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AAI to raise long-term loans for ₹17K cr capex

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Mumbai: Airport Authority of India (AAI), the custodian of 129 civil aviation airports in India, is roping in merchant/foreign bankers for raising long-term loans for expansion and development of its airports. The national airport operator is planning to invest over Rs 17,500 crore for the next five years. The development is significant as India looks to add 100 new airports for 1 billion fliers by 2035.

AAI sources said that the development of airports requires massive capital investment and therefore commercial and foreign banks, investment and merchant bankers are being roped in to assess the various options available to raise long-term capital and identify the best available route for the same. "We are seeking the most efficient way to raise long-term loans for our future expansion plans" said a senior AAI executive.

As of now, capital expenditure plans to the tune of Rs 65,000 crore have been finalised by AAI (Rs 17,500 crore for the next five years) and around Rs 22,000 crore for brownfield expansion in Delhi, Mumbai, Hyderabad and Bengaluru by private operators, and around Rs 21,000 crore for greenfield airports.

AAI manages a total of 129 Airports and also provides Air Traffic Management Services (ATMS) over entire Indian Air Space and adjoining oceanic areas.

The country's aviation sector has invested around Rs 52,000 crore over the last decade at various airports and the projected investment requirement is more than four times the amount.

As per a report by Icra, the aviation segment in India will need a mammoth Rs 2.4 lakh crore investment over the next decade to meet the rising passenger traffic.

(With inputs from PTI)