



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Approval to the project proposal of M/s Air India Limited to establish “Aircraft Maintenance, Repair and Overhaul Facility (MRO)” unit at Bengaluru International Airport Limited (BIAL), Bengaluru Rural District.

Read: Proceedings of the 63rd State High Level Clearance Committee (SHLCC) meeting held on 08.03.2024.

Preamble:

M/s. Air India Limited submitted the proposal to establish for “Aircraft Maintenance, Repair and Overhaul Facility (MRO)” unit with an investment of Rs. 1,750 crore, generating employment to about 1200 persons in Bengaluru International Airport Limited (BIAL), Bengaluru Rural District.

Background of the M/s. Air India Limited:

Air India pioneered India's aviation sector. Since its first flight on October 15, 1932, Air India has built an extensive domestic network with non-stop flights to cities around the world, including the USA, Canada, UK, Europe, South-East Asia, Australia, and the Gulf.

Air India has a robust Domestic Network covering 43 Destinations/Cities across 20 Indian States through its over 280 daily flights within India. In the Year 2023, Air India had a Domestic market share of 9.7%. Such extensive domestic network also enables feeder traffic for the International Network of Air India wherein it has the widest Non-Stop International Network from India. A member of Star Alliance, the largest global airline consortium of leading international airlines, Air India offers seamless connectivity and facilities to passengers all over the world.

Airframe Maintenance In the next 5 years, Air India is planning to develop 2 Wide Body and 4 Narrow Body Hangars for Base Maintenance checks and services. The following Activities are planned for both Narrow-Body and Wide-Body aircraft:

- Phase Checks/Minor Calendar checks are carried out at a frequency of 1-6 months.
- “C” Category Checks are carried out at a frequency of 2-3 years including some on 6 Yearly basis.

- Heavy Structural Checks (6, 8, 10, and 12 Yearly checks – per Airbus and Boeing specifications)

Promoter Details:

- Mr. Natarajan Chandrasekaran (Chairman): Joined the Board of Tata Sons in October 2016 and was appointed Chairman in January 2017. He also chairs the boards of Tata Steel, Tata Motors, Tata Power, Air India, Tata Chemicals, Tata Consumer Products, Indian Hotel Company, and Tata Consultancy Services (TCS) – of which he was the Chief Executive Officer from 2009-17.
- Mr. Campbell Wilson (CEO & MD): Worked for SIA in Australia, Canada, Hong Kong and Japan and also served on SIA's Management Committee as Senior Vice President, Sales & Marketing, before returning for a second stint as the CEO of Scoot in 2020.
- Sanjiv Mehta (Independent Director): He was the CEO & MD of Hindustan Unilever Limited (HUL). As President, he headed Unilever's business in South Asia (India, Pakistan, Bangladesh, Sri Lanka & Nepal). He is a member of the 'Unilever Leadership Executive', and the President Commissioner (Non Executive Chairman) of Unilever Indonesia.

Project Cost and Means of Finance (Rs. in Crore)

Cost of the project		Means of Finance	
Land and Building	1250	Promoter Equity	1050
Plant and Machinery	300	Institution Equity	0
Working capital Margin	100	Term loan	0
Contingency	100	Foreign Equity	0
Others	0	Subsidy/Grant	700
		Others	0
Total	1750		Total 1750

Infrastructure support and approvals requested by the Company for the project:

Items	Particulars
Land and Location	25 acres of Lease land from Bengaluru International Airport Limited (BIAL), Bengaluru Rural District
Water	80 MLD per annum.

Power	25 MW from BESCOM
Pollution Control Clearance:	CFE/CFO from KSPCB, GOK. E.C from MOEF, GOI / DFEE as applicable
Incentives & Concessions:	Special Incentives as per Aerospace & Defence Policy 2022-27.
Statutory Clearances:	All necessary statutory approvals/ Clearances

A Memorandum of Understanding (MoU) was signed on 19th Feb 2024, between the Government of Karnataka (GoK) and M/s Air India Limited (AIL). As per this MoU M/s Air India Limited (AIL) will establish Maintenance, Repair and Overhaul (MRO) facilities at Bengaluru International Airport Limited (BIAL).

Competent Authority has approved the proposal on file to place the subject before SHLCC.

The Proposal of the Company placed in the 63rd SHLCC meeting held on 08.03.2024 for discussion and decision. The Committee noted the details of the project proposal and after detailed discussion resolved to approve the proposal of M/s Air India Limited.

Government has examined the recommendations made by the 63rd SHLCC Meeting, in all aspects.

Hence the following order:

GOVERNMENT ORDER No. CI 140 SPI 2024, BENGALURU, DATE 14.03.2024

Government is pleased to accord **in-principle approval** to the investment proposal of M/s. Air India Limited to establish "Aircraft Maintenance, Repair and Overhaul Facility (MRO)" unit with an investment of Rs. 1,750 crore, generating employment to about 1200 persons in Bengaluru International Airport Limited (BIAL), Bengaluru Rural District with the following infrastructure assistance, incentives and concessions:

Land	25 acres of Lease land from Bengaluru International Airport Limited (BIAL), Bengaluru Rural District.
Water	80 MLD Per Annum.
Power	25 MW from BESCOM
Incentives & Concessions	As per applicable policy of the State

Sanction of the above infrastructure assistances, incentives and concessions is subject to the following terms and conditions:

1. Environment: The company to obtain Consent for Establishment and Consent for Operation from KSPCB and environmental clearance from MoEF, Government of India or the Dept of Forest, Ecology & Environment, Government of Karnataka, if applicable.

