

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha**

UNSTARRED QUESTION NO. : 1628

TO BE ANSWERED ON THE 18th December 2023

FINANCIAL DISTRESS IN THE INDIAN AVIATION INDUSTRY

1628. SHRI B. PARTHASARADHI REDDY

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

- (a) details of both international and domestic airlines that have exited the aviation market due to financial distress over the last five years;**
- (b) whether Government has undertaken any measures to alleviate the financial distress among airlines in order to prevent them from adopting practices like increasing passenger fares; and**
- (c) if so, the details of measures initiated thereof and if not, the reasons therefor?**

ANSWER

**Minister of State in the Ministry of CIVIL AVIATION (GEN. (DR)
V. K. SINGH (RETD))**

(a): Details of the domestic airlines that have exited from aviation market over the last 5 years are at Annexure-I. No such information in respect of international airlines is maintained.

(b) & (c): Government has taken various initiatives to support the aviation industry. The initiatives taken include:

I) The matter of reduction in Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) was taken up with the State Governments/UT Administrations. As a result, VAT on ATF has been reduced from 28% by 19 States/ UTs in the range of 1-4% and by four other States in the range of 5 to 18%

II) Goods and Services Tax on (GST) rate has been reduced from 18% to 5 % for domestic Maintenance, Repair and Overhaul (MRO) services.

III) Government has approved Emergency Credit Line Guarantee Scheme (ECLGS) to aviation sector. Based on the industry demand, the scope of ECLGS has been enhanced to provide credit support to these companies

upto 100% of their total credit outstanding (both fund based and non-fund based outstanding) as on reference dates, subject to a cap of Rs. 1500 crore per borrower, whichever is lower.

List of Domestic Airlines existed from aviation market in last 5 years

S. No.	Names of Closed Airlines	Date of Closure
1	*Jet Airways (India) Ltd. (Jet Airways)	17.04.2019
2	Jet Lite (India) Ltd. (Jet Lite)	17.04.2019
3	**Zexus Air Services Pvt. Ltd. (ZOOM)	30.06.2020
4	Deccan Charters Pvt. Ltd. (Air Deccan)	24.07.2020
5	Air Odisha Aviation Pvt. Ltd. (Air Odisha)	30.07.2020
6	Heritage Aviation Pvt. Ltd. (Air Heritage)	10.01.2022
7	Turbo Mengha Airways Pvt. Ltd. (Tru Jet)	11.05.2022
8	***Go Airlines (India) Limited (Go First)	02.05.2023

* After closure, M/s Jet Airways (India) Ltd. had undergone insolvency proceedings at NCLT, Mumbai. The AOC has been re-issued on 20.05.2022 with the validity up to 03.11.2023. However the airline was not operated during this period.

** AOC has been reissued to M/s Zexus Air Services Pvt. Ltd. (ZOOM) on 14.09.2023 post re-certification of AOC, however operator is yet start the commercial operations.

*** Go Airlines (India) Ltd. GO FIRST is currently undergoing Corporate Insolvency Resolution Process as per Section 10 of Insolvency & Bankruptcy Code