

Disposing of properties by Air India

3550. SHRI LAL SINH VADODIA : Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Air India/Indian Airlines is contemplating to dispose of its properties which are situated outside India;
- (b) if so, whether any action has been taken by Government in this regard; and
- (c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) Yes, Sir. Air India is planning to dispose off its properties situated at Nairobi, Mauritius and Hong Kong.

(b) and (c) Under the Financial Restructuring Plan (FRP) and Turnaround Plan (TAP) approved by Cabinet Committee on Economic Affairs for Air India, it was *inter-alia* provided that Air India would generate revenue of ₹ 5000 crores by way of monetisation of its assets over a period of 10 years. To initiate the monetisation process, a global real estate consultant M/s DTZ was appointed through a global tendering process.

Air India has leased out some floors in its Nariman Point Building, Mumbai, to the State Bank of India, Tata Consultancy Services, Bharatiya Mahila Bank, Bank of India and Kashmir Government Emporium. A proposal for sale of a plot of land of Air India at Coimbatore has been processed for approval of the Cabinet.

Complaints regarding instant fares

†3551. SHRI VISHAMBHAR PRASAD NISHAD: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the names of those low-cost airlines in the country, for which Ministry has formulated an instant fares policy;
- (b) the total number of complaints received in the Ministry or at Directorate General of Civil Aviation (DGCA) regarding instant fares since 1 April, 2013 till date; and
- (c) the corrective measures proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) The term Low Cost Carrier (LCC) is basically a business model practice adopted by certain airlines and the Government has not categorized any airline as LCC. However, Scheduled Airlines are operating on low cost and on no frill basis.

(b) and (c) Air fares are not regulated by the Government. Under the provision of Sub Rule (1) of Rule 135, Aircraft Rule 1937, airlines are free to fix reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff. Air fare so established by the

†Original notice of the question was received in Hindi.

airlines is published on their respective website under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937. Airlines remains compliant to the regulatory provisions of Rule - 135 as long as the fare charged by them does not exceed the fare established and displayed on their website.

Further, DGCA has also set up a Tariff Monitoring Unit in 2010 that monitors airfares on certain routes selected on random basis to ensure that the airlines do not charge airfares outside the range declared by them. The analysis has shown that the airfares remained well within the fare bucket uploaded by the airlines on the respective websites.

Revival of Air India

3552. PROF SAIF-UD-DIN SOZ : Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Ministry would admit and quantify the losses incurred by Air India over a long period of time; and

(b) if so, whether it would take the both the Houses of Parliament into confidence and reveal fullest possible plan to retrieve the situation?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI G. M. SIDDESHWARA): (a) Yes, Sir. Air India has been incurring losses for last several years. The details for the last 3 years are given below:

(₹ in crores)				
Sl. No.	Particulars	2013-14 (Prov.)	2012-13	2011-12
1.	Operating Revenue	19,170.38	16,027.84	14,675.30
2.	Operating Expenses	21,294.16	19,834.99	19,816.04
3.	Operating Profit/(Loss)	(2,123.78)	(3,807.15)	(5,140.74)
4.	TOTAL Revenue Including Extraordinary / Exceptional Items	19,661.78	18,213.79	15,901.79
5.	TOTAL EXPENSES	25,050.60	23,703.95	23,461.53
6.	Profit/(Loss) After Tax	(5,388.82)	(5,490.16)	(7,559.74)

The losses have been declining over the years.

(b) (1) In view of the losses suffered by Air India upto 2010-11 and its mounting