

Big GST cut on domestic maintenance, repair and overhaul services. Details here

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To meet the increasing demand in the aviation sector, the government has reduced the Goods and Services Tax (GST) rate from 18 per cent to 5 per cent for domestic maintenance, repair and overhaul (MRO) services, Minister of State in the Ministry of Civil Aviation Gen VK Singh (Retd) said in a written reply in the Rajya Sabha today.

The minister said the issue of reduction of Value Added Tax (VAT) on Aviation Turbine Fuel (ATF) has been taken up with the states and the UTs. Total 11 states/UTs that have reduced the VAT on ATF to below 5 per cent are:- Andaman and Nicobar Islands, Dadar and Nagar Haveli and Daman & Diu, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Ladakh, Madhya Pradesh, Tripura, Uttar Pradesh and Uttarakhand.

Other decisions taken by the government are:-

(i) AAI has taken up the development of new and existing airports, with a projected capital expenditure of around ₹25,000 crores in the next five years. This includes the 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 ₹30,000 crore by 2025. Additionally, ₹36,000 crore has been planned for investment in the development of new greenfield airports across the country under PPP mode.

(iii) The government has accorded 'in-principle' approval for setting up of the 21 greenfield airports across the country. So far, eight such airports in 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 operationalised.

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

The average number of passengers 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.