

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 573
(To be answered on the 6th February 2025)**

FUNDS TO STRUGGLING AIRLINES

573. SHRI PARBHUBHAI NAGARBHAI VASAVA

Will the Minister of CIVIL AVIATION

be pleased to state:-

- (a) whether the Government has allocated any budget to provide financial assistance to struggling airlines and if so, the details thereof;**
- (b) the provisions made in the budget to reduce the debt burden of the aviation companies of the country;**
- (c) the details of any specific budget allocation for subsidizing regional connectivity under the UDAN scheme;**
- (d) the amount of funds allocated to improve the financial viability of loss-making airports; and**
- (e) the budgetary provisions made for upgrading aviation infrastructure in the current financial year?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) & (b): With the repeal of Air Corporation Act in March 1994, the Indian domestic aviation has been deregulated. Government creates an enabling ecosystem for civil aviation to grow in a safe and sustainable manner and to enhance ease of doing business through deregulation, simplified procedures and e-governance, but does not interfere in the commercial/financial decisions and manner of operations of the Airlines.

(c) to (e): Rs. 4500 Cr. was allocated for revival/upgradation of unserved and underserved Airports/Heliports/Water Aerodromes in the country under UDAN scheme. Further, an amount of Rs. 1000 Cr. was allocated by the Government for Phase II of the Scheme to revive additional 50 Airports, Heliports, Water Aerodromes and Advanced Landing Grounds for improving regional air connectivity. Rs. 598 Cr. has been allocated under Phase -I and Phase -II under the UDAN Scheme for FY 2024-25.

To ensure the affordability of regional air travel, the UDAN scheme provides financial incentives to airline operators on regional routes that include: Concessions by the Central Government, State Governments/ Union Territories and airport operators to reduce airline operation costs and also the Viability Gap Funding (VGF) to bridge the gap between operational costs and expected revenues on such routes
