

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:63

ANSWERED ON:24.11.2014

PROFITS AND LOSSES OF PUBLIC AND PRIVATE AIRLINES

Adityanath Shri Yogi;Antony Shri Anto ;Biju Shri Parayamparanbil Kuttappan;Chautala Shri Dushyant;Ering Shri Ninong;Girri Shri Maheish;Innocent Shri ;Joshi Shri Pralhad Venkatesh;Karunakaran Shri P.;Maurya Shri Keshav Prasad;Muddahanumegowda Shri S.P.;Pal Shri Jagdambika;Simha Shri Prathap;Thota Shri Narasimham

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of air routes categorized for operations of flights by public and private airlines in view of heavy air traffic and economic operations along with the ratio of flights being operated on domestic and international routes;
- (b) the details of the profits and losses of public and private airlines during the last three years and the current year, route and airline-wise including Air India;
- (c) whether the Government has conducted any review of the operations and financial performance of these airlines; and
- (d) if so, the details and the outcome thereof along with the steps taken or being taken by the Government to reduce the losses incurred by various airlines and revive the aviation sector?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Dr Mahesh Sharma)

(a) The details of categorization of routes as contained in Route Dispersal Guidelines issued by the Government is as follows:

- (i) CATEGORY-1 Routes connecting directly# Mumbai-Bangalore, Calcutta-Delhi, Mumpai-Calcutta, Calcutta-Bangalore, Mumbai-Delhi., Calcutta- Chennai, Mumbai-Hyderabad, Delhi- Bangalore,Mumbai - .Madras, Delhi -Hyderabad , Mumbai- Trivandrum , Delhi-Chennai.
- (ii) CATEGOY-II Routes Connecting stations In North Eastern region, Jammu and Kashmir,Andaman and Nicobar and Lakshadweep.
- (iii) CATEGORY-III Routes other than those in Category-I and Category -II No such demarcation has been made for international Routes.

(b) Profits and losses of public and private airlines operators in India over thelast three financial years i.e. 2010-2011, 2011-12 and 2012- 2013 are placed at Annexure -1.

(c) and (d) Yes, Madam. The outcome of the Assessment of Impact of Financial Stress on Safety of Operations of airlines has revealed that all the scheduled domestic airlines seem to have some financial distress. Airlines have been advised to ensure that this does not affect the safety of the aircraft operation. Government has taken several measures like persuading State Governments to reduce VAT on ATF, allowing direct import of Aviation Turbine Fuel by Indian Carriers as actual users;, permitting foreign airlines to participate upto 49 percent in the equity of Scheduled air transport under taking, allowing ECB for working capital requirement of airline industry for a period of one year subject to a total ceiling of US \$1 billion and tax concession for parts of aircraft and testing equipment for third party maintenance, repair and overhaul of civil aircraft.