

GST reduced from 18% to 5% for domestic Maintenance, Repair and Overhaul (MRO) services

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The average number of the passenger carried in the pre-Covid financial year (2019-20) was around 4 lakh per day. On 6th March 2022, domestic airlines in India carried around 3.7 lakh passengers. The number of daily air passengers may cross pre-COVID levels in a few months.

The Government has taken several steps to meet the increasing demand in aviation sector in future, some of which include the following:

(i) AAI has taken up development of new and existing airports with a projected capital expenditure of around Rs. 25,000 crores in next five years. This includes construction of new terminals, expansion and modification of existing terminals, expansion and/ or strengthening of existing runways, aprons, Airport Navigation Services (ANS) infrastructure, control towers and technical blocks etc.

(ii) The Public Private Partnership (PPP) airports at Delhi, Hyderabad and Bengaluru are undertaking major expansion projects of around Rs. 30,000 crores by 2025. Additionally, Rs. 36,000 crores have been planned for investment in the development of new Greenfield airports across the country under PPP mode.

(iii) Government of India has accorded 'in-principle' approval for setting up of 21 Greenfield Airports across the country. So far, eight Greenfield airports namely, Sindhudurg and Shirdi in Maharashtra, Durgapur in West Bengal, Pakyong in Sikkim, Kannur in Kerala, Orvakal in Andhra Pradesh, Kalaburagi in Karnataka and Kushinagar in Uttar Pradesh have been operationalized.

(iv) Under Regional Connectivity Scheme (RCS) - UdeDesh ka Aam Nagrik (UDAN), 403 routes connecting 65 airports (including 8 heliports and 2 water aerodromes) have been operationalised as on 31 January 2022.

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

(vi) A conducive aircraft leasing and financing environment has been enabled.

(vii) Improvement in air navigation infrastructure at Indian airports is being carried out.

The issue of reduction of Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) has been taken up with the States and the UTs. The following 11 States/UTs have reduced the VAT on ATF to below 5%:

Andaman & Nicobar Islands, Dadar & Nagar Haveli and Daman & Diu, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Ladakh, Madhya Pradesh, Tripura, Uttar Pradesh and Uttarakhand.

This information was given by the Minister of State in the Ministry Of Civil Aviation (Gen. (Dr) V. K. Singh Retd) in a written reply to a question in Rajya Sabha today.

YB/DNS

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