

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3067
(To be answered on the 12th March 2020)**

FINANCIAL HEALTH OF CIVIL AVIATION SECTOR

3067. SHRI G.M. SIDDESHWAR

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has made any assessment of financial health of civil aviation companies in the country;**
- (b) if so, the details thereof and if not, the reasons therefor;**
- (c) whether the Government has taken any steps to make civil aviation sector financially more viable; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

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- (a) & (b) The Government keeps a constant watch on the functioning of the civil aviation sector. However, the Ministry of Civil Aviation does not carry out detailed analysis of individual companies. The Ministry, however, reviews the functioning of Air India and its subsidiaries in detail.**
- (c) & (d) The steps taken by the Government to make the the civil aviation sector financially more viable include the following:-**
- i) Provide airport infrastructure through Airports Authority of India and the private operators.**
 - ii) Provide an efficient Air Navigation System in the Country.**
 - iii) Coordinate with all stakeholders to resolve their issues through regular interactions.**
 - iv) Provide Viability Gap Funding and other concessions to selected airline operators under Regional Connectivity Scheme (RCS) - UDAN (Ude Desh ka Aam Nagrik) as per the scheme document.**
 - v) Provide financial assistance to Air India as per the approved Plan.**

vi) Reduction of Central Excise Duty applicable on ATF from 14% to 11% w.e.f. 11th October 2018.

vii) Rationalization of Goods and Services Tax provisions.

viii) Rationalization of Category-I routes under Route Dispersal Guidelines on the basis of criteria given in National Civil Aviation Policy - 2016.

ix) The requirement for 5/20 is modified and all airlines can commence international operations provided that they deploy 20 aircraft or 20% of total capacity (in terms of average number of seats on all departure put together) whichever is higher for domestic operations.

x) Liberalization of domestic code share points in India within the framework of Air Service Agreements.

xi) With a view to modernize existing airports so as to establish high standards and ease demand pressures on them, 100% Foreign Direct Investment (FDI) under automatic route has been allowed in brownfield airport projects. This would facilitate the development of domestic aviation infrastructure. FDI for Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline has been allowed upto 49% under automatic route. For Non-Resident Indians (NRIs), 100% FDI will continue to be allowed under automatic route. Foreign airlines are allowed to invest in capital of Indian companies operating scheduled and non-scheduled air transport services up to the limit of 49% of their paid up capital. Such investment is subject to the condition, inter alia, that Scheduled and Non-Scheduled Operator's Permit would be granted only to a company the substantial ownership and effective control of which is vested in Indian nationals.
