

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:604  
ANSWERED ON:11.11.2010  
DEBTS OF AIRLINES  
Siddeswara Shri Gowdar Mallikarjunappa

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) the details of the present status of debts of each airline;
- (b) the comparative details thereof during the last three years;
- (c) the exact reasons for such debts of airlines; and
- (d) the steps being taken to avoid such situation in future?

**Answer**

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

(a) and (b):- The latest available data reported by airlines on their debts during last three years from 2006-07 to 2008-09 are as under:-

Airline	Long Term Debts (Rs.in millions)		
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	2006-07	2007-08	2008-09
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NACIL	101119.9	208415.0	347148.2
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Jet Airways	60563.0	120150.4	158856.1
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JetLite	3832.5	8270.5	12086.1
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Kingfisher Airlines	15619.1	30755.9	47250.0
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Spicejet	3571.8	4857.9	333.0
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Go Air	1071.0	2885.0	NR
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Paramount Airways NR 0.0 3265.4

IndiGo 1866.4 1650.0 3808.8

Source: Balance sheet of individual airlines submitted to comply ICAO requirement of Form 'EF'

Amount reported against long term obligations under capital leases.

NR - Nothing reported against long term debt.

(c):- Government do not maintain exact reason for debts of airlines, however, high ATF price and global economic slowdown commonly affected financial health of all airlines.

(d):- The steps taken to avoid such situation are as under:

(1) The State Governments have been persuaded to reduce the sales tax on ATF. Government of Andhra Pradesh and in certain cases Government of Rajasthan have reduced the sales tax on ATF to 4%. Government of Maharashtra has also reduced sales tax on ATF from 25% to 4% for flights originating from airports other than Pune and Mumbai.

(2) The oil companies have started announcing the ATF prices on a fortnightly basis rather than monthly basis which is helping the airlines when the crude prices are going down.