#### GOVERNMENT OF INDIA MINISTRY OF CIVIL AVIATION LOK SABHA UNSTARRED QUESTION NO.: 3104 (To be answered on the 11<sup>th</sup> July 2019)

# DISTRESSED CONDITION OF AVIATION SECTOR

## 3104. SHRI MANISH TEWARI

## Will the Minister of CIVIL AVIATION नागर विमानन मंत्री

be pleased to state:-

(a) the reasons for the Civil Aviation Sector for being in such a distressed condition with public and private airlines reporting losses consecutively year on year or shutting down;

(b) whether the member of private airlines registered in India have reported losses annually in the past five years and if so, the details thereof, airline and

yearwise; (c) whether any private airline has reported an annual profit during the said period and if so, the details thereof;

(d) the reasons for shutting down of Jet Airways; and

(e) whether the Government is doing anything to ensure that the employees of Jet Airways are paid their dues and do not meet the same fate as the employees of Kingfisher Airlines and if so, the details thereof?

#### **ANSWER**

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a): The high cost of Aviation Turbine Fuel (ATF), the global economic slow down, low yields due to intense competition are some reasons that have contributed to the widening gap between revenue and expenses in the airline industry. Over the years, the operational costs for airlines have gone up mainly due to the increase in fuel prices and the depreciation of Rupee. (b) and (c): As per information made available by the Scheduled Indian Carriers, the statement regarding the financial performance of Scheduled Indian Carriers for last five years is given at Annexure.

(d): M/s Jet Airways (India) Limited reported aggregated losses during last few quarters which eroded its liquidity and jeopardized its ability to sustain its operations. As a result there were significant overdues towards all creditors including the lessors of the aircrafts, pilots, suppliers, oil companies

etc.

(e): Each airline prepares its business plan on the basis of its own market assessment and liabilities. Mobilizing financial resources and ensuring efficient operations as per business plans are the responsibility of the airline. Government of India has no role in raising funds for M/s Jet Airways (India) Limited, as it is an internal matter of the airline. State Bank of India has filed an application under the Insolvency & Bankruptcy Code, 2016 (IBC), which has been admitted by National Company Law Tribunal (NCLT), Mumbai on 20 June, 2019 to work out a resolution plan under the said code. Revival of the airlines is now possible only under IBC.

