tourism- Opportunities

Inland waterways development for tourism initiated by Government in large scale infrastructure development of jetties to manage vessels to increasing trend in the State of West Bengal, Jharkhand, Bihar and Uttar Pradesh. The movements of these tourist vessels with



foreign tourists will voyages routes between Kolkata to Baleshwarthan/ Munger/ Patna / Varanasi.

Government of India offering various benefits to private players to show interest in operating tourism routes.





KRS MARKETING Partnership Proposal

Marketing Requirements

Handling business opportunities in India require various steps and Marketing Partnership will help you to understand the practice and management to work in India. Considering the promotion before official participation in business, few steps like promotion, introducing own product range to manage the requirement development accept our standard products or services, advance preparation of participation in Indian Opportunities, management of local vendor team, if required for joint participation, handling tenders, offers, negotiations, contract management support etc., the list is ongoing and KRS Infra Ventures Pvt. Limited ensure that our experience being in this trade from last three decades offer you wider experience base in INDIA.

Marketing Proposal

The KRS Group herewith introduce KRS Infra Ventures Pvt. Limited herewith offers the marketing partnership to your organization to promote you and yours associates interest in Indian Infrastructure Sector with following ways:

- ▶ Informing Business Opportunities in India for business scope of your organization.
- ▶ Promoting your organization with introducing and presenting details to various clients in Government

and Private Sector and follow-up for acquisition formalities (tendering process, finalization of business, all assistance during implementation & after sales etc.)

- ▶ Informing the current scenario of market in view of Government Policies, Procurements plans etc.
- ▶ Advising the strategies required during promotion for successful business opportunities.

The partnership terms will require discussions to finalize, which will be second step after receiving your principal approval and suggest you to work on following options for understanding:

- ▶ Marketing Partnership Joint Venture-which means "KRS Infra Ventures" will be offering all Marketing support in India and your organization handle the technical & commercial need of the projects targeted and rest terms & conditions of arrangement will decided after in principal approval of partnership.
- ▶ Exclusive Agent in INDIA-KRS will be offered exclusive Agency Agreement for 3 years minimum to develop and managing business opportunities for your organization and terms & conditions of this agreement will be discuss after principal approval of working.



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