

July 4 2018

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

Dear Madam,

Sub: Response to Consultation Paper No.05/2018-19 dated May 17<sup>th</sup> 2018 issued by the AERA in the matter of Tariff determination of Bangalore International Airport Ltd.(BIAL) for the 2<sup>nd</sup> Control period

In reference to the above-mentioned Consultation Paper issued by AERA in respect of determination of aeronautical tariffs for the Bangalore International Airport Limited ("BIAL"). Pursuant to the role out of the New Ground Handling policy which mandates three ground handling operators at the airport of the size of BIAL, Celebi Airport Services India Pvt Ltd ("Celebi"). has been awarded the contract to operate as one of the Ground Handling Agencies at BIAL through an open bidding process. Celebi is supposed to commence its services from BIAL in the latter half of the year 2018. We would like to highlight here that Ground handling function is a very intrinsic part of any airport operation environment and is directly dependent upon the growth of airport business especially by foreign carriers. Accordingly, the ground handling service providers would be directly impacted by any factor which has the potential to impede or amplify the growth of air traffic at the BIAL.

We have observed that in the recent times, BIAL has witnessed double digit growth in the passenger traffic and we are fairly confident about the fact that this growth will sustain for near to medium term future. As we have recently been introduced to the airport operations environment at BIAL, we will be catering significant expenses in order to build our set-up at the airport towards and not limited to setting-up of office space, purchase of GH equipment, manpower hiring cost, administration cost and so on.

Therefore, we foresee significant expenses that will be incurred by our organization and all of that has been committed based on the assurance of getting sizeable growth of air traffic at BIAL. Accordingly, these investments will only bring benefit if BIAL is able to handle the projected volume traffic at the airport.

**CELEBI AIRPORT SERVICES INDIA PRIVATE LIMITED**

(Formerly known as Celebi Ground Handling Delhi Private Limited)

We understand that BIAL is currently handling a traffic volume in excess of its capacity Based on the Authority's projections itself, BIAL would need to handle ~38 MPPA by FY 2020-21; which would require substantial investments in the capacity both on the airside as well as terminal side. Therefore, BIAL's investments in airport infrastructure is critical for the growth of the entire aviation ecosystem in the region.

With that perspective in mind, we would like to request AERA to ensure that during the second control period, the tariffs are determined in a manner ensuring that this project is financial viable to This will ensure that all the capacity expansion initiatives taken at the airport are completed within the stipulated timelines and will allow us and other airport service providers operating at airport to go ahead with the planned investments without having any ambiguity towards the future airport outlook.

We request that our views expressed above be taken into consideration by the Authority at the time of issuing a final tariff order.

Thanking you'

For Celebi Airport Services India Private Limited

(Formerly Known as Celebi Ground Handling Delhi Pvt. Ltd)



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Chief Executive Officer

**CELEBI AIRPORT SERVICES INDIA PRIVATE LIMITED**  
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