



RAJEEV CHANDRASEKHAR  
MEMBER OF PARLIAMENT  
RAJYA SABHA

Member of Standing Committee on Defence  
Member of Consultative Committee on Finance  
Member of Central Advisory Committee for the National Cadet Corps  
Co-Chairman, District Development Coordination & Monitoring Committee, Bengaluru Urban District

14 March, 2017

*Dear Arunji*

**Sub: Heavy loss of revenue to HAL Airport in Bengaluru**

I write regarding the heavy losses being incurred by the Hindustan Aeronautical Airport (HAL) at Bengaluru. The same has been highlighted by several media reports.

As you are aware, a clause in the 25-year agreement between the state government and Bangalore International Airport Limited (BIAL) does not allow an additional airport within a radius of 150 kms of Kempegowda International Airport, promoted by BIAL, at Devanahalli.

The agreement between the state government and BIAL resulted in stoppage of commercial flight operations/cargo operations from HAL in May 2008 has led to HAL Airport incurring losses to the tune of Rs. 1,480 crores from 2008 to 2015.

The Airports Authority of India (AAI) operates the HAL Airport in Bengaluru and functioning of this airport is restricted and with not enough traffic to fetch revenues. This while it continues to support military flying, test flying, chartered and VVIP flights and continuing to maintain its infrastructure and services to the fullest.



The heavy loss of revenue to the HAL Airport is loss to the national exchequer. Therefore, I urge you to look into the matter and ensure that some form of royalty is paid to HAL to make up for its losses by the private operator, since it is because of the monopoly that the HAL suffers these losses.

Sincerely,

RAJEEV CHANDRASEKHAR

**Shri Arun Jaitley**

Hon'ble Minister of Defence

Government of India

New Delhi