

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 2593  
(To be answered on the 16<sup>th</sup> March 2023)**

**LOSS TO AVIATION INDUSTRY**

**2593. SHRI KAMLESH PASWAN  
SHRI NATARAJAN P.R.  
SHRI BALUBHAU ALIAS SURESH  
NARAYAN DHANORKAR**

**Will the Minister of CIVIL AVIATION  
नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Aviation Industry is estimated to report a net loss of Rs. 15,000 to Rs. 17,000 crore during the financial year 2022-2023;**
- (b) if so, the details thereof;**
- (c) the details of the loss incurred by the industry during the last three years, year-wise along with the reasons therefor;**
- (d) whether the Government has proposed any sops to make the aviation industry profitable and create more employment opportunities in the sector;**
- (e) if so, the details thereof and if not, the reasons therefor; and**
- (f) the steps being taken by the Government to make the aviation industry profitable?**

**ANSWER**

**Minister of CIVIL AVIATION  
नागर विमानन मंत्री**

**(Shri Jyotiraditya M. Scindia)**

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**(a) & (b) The actual figure of profit / losses to the aviation industry shall be known only when the audited account are available at the end of the financial year 2022-23.**

**(c) Based on the information available with the Ministry, the details of losses incurred by the industry during the last three years are as follows:**

Year	Total Operating Results	Rs. in crores
		Profit or Loss

	<b>(Total Operating Revenue- Total Operating Expenses)</b>	<b>after tax and after extra ordinary items</b>
<b>FY 2019-20</b>	<b>(-)5534</b>	<b>(-)12905</b>
<b>FY 2020-21</b>	<b>(-)14871</b>	<b>(-)17914</b>
<b>FY 2021-22</b>	<b>(-)13189</b>	<b>(-)24015</b>

The losses to the industry were primarily because of disruption during COVID -19 pandemic across the globe, currency depreciation (USD/INR), high operating cost environment, especially due to increase in ATF prices which constitute a major portion of the operational cost of Airline, increase in crude oil prices in international market, VAT, Excise duty and Ukraine - Russia War. Airlines were unable to pass full impact of cost increases to the passenger.

(d) to (f) The airlines and major airports are operated by the private sector and they evolve their own SOPs for cost minimisation and profitability. The measures taken by the Government include:

I) The reduction in Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) was taken up with the State Government / Union Territories levying high VAT on ATF. As a result, VAT on ATF has been reduced by 19 States/ UTs whose details are annexed.

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

III) Airports Authority of India (AAI) and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

IV) Government has approved Emergency Credit Line Guarantee Scheme (ECLGS) for the 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.

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**STATEMENT REFERRED TO IN REPLY OF LOK SABHA UNSTARRED QUESTION  
NUMBER 2593 FOR ANSWER ON 16.03.2023**

ANNEXURE

**VAT on ATF**

**Recent reduction by States/ Union Territories (UTs)**

<b>SI No</b>	<b>State/ UT</b>	<b>VAT Reduction</b>	<b>Date of Notification</b>
1	Andaman & Nicobar Islands	From 10% to 1%	23/09/2021
2	Uttarakhand	From 20% to 2%	30/09/2021
3	Jammu & Kashmir	From 26.25% to 1%	11/10/2021
4	Ladakh	From 26.25% to 1% for civilian aircraft	27/10/2021
5	Himachal Pradesh	From 25% to 2%	11/11/2021
6	Tripura	From 16% to 1%.	17/11/2021
7	Madhya Pradesh (Bhopal & Indore)	From 25% to 4%	22/11/2021
8	Haryana	From 20% to 1%	23/11/2021
9	Karnataka	From 28% to 18%	22/12/2021
10	Uttar Pradesh	From 21% to 1%	03/01/2022
11	Gujarat	From 25% to 5%	04/01/2022
12	Dadra and Nagar Haveli & Daman and Diu	From 20% to 3%	03/02/2022
13	Arunachal Pradesh	From 20% to 1%	10/04/2022
14	Manipur	From 20% to 1%	03/06/2022
15	Jharkhand	From 20% to 4%	14/06/2022
16	Mizoram	From 10% to 1%	13/07/2022
17	Goa	From 18% to 8%	02/01/2023
18	Rajasthan	From 26% to 2%	10/02/2023
19	Maharashtra (Mumbai, Pune and Raigad)	From 25% to 18%	Announced on 09/03/2023