

not carried out any study in this regard. 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.

Air fares are fixed by the airlines based on interplay of market forces and are not determined by the Government. Airlines are free to fix reasonable tariff under the provision of sub-rule (1) of rule 135, Aircraft Rules 1937 having regard to all relevant factors, including the cost of operation, characteristic of service, reasonable profit and the generally prevailing tariff. Airline 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.

Fare structure followed by airlines is as follows:

The airline pricing runs in multiple levels which are in line with practice being followed globally. The prices are fixed by airlines keeping in mind the market, demand, seasonality and other market forces. Some of the airlines have introduced Apex- 90, in addition to existing advance purchase schemes of 60 days, 30 days, 14 days etc., in which discounted fares are offered facilitating travel even during peak seasons on low fares. The fare structures are displayed by airlines on their websites.

#### **Financial resource generation By AI**

1610. SHRI A.U. SINGH DEO

SHRI RAVI PRAKASH VERMA

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

- (a) whether Air India has been facing financial crunch, if so, the details thereof;
- (b) the details of financial resources generated by the national carrier from its own assets during each of the last three years;
- (c) whether there is any proposal to raise funds to meet the working capital requirement of the national carrier through external commercial borrowing, if so, the details in this regard;
- (d) whether agencies for such borrowing have so far been identified; and
- (e) if so, the criteria for their selection and the terms and conditions likely to be settled with such agencies?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION  
(DR. MAHESH SHARMA) : (a) Air India has been facing losses for the past many years

on account of a multitude of factors which include - high fuel prices, high interest burden, increase in competition especially from low cost carriers, High Debt Equity Ratio, High Airport User Charges and adverse impact of exchange rate variation due to weakening of the Indian Rupee.

(b) The details of revenue generated by Air India Ltd for the past 3 years are as under:

	(₹ in crores)		
Particulars	2011-12	2012-13	2013-14
Total Revenue	15901.79	18213.79	20140.59

(c) to (e) Government has approved External Commercial Borrowing (ECB) of USD 300 million for Air India to meet its working capital requirements, especially towards aircraft spare payments. City Bank/State Bank of India, who offered the best financial terms, have been selected for the purpose through a tender process. The loan has an average maturity of 3 years and is repayable over five years in installments from the overseas revenues.

#### **Absence of X-Ray machine at cargo terminal of IGI Airport**

†1611. SHRIMATI KANAK LATA SINGH:

SHRI VISHAMBHAR PRASAD NISHAD:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that there is no X-ray machine installed at either of the cargo terminals of the Indira Gandhi International Airport for checking imported goods, if so, the details thereof; and

(b) whether any action has been taken against operators of the Airport and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (DR. MAHESH SHARMA): (a) No, Sir. The airport operator *i.e.* M/s Delhi International Airport Private Limited (DIAL) has provided one X-Ray machine each in the import wing of both the terminals of the cargo complex at Indira Gandhi International Airport, New Delhi for screening of Trans-shipment (TP) Cargo moving from imports to exports wing. These machines are used by all agencies including customs for screening of cargo in imports wing.

(b) Does not arise in view of reply at (a) above.

†Original notice of the question was received in Hindi.