



THE IOD INTERVIEW

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Q. Bangalore International Airport Ltd. (BIAL), in a short span of time, has evolved as a benchmark of success within the industry, both in terms of traditional business parameters and incorporating the latest trends in ESG and sustainability. Take us through this incredible journey of the airport and its plan for the future.

A. Kempegowda International Airport Bengaluru (KIAB/BLR Airport), operated by BIAL, has embarked on an incredible journey since its inception in 2008. Starting with approximately 8 million passengers in its first year, BLR Airport proactively expanded its capacity over the years,

witnessing a fourfold increase in passenger traffic to more than 33 million before the COVID pandemic. With two parallel runways and two terminal buildings, the airport has the potential to achieve a peak capacity of 90–100 million passengers per year in the years to come.

As part of its expansion plans, BLR Airport recently commissioned Phase 1 of Terminal 2 in January 2023. The terminal currently has a capacity of 25 million passengers per year and is already serving domestic operations, with international operations expected to shift by August 2023. After stabilising operations at Terminal 2, BLR Airport



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intends to upgrade and refurbish Terminal 1 and convert it into a dedicated domestic passenger terminal with an estimated capacity of approximately 35 million passengers per year. This will be followed by Phase 2 of Terminal 2, which will increase its capacity to 45 million passengers per year, thereby bringing the airport's total passenger handling capacity to nearly 80 million passengers.

The Airport has made significant strides in environmental sustainability, making the entire campus water-positive and energy-neutral. Several initiatives have been taken to restore the region's *Devanahalli pomello* fruit; smart automatic irrigation systems have been deployed; and rooftop solar panels and off-site power purchase agreements for wind and solar energy have been implemented. The airport has also adopted digital processes to reduce paper consumption and has achieved

remarkable energy savings, resulting in the reduction of 50,000 metric tonnes of carbon emissions in 2020–2021. BLR Airport aims to achieve Net Zero Carbon Emissions by 2030.

Terminal 2's sustainability efforts include bamboo interiors, lush gardens, solar panels, daylight harvesting, rainwater harvesting with large ponds, and multipurpose lagoons for natural water purification. Terminal 2 has been pre-certified with the Platinum LEED rating by the US Green Building Council. Additionally, BLR Airport is working towards zero waste to landfill through initiatives like an integrated solid waste management plant.

The upcoming Multi-Modal Transport Hub (MMTH) located near the terminal will serve as a junction for various transportation systems, including public transport buses, taxis, private cars, sub-urban railways, and metro connectivity. Apart from this, there are on-going projects to enhance airside infrastructure utilisation and the development of an Airport City. The Airport City, facilitated by Bengaluru Airport City Limited (BACL), a subsidiary of BLR Airport, aims to create a futuristic, multi-asset destination that embraces innovation.

Through these expansion plans and sustainable practises, BLR Airport envisions becoming the 'new gateway to India.' The airport's commitment to progress that is both sustainable and responsible ensures that it not only serves its purpose as a transportation hub but also contributes positively to the environment and the community it serves.





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acknowledging the challenges posed by the pandemic; 'adapted' by innovating existing paradigms to meet the new requirements; and 'advanced' by focusing on strategies that would serve the current situation while also benefiting them in the long term.

Amidst these challenges, cargo operations emerged as a bright spot. Compared to the previous year, BLR Airport has witnessed immense growth in cargo operations, surpassing other airports in terms of recovery. This shift in focus has highlighted the importance of cargo, which was previously overlooked by the industry.

Q. Aviation and its allied sectors went through a slump due to an unforeseen challenge posed by the pandemic. How did BIAL sustain itself and mitigate the risk posed by this unannounced slowdown? What were some of the lessons?