2. Employment: The Company shall comply with the provisions of applicable Policy of the State of Government of Karnataka with respect to local employment on the project. Prepare a plan for development of Human Resources required for the project, train local people. A copy of Human Resources Development plan shall be sent to the Commissioner for Industrial Development & Director of Industries and Commerce for monitoring.

3. Vendor Development: Wherever there is scope for vendor development for the project, the company shall prepare a vendor development plan, develop local vendors and procure the required inputs, components and sub-assemblies from these local vendor units. A copy of the vendor development plan shall be sent to the Commissioner for Industrial Development & Director of Industries and Commerce for monitoring.

4. Social Infrastructure Development: The Company is advised to take up social infrastructure development projects in the vicinity of the proposed location of the unit and comply with the stipulation of Company Act 2013. A copy of such projects shall be sent to the Commissioner for Industrial Development & Director of Industries and Commerce for monitoring.

5. Others:

- a. The company shall adopt rainwater harvesting, waste water recycling and water conservation techniques. Zero discharge facility should be adopted wherever applicable.
- b. The company shall take all statutory and other necessary clearances from the competent authorities including Government of India.
- c. As part of "Ease of Doing Business" Government vide order No. CI 89 SPI 2013, Dated 20.12.2014 has accorded approval to operationalise e-Udyami Phase II for obtaining various clearances / approvals / licenses etc. through common e-platform for the projects approved through District Level Single Window Clearance Committee (DLSWCC) or State Level Single Window Clearance Committee (SLSWCC) or State High Level Clearance Committee (SHLCC) w.e.f. 01.01.2015.
- d. The approvals / NOCs of following Departments have been covered under Phase II of e-Udyami.
 - i. Karnataka Industrial Areas Development Board.
 - ii. Karnataka Small Scale Industries Development Corporation.

- iii. Karnataka State Pollution Control Board.
- iv. Factories, Boilers, Industrial Safety and Health Department
- v. Industries and Commerce Department
- vi. Town Planning Department and Local Planning Authorities
- vii. Municipal Administration Department
- viii. BESCOM/GESCOM/HESCOM/CESCOM/MESCOM
- ix. Karnataka State Fire and Emergency Services Department
- x. Water Resources Department

e. The login and passwords which are used for filing application through e-Udyami Phase I are also applicable for filing application through e-Udyami Phase II. E-Udyami Phase II web application may be accessed through www.ebizkarnataka.gov.in and online application along with necessary documents may please be filed for any of above Departments' approval / NOCs.

f. Karnataka Udyog Mitra (KUM) would provide the necessary escort services for the speedy implementation of your project. You are requested to inform the progress made in the implementation of the project every quarter in the proforma.

This approval is valid for a period of **two years** from the date of issue of this Government Order.

By Order and in the name of the
Governor of Karnataka,
Shilpa S.R.
(SHILPA S.R.)
Desk Officer (Technical Cell),
Commerce & Industries Department.

To,

1. Principal Accountant General (G&SSA)/ (E&RSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru.
2. Principal Accountant General (A&E), Karnataka, Park House Road, Post Box No. 5329, Bengaluru.
3. Additional Chief Secretary to Government, Finance Department, Vidhana Soudha, Bengaluru.
4. Additional Chief Secretary to Government, Energy Department, Vikasa Soudha, Bengaluru.
5. Additional Chief Secretary to Government, Water Resource Department, Vikasa Soudha, Bengaluru.
6. Additional Chief Secretary to Government, Forest, Ecology & Environment Department, M.S. Building, Bengaluru.

7. Principal Secretary to Government, Revenue Department, M.S. Building, Bengaluru.
8. Secretary to Government, Department of IT, BT, Science and Technology, M.S. Building, Bengaluru.
9. Secretary to Government, Commerce & Industries Department (Mines, Textile & MSME), Vikasa Soudha, Bengaluru.
10. Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
11. Commissioner of Commercial Taxes, Vanijya Therige Karyalaya, Gandhi Nagar, Bengaluru-09.
12. Managing Director, Bangalore Electricity Supply Company (BESCOM), Bengaluru.
13. Member Secretary, Karnataka State Pollution Control Board (KSPCB), 49, Church Street, Parisara Bhavan, Bengaluru.
14. Chief Executive Officer & Executive Member, Karnataka Industrial Area Development Board, Khanija Bhavan, Race Course Road, Bengaluru.
15. Director (Technical Cell), Commerce & Industries Department, Vikasa Soudha, Bengaluru.
16. Additional Director (P & P), Directorate of Industries & Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
17. Managing Director, Karnataka Udyog Mitra (KUM), Khanija Bhavan, Race Course Road, Bengaluru.
18. PS to Hon'ble Minister for Large and Medium Industries & Infrastructure Development, Vidhana Soudha, Bengaluru.
19. PS to Principal Secretary to Government, Commerce & Industries Department, Vikasa Soudha, Bengaluru.
20. M/s. Air India Limited.
21. Guard File / Spare Copies.