

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO. : 1763
TO BE ANSWERED ON THE 9th March 2026

SEAPLANE SERVICE EXPANSION AND MANUFACTURING

1763. SMT DARSHANA SINGH

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

- (a) whether Government has made any special provision under the regional connectivity scheme UDAN to promote seaplane operation and manufacturing;
- (b) whether Viability Gap Funding (VGF) or any other financial assistance is available under this scheme and the details thereof;
- (c) the number of seaplane routes that are approved/operational, at present and the States/Union Territories where the services are available;
- (d) whether the objective is to strengthen tourism and last-mile connectivity in remote areas; and
- (e) whether any concessions have been given in taxes or customs duties under 'Make in India'?

ANSWER

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

(a): The Ministry of Civil Aviation introduced seaplane operations under UDAN-3 through water aerodromes, identifying 28 such aerodromes across Gujarat, Assam, Andhra Pradesh, A&N Islands, Goa and Lakshadweep. Development works are currently underway in the Andaman & Nicobar Islands and Lakshadweep.

(b): Under the UDAN scheme, airline operators receive financial incentives and concessions to enhance regional connectivity. The Centre provides 2% excise duty on ATF for three years, while States offer 1% VAT on ATF for ten years, free land, improved connectivity, discounted utilities, and contribute 20% VGF (10% for NE States). Airport operators waive landing and parking charges, provide exemptions and reduced navigation charges, and allow self-ground handling. Airlines are also granted three years of route exclusivity.

(c): A total of 32 valid seaplane routes are available, out of which, seaplane operations between the Statue of Unity and Sabarmati Riverfront began in October 2020 but were later discontinued due to COVID-19 and commercial non-viability.

(d): The government aims to promote seaplane operations to boost tourism and improve last-mile connectivity to remote areas under UDAN and related civil aviation initiatives.

(e): The Government has provided tax and customs duty concessions to promote the aircraft MRO sector in the country. These include exemption of Basic Customs Duty on components and parts for manufacturing civilian, training and other aircraft (Union Budget 2026?27)

extension of Customs Duty exemption on parts, testing equipment, tools and tool kits for aircraft MRO up to 31.03.2028

introduction of a uniform IGST rate of 5% on import of aircraft parts and components

reduction of GST on MRO services from 18% to 5% with full Input Tax Credit

and treatment of transactions subcontracted by foreign OEMs/MROs to domestic MROs as exports with zero-rated GST.