A. The COVID-19 pandemic severely impacted the transportation and hospitality sectors. Among these sectors, aviation also experienced significant challenges due to travel restrictions and regulations, as well as the emergence of new variants, further delaying the recovery process. This had a double impact on both operations and project progress, especially the new Terminal 2 of BLR Airport. In the first 24 months after the onset of the pandemic, BLR Airport operated at less than 50% of its pre-COVID traffic levels for 15 months. Facing drying revenue streams, we had to reevaluate our approach to ensure a swift recovery while prioritising safety. A multi-layered approach was implemented, consisting of a COVID Steering Committee, a War Group, and on-ground implementation teams. These teams met twice daily to assess the situation and make effective decisions in response to the constantly changing circumstances.

BLR Airport also adopted the "3 As" strategy: Accept, Adapt, and Advance. We 'accepted' the current situation by

Q. It is good to see that, post the slump caused by pandemic and the volatility on the geopolitical front, businesses have started to recover and there is a semblance of normalcy. With aviation sector getting back in business and capacities increasing, how do you see the sector evolve in the days to come, are we in for an eminent growth?

A. The aviation sector has experienced a remarkable rebound since the pandemic, surpassing pre-pandemic passenger traffic records. This strong recovery is expected to continue in the long term, fueled by the pent-up desire of people to travel and discover new destinations. The resurgence of corporate travel has also contributed to rise in air travel.

Rising fuel costs and the need for new infrastructure to meet the growing demand are among some of the emerging opportunities through which the sector is well-positioned to meet the growing demand. Emergence of low-cost airlines and new airports in tier 2 and tier 3 cities will continue to be a major force in providing affordable travel options. Additionally, the demand for air cargo will continue to grow, driven by the expansion of e-commerce and other industries. Overall, the future of the aviation sector looks promising, and the sector is expected to evolve and experience significant growth in the coming days.



Q. Aviation sector has been at the receiving end of a lot of criticism for its overdependence on fossil fuels and high emissions. While aircraft need to be more efficient, what can big airports like yours do to cut down on their carbon footprint and contribute to the green ecosystem?

A. At BLR Airport, sustainability is at the core of our operations. We work closely with partners and stakeholders to foster an ecosystem that promotes equitable and environmentally friendly growth. We are committed to minimising the impact on the environment and ensuring sustainable growth across people, planet, and profit. BLR Airport recognises and is aligned with the United Nations' 17 Sustainable Development Goals (SDGs) as a guiding framework, collaborating with partners and stakeholders to encourage environmentally responsible and fair growth ecosystems.

One of the significant achievements of BLR Airport is its attainment of energy neutrality. More than 95% of the airport's energy requirements are met from renewable sources through onsite and offsite power purchase agreements. This commitment to renewable energy has significantly reduced the reliance on non-renewable energy sources. Water management is another crucial aspect of the airport's sustainability efforts. The company acknowledges water as a valuable finite resource and strives to conserve more water than it consumes. This approach has substantially reduced its dependence on municipal water supplies.

BLR Airport has implemented various measures to reduce its carbon footprint and protect the environment, and it is determined to continue on this path. Sustainability is deeply integrated into BIAL's corporate governance strategy. The board and its committees employ transparent and quantitative measures to comprehensively evaluate BIAL's sustainability performance and drive strategies using a top-down approach. Regular evaluations of environmental,

social, health, and safety performance are conducted to monitor progress across these areas while ensuring continued growth.

Furthermore, BLR Airport has implemented several policies that guide its sustainability agenda, ensuring a structured and consistent approach to sustainable practises throughout its operations.

Q. While passenger volumes are growing in India, airports are in dire need of enhancing and increasing their infrastructure in order to cater to the growing demand. The government also seems to realise this and has taken up the policy to expand the aviation footprint in India and connect areas that do not have access to air transport. Do you see airports emerging as the key engines of growth in the Indian economy and revolutionising the rudimentary transport infrastructure of the country?

