

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 83
(To be answered on the 20th July 2023)**

BANKRUPTCY OF GO FIRST AIRLINE

83. SHRI KARTI P. CHIDAMBARAM

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) the steps taken by the Government after Go First airline filed for bankruptcy;**
- (b) the details of the contingency plans devised by the Government to prevent a domino effect, potentially leading to further bankruptcies or financial distress among other airlines;**
- (c) the timeline for ratification of the Cape Town Convention (CTC) signed in 2018, which would help in the repossession of aircraft, thus easing the growth of the aviation industry;**
- (d) the steps taken by the Government to reduce the prices of Aviation Turbine Fuel (ATF) thus making it easier for Indian airlines to compete globally; and**
- (e) the measures taken by the Government to ease the regulatory mechanism in the aviation industry?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(GEN. (DR) V. K. SINGH (RETD))

(a): In pursuance to the filing for bankruptcy by GoFirst, the Airline was directed by Directorate General of Civil Aviation (DGCA) to refund the amount for booked tickets of all the cancelled flights in accordance with the extant guidelines. Go First was also directed to stop the booking and sale of tickets with immediate effect. The Airline was advised by DGCA to submit a comprehensive restructuring/revival plan for sustainable revival of operations. The Plan for resumption of flight operations submitted by Go First is being reviewed by DGCA subject to outcome of safety audit and ongoing legal cases.

(b) With the repeal of Air Corporation Act in March 1994, the Indian domestic aviation has been deregulated. Airlines are free to induct capacity

with any aircraft type, free to select whatever markets and network they wish to service and operate with the compliance of Route Dispersal Guidelines (RDGs) issued by Government. Hence, it is up to the airline operator for introduction of air services to / from any airport in country depending on their operational & commercial viability.

(c): India deposited the Instruments of Accession with the depository (UNIDROIT) on 31.03.2008 along with the Declarations and became a Party to the Cape Town Convention/Protocol on 01.07.2008 in accordance with Article 49 of the Convention and Article XXVIII of the Protocol.

(d): Government has consistently engaged with Airlines and Oil Marketing Companies(OMCs) on the issue of ATF pricing. Taking cognizance of the high value added tax (VAT) on ATF levied by the States, the issue has also been taken up with States/Union Territories(UT). As a result, VAT on ATF has been reduced by 19 States/UTs. Ministry of Civil Aviation has also taken up the issue of inclusion of ATF under the ambit of GST.

(e): Directorate General of Civil Aviation (DGCA) has implemented eGCA, which provides an end-to-end system for DGCA and brings all its processes on e-governance platform. Improvement of eGCA is an ongoing process based on the consultation with the stakeholders.
