

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 21
TO BE ANSWERED ON THE 22nd July 2024
VGF OFFERED BY GOVERNMENT AND STATE
GOVERNMENTS

21. SHRI KARTIKEYA SHARMA

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

- (a) whether it is a fact that in addition to the Viability Gap Funding (VGF) offered by Government, many State Governments also offer VGF to airlines;**
- (b) if so, the States that have given VGF and the airlines to which VGF has been given to;**
- (c) the total VGF given by Government during the last three years, till date, airline-wise, sector-wise; and**
- (d) whether there is any plan to replace VGF with public investment?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (Shri Murlidhar Mohol)

(a): Under the Regional Connectivity Scheme (RCS) - UDAN, the Viability Gap Funding(VGF) is provided by the State government in following two ways:

(i) Normal VGF Routes in which out of the total VGF paid by Ministry of Civil Aviation, 10% and 20% are contributed by the State Governments on reimbursement basis for priority area and non-priority area respectively.

(ii) State sponsored VGF routes for which State Governments reimburse 100% of VGF. Certain State Governments have developed their own VGF model wherein VGF is paid to the Airlines directly by the State for the routes decided by the State.

(b): Under RCS Scheme, three States ,namely, Uttar Pradesh, Odisha and Himachal Pradesh have offered 100 % state sponsored VGF

routes and the Airlines who have been awarded the routes are Spicejet, GSEC Monarch and Alliance Air.

(c): The total VGF given by the Government during last three financial years, under the RCS-UDAN scheme, airline-wise, are at Annexure.

(d): There is no such plan so far as the existing RCS-UDAN Scheme is concerned.

ANNEXURE

Details of VGF (including GST reimbursed on Airfare) paid to SAO's during last three Financial Years

Rs. (in Crore)					
Sr. No.	Name of the SAO's	2021-22	2022-23	2023-24 (Prov)	Total
1	AIRLINE ALLIED SERVICES LTD.	167.42	177.54	130.05	475.01
2	AVIATION CONNECTIVITY AND INF. DEV. PVT. LTD.	0.34	0	3.75	4.09
3	BIG CHARTERS P VT. LTD. (FLY BIG)	29.81	86.63	64.52	180.96
4	GHODAWAT ENTERPRISES PVT. LTD.	65.81	75.17	116.76	257.74
5	GSEC MONARCH & DECCAN AVIATION PVT. LTD.	0	5.94	16.83	22.77
6	HERITAGE AVIATION PVT. LTD.	3.81	12.78	15.22	31.81
7	INTERGLOBE AVIATION LTD. (INDIGO)	207.06	298.61	296.98	802.65
8	PAWAN HANS LTD.	4.59	25.5	32.52	62.61
9	SPICEJET LIMITED	101.87	116.17	129.99	348.03
10	TURBO MEGHA AIRWAYS PVT. LTD.	45.23	0	0	45.23
11	Just Udo Aviation P. Ltd.	0	0	0.4	0.40
	TOTAL	625.94	798.34	807.02	2231.30