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		State	rement telet	Statement referred to in the reply of Lok Sabna Unstarred Question no.3104 to be answe	reply of Lok	Sabna Unst	arred Quest	ion no.3104	to be answe	ered on 11-07-2019	-2019 .				
		FINANCI	AL PERFORN	FINANCIAL PERFORMANCE OF SCHEDULED INDIAN CARRIERS FOR YEARS 2014-15, 2015-16, 201	HEDULED INC	DIAN CARRIE	RS FOR YEA	RS 2014-15,	2015-16, 201	.6-17, 2017-18 & 2018-19(P).	8 & 2018-19	(P).			
														(R	RS. IN MILLION)
CARRIER/AIRLINE		OPERA	OPERATING REVENUE	UE			OPE	OPERATING EXPENSE	NSE			OPE	OPERATING RESULT #	SULT#	4
	2014-15	2015-16	2016-17	2017-18	2018-19(P)	2014-15	2015-16	2016-17	2017-18	2018-19(P)	2014-15	2015-16	2016-17	2017-18	2018-19(P) *
NATIONAL CARRIERS												H			1.00
AIR INDIA	206,131.6	199,923.3	218,596.1	230,036.7	254,841.1	226,854.4	198,873.3	215,615.9	246.617.4	298.141.8	-20.722.8	1.050.0	2 980 2	-16 580 7	-43 300 7
AI EXPRESS	22,948.2	29,179.6	33,299.3	36,196.8	41,649.1	19,597.6	22,283.4	27,649.9	30.725.4	37.055.6	3.350.6	6.896.1	5 649 5	5 471 4	4 503 4
ALLIANCE AIR	2,279.5	2,738.6	3,756.9		8,435.5	3,034.0	3,214.6	5.080.0	7.278.5	11.516.2	-754 5	-476.0	-1 272 1	-1 347 1	-3 080 7
(A) TOTAL (NATIONAL)	231,359.3	231,841.5	255,652.3	27	304,925.7	249,486.0	224.371.3	248.345.8	25	346 713 6	-18 126 7	7 470 1	2 206 7	12 456 4	41 789 0
PRIVATE SCHEDULED DOMESTIC AIRLINES	STIC AIRLINES											.,	,,,,,,,,	12,730.7	72,700.0
JET AIRWAYS@	195,606.1	211,117.7	212,576.7	232,570.4	NA	215,030.1	199,085.4	212,070.0	239,784.5	NA	-19.424.0	12.032.3	506.6	-7 214 1	NA
JET LITE (P) LTD@.	14,229.4	11,136.5	12,237.2	12,937.6	NA	16,775.2	11,154.1	12,369.1	13,149.8	NA	-2,545.8	-17.7	-131.9	-212.2	NA
GO AIR	30,664.2	28,817.0	36,205.0	46,752.2	52,580.0	28,715.8	26,704.4	32,116.9	41,393.5	61,550.0	1,948.4	2,112.5	4,088.1	5.358.8	-8.970.0
SPICE JET	52,015.3	51,517.7	61,912.7	77,950.9	91,132.5	60,885.0	47,735.1	58,465.9	72,735.7		-8,869.7	3,782.6	3,446.8	5,215.3	-2,661.1
INDIGO	139,253.4	161,399.1	185,805.0	230,208.9	298,217.1	123,578.6	136,370.7	168,897.0	204,442.5	2	15,674.7	25,028.4	16,908.0	25,766.4	-1,490.5
AIR COSTA*	3,268.6	3,191.1	0.0	0.0	0.0	4,571.6	3,904.7	0.0	0.0		-1,303.0	-713.6	0.0	0.0	0.0
ZOOM AIR **	0.0	0.0	26.1	174.0	103.6		0.0	24.7	165.9	117.5		0.0	1.4	8.1	-14.0
AIR ASIA	1,551.9	6,588.4	9,519.4	18,011.3	25,116.4	2,885.0	8,405.4	10,922.6	19,425.7	32,146.8	-1,333.1	-1,817.0	-1,403.3	-1,414.4	-7.030.4
VISTARA#	691.3	6,913.7	13,899.2	21,374.3	29,944.0	2,681.9	11,154.7	19,392.1	26,539.6	38,405.0	-1,990.7	-4.241.0	-5.492.9	-5.165.3	-8.461.0
AIR PEGASUS ##	0.0	539.6	0.0	0.0	0.0	0.0	558.3	0.0	0.0	0.0	0.0	-18.7	0.0	0.0	0.0
BLUE DART	6,592.0	5,938.1	6,188.4	6,713.0	7,581.0	6,310.4	5,719.7	5,964.3	6,438.0	7,201.0	281.6	218.4	224.1	275.0	380.0
TRUE JET \$	0.0	649.2	1,261.4	1,956.8	2,650.0	0.0	1,151.5	2,069.1	2,808.2	3,060.0	0.0	-502.3	-807.7	-851.5	-410.0
QUIKIET CARGO \$\$	0.0	0.0	330.4	0.0	0.0	0.0	0.0	474.5	0.0	0.0	0.0	0.0	-144.1		
AIR DECCAN!	0.0	0.0	0.0	629.3	47.0	0.0	0.0	0.0	764.9	336.0	0.0	0.0	0.0	-135.5	-289.0
AIR ODISHA!!	0.0	0.0	0.0	13.9	110.0	0.0	0.0	0.0	55.3	110.5	0.0	0.0	0.0	-41.5	-0.5
STAR AIR@@	0.0	0.0	0.0	0.0	32.4	0.0	0.0	0.0	0.0	174.3	0.0	0.0	0.0	0.0	-141.9
AIR HERITAGE@@@	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0	6.5	0.0	0.0	0.0	0.0	-3.5
(B)TOTAL(PRIVATE)	443,872.1	487,808.1	539,961.5	649,292.6	507,516.9	461,433.7	451,944.1	522,766.4	627,703.5	536,608.7	-17,561.6		17,195.1	21,589.1	-29,091.8
GRAND TOTAL(A+B)	675,231.4	719,649.6	795,613.8	921,457.5	812,442.6	812,442.6 710,919.7	676,315.5	771,112.1	912,324.8	883,322.4	-35,688.3		24,501.7	9.132.7	-70.879.8
JET ARWAYS & JETLITE @ Ceased Operations since 18th April 2019(Provisonal Financial Statement of FY 2018-19 not submitted till date(05-06-2019)).	ed Operations since	e 18th April 2019	(Provisonal Fin	ancial Statemer	nt of FY 2018-19	not submitted	till date{05-06	-2019}).							
AIR COSTA * Operations started since October 2013, and Ceased operations February 2017.	since October 201	.3, and Ceased op	perations Febru	iary 2017.											
ZOOM AIR ** Operations started since February 2017.	d since February 20	017.													

Information on operational profit/loss as reported by Airlines to DGCA

Annexure

ZOOMA AIR.\*\* Operations started since February 2017.

VISTARA# Operations started since January 2015.

AIR PEGASUS ## Operations started since May 2015 and Ceased operations July 2016.

TRUE JET \$ Operations started since July 2015,

QUIKJET CARGO \$\$ Operation started since May 2016 and Ceased operation september 2017

QUIKJET CARGO \$\$ Operation started since May 2016 and Ceased operation september 2017

AIR DECCAN I Operation started since December 2017

AIR ODISHA II Operation started since February 2015, FINANCIAL STATEMENT OF FY 2017-18 NOT SUBMITTED TILL DATE(09-01-2019)

STAR AIR @@ Operations started since January 2019.

AIR HERITAGE @@@ Operations started since January 2019.

P- Provisional

2018-19 (P)\* - Figures for financial year 2018-19 are unaudited and provisional.

Operating result # Operating results are derived from the financial statements and these figures are related to operations only.