

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2330
ANSWERED ON:08.12.2005
INVESTMENTS IN CIVIL AVIATION SECTOR
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Will the Minister of CIVIL AVIATION be pleased to state:

- (a):- whether the Government has reviewed the investments made in the civil aviation sector during the past three years;
- (b):- if so, the details thereof;
- (c):- the funds, required for execution of approved development plans and the resources mobilised so far;
- (d):- the details of packages of incentives finalised/under consideration to attract the required private/foreign direct investment in this sector;and
- (e):- the details of major projects proposed to be taken/completed during the next plan period in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a),(b)and (c):- Yes, Sir. During 2002-03, 2003-04 and 2004-05, the funds utilized by various organisations under the Ministry of Civil Aviation for various schemes is as under:

Sl.No.	Name of the Organisation	Investment made (Rs. in crores)
1.	Air India Ltd.	1580.71
2.	Indian Airlines Ltd.	889.41
3.	Airports Authority of India	1618.37
4.	Pawan Hans Helicopters Ltd.	133.53
5.	Hotel Corporation of India	10.27
6.	Indira Gandhi Rashtriya Uran Akademi	4.48
7.	Directorate General of Civil Aviation (DGCA) (including Aero Club of India)	10.46
8.	Bureau of Civil Aviation Security	8.39

Total 4255.62

(d):- The Government has taken the following steps in this direction:-

(i)Foreign Direct Investment limits for air transport services (domestic airlines) have been raised to 49%. The policy also permits 100% NRI investment. However, equity participation by foreign airlines is not permitted, either directly or indirectly.

(ii)In the airport infrastructure sector, FDI upto 74% is permitted through automatic route.

(iii)The sale of Aviation Turbine Fuel (ATF) to the Indian carriers for their international operations is now treated as 'deemed exports' thereby exempting such sale from levy of Sales Tax.

(iv)The ATF sold to turbo prop aircraft is treated as "declared goods" under the Central Sales Tax Act thereby capping the sales tax thereon @ 4%.

(v)AAI have waived off the landing charges on aircraft below 80-seat capacity being operated by domestic scheduled operators and helicopters. The navigation and communication charges have also been rationalized.

(e):-Air India has proposed a total outlay of Rs. 486.70 crores during the next Annual Plan period 2006-07 which includes an outlay of Rs. 113.14 crores for repayment of aircraft loans, a token provision for new aircraft of Rs. 123.56 crores and Rs. 250.00 crores for non - aircraft projects. Indian Airlines has proposed an outlay of Rs. 706.00 crores for 2006-07 which includes Rs. 652.48 crores for continuing aircraft projects, 32.65 crores for continuing other projects and Rs. 20.87 crores for new schemes / projects namely corporate computerization, ground support facilities etc. Airports Authority of India has proposed an outlay of Rs.1565.19 crores for 2006-07, which includes Rs. 865.73 crores for non-metro airports viz. aerodrome works, aeronautical communication services,

information technology and ground safety services and Rs.699.46 for Metro airports viz. improvement of existing facilities, new projects, acquisition and development of land and operational and office equipment. DGCA has proposed a total outlay of Rs. 29.00 crores for 2006-07, which includes Rs. 25.60 crores for major construction work of offices & residential complexes and setting up of new flying training Academy at Gondia, Maharashtra.