

### Improvement in functioning and profitability of Air India

180. SHRI D. RAJA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government is making efforts to improve the functioning and profitability of Air India and to what extent has Air India been able to draw back those passengers who have shifted to other airlines; and

(b) the details of benefits accrued to Air India by becoming a member of star Alliance?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (DR. MAHESH SHARMA): (a) In view of the losses suffered by Air India upto 2010-11 and its mounting debt burden, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 12.04.2012, approved a Turnaround Plan (TAP)/ Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of ₹ 30231 crores up to 2021 subject to achievement of certain milestones as laid down in the TAP/FRP.

The Passenger Load Factor (PLF) of Air India for the period 2011-12 to 2015-16 (Provisional) is as under;

Year	PLF (%)
2011-12	67.9
2012-13	72.4
2013-14	73.3
2014-15	73.7
2015-16 (Prov.)	75.3

(b) The joining of Star Alliance by Air India and coordinated schedules within the Star Alliance Members has resulted in reduced waiting time, enhanced Customer Service and smoother travel experience including seamless transfers and code sharing leading to a wider choice of flights while travelling across the globe for its passengers and enhanced revenue for Star Alliance Carriers including Air India.

### Increase in UDF by Hyderabad airport operators

181. SHRI DEVENDER GOUD T.: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the basis behind charging User Development Fee (UDF) by airport operators;

(b) the details of UDF being charged by various airports, airport-wise;

(c) whether it is a fact that Hyderabad Airport Operator has submitted a proposal to increase UDF by more than 60 per cent to Airports Economic Regulatory Authority;

(d) if so, the details thereof;

(e) whether it is also a fact that Hyderabad Airport Operator is already charging the highest UDF in the country;

(f) if so, what justification it has given for revision of over 60 per cent in UDF; and

(g) what action Government has taken on the above proposal?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (DR. MAHESH SHARMA): (a) User Development Fee (UDF) is levied at the Indian airports under Rule 89 of Aircraft Rules, 1937 as a revenue enhancing measure to bridge any revenue shortfall so that the airport operator is able to get a fair rate of return on investment and thus the quantum of UDF varies across airports. Rate of UDF is determined by the Airports Economic Regulatory Authority of India (AERA) in respect of Major airports and by Government of India in respect of non-major airports.

(b) The details of UDF as charged at various airports are given in the Statement (*See below*).

(c) and (d) M/s Hyderabad International Airport Limited (HIAL) has filed a Multi Year Tariff Proposal (MYTP) with AERA for determination of aeronautical charges including UDF for the second control period (2016-2021). However, HIAL has not submitted the detailed pricing proposal (rate card). Hence, the increase sought in UDF by HIAL cannot be quantified.

(e) The details of UDF charged at RGI Airport, Hyderabad *vis-a-vis* other airports are given in the Statement above.

(f) Does not arise as HIAL has not submitted the rate card with the MYTP submitted before AERA.

(g) AERA considers the proposal submitted by the airport operator considering the capital expenditure incurred, cost of operations, quality of the services at airport, economic viability and revenue received from non-aeronautical services etc. and after an extensive stakeholders consultation the charges are determined.

*Written Answers to*

[26 April, 2016]

Unstarred Questions 63

## (B) Details of comparison of airport charges (UDF, PSF and ADF) rates (FY 2015-16)

		Lucknow		Jaipur		Amritsar		Udaipur		Trichy		Vizag	
		Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX
UDF (On Departing Pax)	Short haul per Departing Passenger (upto 500 Kms. for dom/2,000 Kms. for Int)												
	Medium haul (Above 2,000 upto 5,000 Kms.)	1,124	392	1,000	150	910	150	NIL	150	360	150	NIL	150
	Long haul (More than 500 Kms. for dom/5,000 Kms. for Int)												
UDF (On Arriving Pax)	Short haul Per Arriving Passenger (upto 500 Kms. for dom/2,000 Kms. for int)												
	Medium haul (Above 2,000 upto 5,000 Kms.)	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY
	Long haul (More than 500 Kms for dom/5,000 Kms. for Int)												
Approving Authority		AERA		AERA		MOCA		MOCA		MOCA		MOCA	

## (C) Details of comparison of airport charges (UDF, PSF and ADF) rates (FY 2015-16)

		Mangalore		Varansi		Trivandrum		Ahmedabad		Guwahati	
		Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX	Intl. PAX	Dom. PAX
UDF (On Departing Pax)	Short haul per Departing Passenger (upto 500 Kms. for dom/2,000 Kms. for Int)										
	Medium haul (Above 2,000 upto 5,000 Kms.)	825	150	975	150	575	Nil	415	110	332	332
	Long Haul (More than 500 Kms. for dom/5,000 Kms. for Int)										
UDF (On Arriving Pax)	Short haul Per Arriving Passenger (upto 500 Kms. for dom/2,000 Kms. for Int)										
	Medium haul (Above 2,000 upto 5,000 Kms.)	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY	NO LEVY
	Long haul (More than 500 Kms. for dom/5,000 Kms. for Int)										
Approving Authority		MOCA		MOCA		AERA		AERA		AERA	

Note: All the above rates are exclusive of service tax.