

- (ii) Completion of hiring of full cadre of 75 flight operations inspectors (FOIs) in DGCA.
- (iii) Training of FOIs on type of aircraft operated by scheduled airlines.
- (iv) Inspection and surveillance of foreign aircraft maintenance organizations.

In order to address the findings of the FAA Audit, DGCA had taken following actions:

- (i) Hiring of full cadre of 75 flight operations inspectors (FOIs) in DGCA.
- (ii) Recertification of all scheduled airlines.
- (iii) Recertification of Flying Training Organisations.
- (iv) Inspection and surveillance of foreign aircraft maintenance organisations.

Based on the action taken by DGCA, FAA has made the determination that India meets the requirements under international oversight standards of the Chicago Convention and the Annexes thereto and India's category has been upgraded to Category 1.

#### **Regulatory authority to review airfare**

†38. SHRI NARESH AGRAWAL: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the process for determining the airfare for Y Category seats;
- (b) whether it is a fact that private airlines increase the airfare by 400 percent during the tourist seasons; and
- (c) if so, whether Government proposes to rein in the arbitrary tendencies of such airlines by constituting a regulatory authority?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (DR. MAHESH SHARMA): (a) Under the provision of Sub Rule (1) of Rule 135, Aircraft Rules 1937, airlines are required to establish reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff.

As per the prevailing regulation, it is the prerogative of individual airlines to establish their process of determination of airfare. As such Government does not interfere in the commercial aspects of airlines.

(b) and (c) The domestic airline pricing runs in multiple levels (bucket or RBDs) which are in line with the practice being followed globally. The lower fare

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† Original notice of the question was received in Hindi.

in the fare bucket offered by airlines is available for advance booking. These fares are highly discounted fares and that would entail travelling even during peak/ festive season on low fares. As time lapses and date of journey approaches closer, the fare in higher side of fare bucket is made available as per the respective airline policy.

Air fare so established by the airlines is published on their respective website under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937.

Airline remains compliant to the regulatory provisions of Rule-135 as long as the fare charged by them does not exceed the established fare and displayed on their website.

#### **The balance sheet of aviation companies**

†39. SHRI P.L. PUNIA: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Government aviation companies are running in loss;
- (b) if so, the details of their earning, expenditure and assets for the last three years; and
- (c) the expenditure incurred on advertisement, publicity, passengers facilities, and infrastructure during the said period, company-wise?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (DR. MAHESH SHARMA): (a) Yes, Sir. Air India is running into losses.

(b) The detail of earnings, expenditure, net assets and losses for the last three years:

	(₹ in crore)		
	2011-12	2012-13	2013-14
Total Revenue	15901.79	18213.79	20140.59
Total Expenses	23459.48	23703.95	26420.19
Net Profit/(Loss) before Tax	(7557.69)	(5490.16)	(6279.60)
Prov. for tax	(2.05)	0.00	0.00
Net Profit/(Loss) after Tax	(7559.74)	(5490.16)	(6279.60)
Net Block of Fixed Assets as at 31st March, 2015 (excluding Capital Work in Progress and Intangible Assets under development)	31288.13	34589.83	34589.83

† Original notice of the question was received in Hindi.