

Ref: 2018/L/BLR/VPC/0028/00
Date: 05.07.2018

To
The Secretary,
Airports Economic Regulatory Authority of India,
AERA Building, Administrative Complex, Safdarjung Airport,
New Delhi - 110003

Sub: **AERA Consultation Paper No.05/2018-19 - Determination of Tariff
Kempegowda International Airport (KIA) for 2nd control period**

Dear Madam,

With reference to the aforementioned Consultation Paper and Stakeholder Consultation meeting held in Bangalore on 18th June 2018, please find below our comments for your kind consideration.

Kindly note that Air India SATS Airport Services Pvt. Ltd. (AISATS) is a 50:50 joint venture between Air India Ltd. and SATS Ltd., the leading provider of gateway services and food solutions in the region. Since the commencement of operations at BLR Airport in 2008, AISATS has been providing hassle-free and comprehensive solutions in respect of ground and cargo handling services.

As India is the fastest growing domestic aviation market and is expected to become world's third largest aviation market in the near future, development of airports and associated infrastructure is a fundamental requirement to cater to this growth. The growth at KIA has been phenomenal in the past few years and capacity creation has become the need of the hour. To cater to this phenomenal growth, AISATS, as a service provider operating KIA has been undertaking various measures to enhance the infrastructure requirements such as the launch of India's First Integrated Perishable Cargo Handling Centre, AISATS COOLPORT, induction of latest Ground Support Equipment at its ground handling unit and generating employment opportunities for aspiring youth of India.

While undertaking these measures, AISATS has incurred substantial investments relying upon the promising growth projections at the KIA. These measures and investments will only yield results if KIA is able to maintain the growth story and attract new domestic and foreign carriers to start operations at KIA.

In order to ensure that capacity constraints at KIA do not adversely affect the growth of aviation industry in general and growth of BLR Airport in particular, we request AERA to kindly consider the cash flows / capital expenditure requirements of KIA for the timely expansion of the airport's capacities.

We would be happy to provide any further clarification as and when required by AERA.

Thanking you

Your's Sincerely,

For **Air India SATS Airport Services Pvt. Ltd.**



Bobban Philip Jose
Vice President – Cargo & PHC