

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 44

(To be answered on the 29th January 2026)

COMPENSATION TO AIRPORT OPERATOR

44. SHRI P C MOHAN

Will the Minister of CIVIL AVIATION **नागर विमानन मंत्री** be pleased to state:-

- (a) the details of the criteria and policy guidelines for providing compensation or revenue protection to an existing airport operator when approval is granted for a second airport in the same metropolitan region including cases such as Kempegowda International Airport Limited (KIAL), Bengaluru;
- (b) the procedure and institutional steps required to be taken for assessment and approval of such compensation, including the roles of the Airport Authority of India (AAI), the Ministry of Civil Aviation and the State Government;
- (c) whether any timeline has been prescribed for completion of this process and if so, the details thereof;
- (d) whether the impact of a second airport on passenger traffic and aeronautical and non-aeronautical revenues of existing operators has been assessed and if so, the findings thereof; and
- (e) the financial support and policy commitments required from the concerned State Government for implementation of such mechanisms?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में शाय मंत्री

(Shri Murlidhar Mohol)

(a) to (e): As per Greenfield Airports (GFA) Policy, 2008, development of greenfield airport within an aerial distance of 150 kilometer of an existing civilian airport is not generally permitted. It may however be allowed, on a case to case basis, after examination of its impact on the existing airports.

In cases where the existing airport is of Airports Authority of India (AAI), the National Civil Aviation Policy, 2016 stipulates that AAI may be suitably

compensated by Government of India and/or the State Government or the private sector airport operator in case a new Greenfield airport is approved in future within a 150 km radius of an existing operational AAI airport (not applicable to civil enclaves). However, such a compensation will be considered only if the current capacity of the existing AAI airport is not reaching the saturation point in the year of commissioning of the new project. As an alternative to compensation, AAI may be given option at the discretion of the airport developer to either have the right of first refusal, or equity participation between 26% to 49% in the new airport or AAI may be allowed to form JV with the participating State Government. Once the options are given to AAI and if AAI chooses not to avail of any of these options, then no compensation will be due. This is however not applicable in cases of existing airports governed by OMDA/ Concession Agreement (CA), where provisions of those agreements shall prevail.

Kempegowda International Greenfield Airport (KIA), Bengaluru has been developed under Public Private Partnership (PPP), where CA has been signed by Government of India (GoI) with the concessionaire- M/s Bangalore International Airport Limited (BIAL).

As per the CA signed, no new or existing airport (except development of Mysore and Hassan as Domestic airports) within an aerial distance of 150 kilometers of Kempegowda International Airport (KIA), Bengaluru is permitted for development/improvement/upgradation before the 25th anniversary of the airport opening date.

No specific timeline has been prescribed for completion of the assessment and approval of compensation etc.
