

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3907  
ANSWERED ON:22.08.2003  
NON-PAYMENT OF INLAND TRAVEL TAX  
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether various aviation companies are not making payment of inland air travel tax to the Government in time ;
- (b) if so, the reasons therefor alongwith the names of the defaulting aviation companies stating the outstanding amount against them separately, till-date;
- (c) whether concrete steps have been taken by the Government to ensure timely payment of the said tax by the aviation companies ;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE ( SHRI ANANDRAO V. ADSUL)

(a) to (e). The aviation companies which are currently operating air flights, are paying their inland air travel tax (IATT) to the Government, regularly. Some companies, who operate a number of aircrafts and who are not able to estimate their tax liability precisely, pay the tax, initially, on a provisional basis and later on after receipt of full particulars the exact amount is quantified and adjusted, either through refunds or through further deposits.

No inland air travel tax dues are outstanding against aviation companies who are presently operating air flights. Dues are pending only against some aviation companies who have since discontinued operation of air flights. Details are as under:

(as on 22-7-2003)

Sl.No. Name of the Airline Dues outstanding (Rs. in Crores)

IATT Interest Penalty Total

- |                                                                            |      |      |       |       |
|----------------------------------------------------------------------------|------|------|-------|-------|
| 1. M/s Raj Aviation Private Limited                                        | 0.47 | 0.96 | 0.15  | 1.58  |
| 2. M/s Continental Aviation Private Ltd.                                   | 0.75 | 1.64 | 0     | 2.39  |
| 3. M/s East West Airlines                                                  | 2.53 | 6.49 | 0.26  | 9.29  |
| 4. M/s Modiluft limited (since taken<br>over by M/s Royal Airways Limited) | 0    | 0    | 14.32 | 14.32 |
| 5. M/s UP Airways                                                          | 0.68 | 0.88 | 0.54  | 2.10  |
| 6. M/s VIF Airways Limited                                                 | 0.21 | 0.32 | 0.15  | 0.68  |
| 7 M/s Skyline NEPC Airlines                                                | 4.07 | 6.26 | 9.52  | 19.85 |
| 8. M/s NEPC Airline                                                        | 1.82 | 2.58 | 2.40  | 6.80  |

9. M/s Air Asiatic Limited	0.58	1.41	0.18	2.17
10. M/s Gujarat Airways	0.57	1.44	0	2.01
11. M/s City Link Airways	0.60	1.16	0.18	1.94

TOTAL	12.28	23.14	27.70	63.13
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The payment of IATT is monitored by the Government through scrutiny of monthly returns to ensure that the airlines pay the tax in time. In case any company delays payment or defaults in payment, it is liable to pay interest @ 20% per annum and penalty which shall not be less than 20% of the tax not paid and can even go up to three times the amount of tax due.

In addition to the above, statutory provisions exist for arrest or distraintment of aircraft of the company. To make the provisions more stringent, the Government, have recently, through the Finance Act, 2003, acquired powers to even arrest and prosecute the offenders.