A. The rapid recovery in air travel following the challenges posed by the pandemic and the subsequent growth have positively impacted the aviation sector in the last few months. Airports play a crucial role in the economic growth of a country and have the potential to revolutionise the transport infrastructure. The commissioning of T2, with a capacity of 25 million passengers per year, has allowed us to stay well ahead of the anticipated demand for the next few years. At BLR Airport, we believe in adopting a pragmatic approach that strikes an optimal balance between development scale, level of service provided to passengers, and cost implications for users.

In addition to capacity development, BLR Airport has been actively leveraging new systems and technologies to enhance processing efficiency across key touch-points. We have implemented self-service check-in kiosks, self-baggage drop facilities, and the Digi Yatra initiative. Our BLR Pulse app allows passengers to complete flight check-ins on

their smartphones, reducing waiting times. Advanced security screening systems and dedicated lanes for passengers with only hand baggage expedite the security clearance process. We also leverage data and analytics for real-time queue management and operational efficiency, allowing us to proactively manage passenger flows and identify potential bottlenecks in advance.

By adopting innovative technologies and efficient processes, airports can enhance passenger experiences, improve operational effectiveness, and contribute significantly to economic development.

Q. India's growth has also meant that the logistics sector is rapidly emerging as the key sector driving this growth story. An important aspect of logistics is air cargo and its infrastructure. With Bengaluru being a major technological hub, how has BIAL contributed to enhancing air logistics, and what are its plans for the future?

A. BLR Airport has made significant contributions to enhancing air logistics and strengthening the air cargo infrastructure in Bengaluru. During the COVID-19 pandemic, the airport adapted to the changing demand for cargo transport by facilitating passenger flights as charters for cargo handling, effectively utilising passenger aircraft for cargo purposes. Currently, around 40% of cargo capacity at BLR Airport is served by Passenger to Cargo (P2C) consignments.

The airport has implemented several innovative measures and technologies to streamline cargo operations and enhance efficiency. This includes the upcoming Air Cargo Community System (ACS), a digital platform that promotes seamless collaboration among stakeholders in the supply chain. BLR Airport has also established India's first on-airport Public Bonded Warehouse, facilitating re-exports, long-term storage of bonded cargo, partial clearances, and value-added services.



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To support the trucking community, the airport is also developing India's first on-airport dedicated truck management facility, providing various amenities for truckers. The airport has also introduced the LOGI Connect by BLR road feeder service, connecting major South Indian cities to BLR Airport, strengthening cargo movement in the region. BLR Airport has prioritised cold-chain infrastructure to become India's top airport for perishable shipments three times in a row.

Looking ahead, BLR Airport plans to continue investing in infrastructure, technology, and facilities to further enhance air logistics by aiming to remain at the forefront of digitalisation, offering efficient and state-of-the-art cargo operations at BLR Airport.

Q. According to you, what needs to change in the modern boardroom so that businesses can effectively tackle and address issues pertaining to ESG and Sustainability? Do you think the current boards are doing enough? How do you envision the future of boardrooms?

A. Most leadership teams in boardrooms seem to have understood the importance of incorporating pertinent environmental, social, and governance (ESG) factors into their long-term goals for the organisation.

At BIAL, we believe that the environment and communities are not just stakeholders in our business but are an integral part of it and, in many cases, the very reason for our existence. We live this ideology by striving to be the role model for sustainable progress, a philosophy that guides our thinking and gives a sense of purpose to all our actions. Working within the guidelines provided by the SDGs, we have woven sustainability, diversity and inclusion, and community development into all our efforts at the airport.

All new infrastructure projects currently under development at the airport are benchmarked against the world's best sustainability standards. Some initiatives are focused on the use of renewable energy to become energy and carbon neutral; water conservation and replenishment to increase our water positivity index; waste management to achieve increased recyclables, energy recovery, and zero landfills; and ecological management to maintain a perfect balance between the imperatives of business and the environment.

We engage with local communities to ensure that they keep pace with and benefit from the development around them. As a part of our drive to empower rural communities, BIAL is working to address critical issues by adopting a holistic approach in the areas of Education, Health, water and sanitation, and equality. ■