

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 1618
TO BE ANSWERED ON THE 1st August 2022
FINANCIAL AUDIT BY DGCA

1618. SHRI PRABHAKAR REDDY VEMIREDDY

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) the details of financial audit carried out by Directorate General of Civil Aviation (DGCA) of airlines in the country during the last five years and the current year, year-wise and airline-wise;**
- (b) the details of lapses found by DGCA of airlines during the above period, airline-wise, and action taken on such airline; and**
- (c) the experiences that DGCA has learned through its financial audits of Kingfisher Airlines and Jet Airways which collapsed resulting in passengers losing their money, employees losing their jobs, etc.?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (GEN. (DR) V. K. SINGH (RETD))

(a) & (b) The Directorate General of Civil Aviation (DGCA) carries out assessment of impact of financial stress on safety of operations as per the Civil Aviation Requirement (CAR) Section 3, Series S, Part-I on "Evaluation of Air Carrier's Management of Significant changes - Assessment of Impact of Financial Stress on Safety of Operations" on yearly basis. As per the information submitted by airlines, year-wise and airline wise financial data including revenue, expenses and net-profit/ loss for the last 5 years is at

Annexure. Information for the Financial Year 2021-22 is due by 31.12.2022. Based on the information submitted, it can be inferred that:

(i) All the airlines seem to have a stable financial condition criteria.

(ii) The Growth Criteria for all airlines seems satisfactory.

However, based on the assessment of the data submitted by airlines, increase in surveillance was initiated against M/s Jet Airways in the year 2019 and against M/s Spicejet in the year 2021.

Due to COVID-19 pandemic, the flight operations were completely suspended in the year 2020 and were resumed with restrictions in mid-2020. However, all the airlines continued to comply with the required safety standards during the period.

(c) As per Section 5A of The Aircraft Act 1934, the power of DGCA is limited to framing and implementing regulations governing the safety aspects of civil aviation in India. The provisions of Act do not provide powers of economic regulation to DGCA and issues such as refund of passengers tickets, employees salaries, etc. are contractual in nature and beyond the purview of DGCA.

In the case of M/s Jet Airways, as the financial condition of Jet Airways started declining, DGCA started assessing the situation of Jet Airways on some of the critical parameters to ensure that the safety objectives of the operator were not compromised due to deterioration in the operator's financial condition. The airline curtailed its operations due to the decline in number of available aircraft, thereby reducing its domestic and international scheduled flights. Kingfisher airlines gradually withdrew and

eventually stopped their air service operations effective 1st October, 2012 and its Schedules Operator's Permit to operate Scheduled Passenger Air Transport Services was suspended on 20th October, 2012. However, during the financial stress of these airlines, they continued to comply with the required safety standards during the period.

FINANCIAL PERFORMANCE OF MAJOR AIRLINES FOR LAST FIVE YEARS .

(RS. IN MILLION)

CARRIER/ AIRLINE	OPERATING REVENUE					OPERATING EXPENSE					OPERATING RESULT				
	2016-17	2017-18	2018-19	2019-20	2020-21(P)	2016-17	2017-18	2018-19	2019-20	2020-21(P)	2016-17	2017-18	2018-19	2019-20	2020-21(P)
AIR INDIA	#####	#####	#####	#####	1,03,376.8	#####	#####	#####	#####	1,50,386.4	2,980.2	-16,580.7	-46,852.6	-46,603.0	-47,009.6
AI EXPRESS	33,299.3	36,196.8	41,715.7	52,306.0	20,394.2	27,649.9	30,725.4	37,378.1	44,789.2	18,896.5	5,649.5	5,471.4	4,337.6	7,516.8	1,497.6
ALLIANCE AIR	3,756.9	5,931.4	8,216.1	9,930.2	4,535.4	5,080.0	7,278.5	9,946.5	9,275.6	6,784.6	-1,323.1	-1,347.1	-1,730.4	654.6	-2,249.2
JET AIRWAYS	#####	#####	NA	NA	NA	#####	#####	NA	NA	NA	506.6	-7,214.1	NA	NA	NA
JET LITE (P) LTD.	12,237.2	12,937.6	NA	NA	NA	12,369.1	13,149.8	NA	NA	NA	-131.9	-212.2	NA	NA	NA
GO AIR	36,205.0	46,752.2	64,757.6	72,033.4	23,261.9	32,116.9	41,393.5	64,030.7	76,850.1	26,696.1	4,088.1	5,358.8	726.9	-4,816.7	-3,434.2
SPICE JET	61,912.7	77,950.9	91,132.5	#####	51,333.8	58,465.9	72,735.7	93,793.6	#####	65,170.5	3,446.8	5,215.3	-2,661.1	-5,079.3	NA
INDIGO	#####	#####	#####	#####	1,46,406.3	#####	#####	#####	#####	1,98,337.3	16,908.0	25,766.4	-4,904.3	16,260.6	-51,931.0
AIR ASIA	9,519.4	18,011.3	25,116.4	36,829.1	13,587.2	10,922.6	19,425.7	32,146.8	44,960.0	27,547.5	-1,403.3	-1,414.4	-7,030.4	-8,130.9	-13,960.3
VISTARA	13,899.2	21,374.3	29,943.8	47,384.6	NA	19,392.1	26,539.6	38,948.5	63,017.4	NA	-5,492.9	-5,165.3	-9,004.7	-15,632.8	NA
TRUE JET	1,261.4	1,956.8	2,681.9	3,683.8	1,368.6	2,069.1	2,808.2	2,857.6	3,785.5	2,655.5	-807.7	-851.5	-175.6	-101.7	-1,287.0
JET AIRWAYS & JETLITE @@ Ceased Operations since 18th April 2019(Provisonal Financial Statement of FY 2018-19 not submitted .															
P- Provisional															