

- (ii) Freedom to enter into code sharing arrangements with domestic as well as international airlines pursuant to applicable regulations and prevailing air service agreements.
- 2. State Governments at RCS Airports within their States:
  - (i) Reduction of VAT to 1% or less on ATF at RCS Airports located within the State for a period of ten (10) years from the date of notification of this Scheme.
  - (ii) Provision of security and fire services free of cost at RCS Airports.
- 3. Airport Operators:
  - (i) Airport operators shall not levy Landing Charges and Parking Charges.
  - (ii) Selected Airline Operators shall be allowed to undertake ground handling for their RCS Flights at all airports.
  - (iii) AAI shall not levy any Terminal Navigation Landing Charges (TNLC) on RCS Flights.
  - (iv) Route Navigation and Facilitation Charges (RNFC) will be levied by AAI on a discounted basis @ 42.50% of Normal Rates on RCS Flights.

In addition to above, Central Government and State Governments will provide Viability Gap Funding (VGF). It will be shared between Ministry of Civil Aviation and the State Government in the ratio of 80:20 whereas for the States in North-Eastern region / Union Territories (UT's) the ratio will be 90:10.

#### **Status of aircrafts procured by Air India**

†992. SHRI SHIV PRATAP SHUKLA: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the main reasons behind the sale and disinvestment of Air India; and
- (b) the number of aircrafts procured by Air India in the last ten years and the number of aircrafts out of them that are in service and the number of aircrafts out of new aircrafts given on lease or have been sold, the reasons therefor?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) NITI Aayog submitted its Recommendations (Fourth Tranche) on Strategic Disinvestment of the Central Public Sector Enterprises on May 12, 2017. In its recommendations, the Aayog had given the rationale for the disinvestment of Air India and has attributed the main reason as fragile finances of the company. AI has been incurring continuous losses and has huge accumulated losses. Further, NITI Aayog in its report on Air India says that further support to an unviable non- priority company in a matured and competitive aviation sector would not be the best use of scarce financial resources of the Government.

(b) The details of the aircraft procured and those sold by Air India in the last ten years are given in Statement (*See below*). Except 5 in number B-777 LR aircraft, which have been sold, all other aircraft are in service/operations. The 5 in number B-777 LR aircraft were sold in order to rationalize its fleet and reduce its operational losses.

Out of the 23 B-787 aircraft, 21 B-787 Dreamliner aircraft have been acquired under the Sale and Lease Back Arrangement (SLB) and the remaining 2 aircraft have been procured under Bridge Loans till their SLB financing is finalized. As per the Turnaround Plan, approved by the Govt for Air India, these aircraft were to be procured by AI under SLB arrangement.

***Statement***

*Details of aircrafts procured and sold by Air India in the last ten years*

Sl. No.	Type of Aircraft	Purchased upto March 2017	Sold Outright	Under Sale & Lease Back
a)	A-320	04		
b)	A-321	20		
c)	A-319	19		
d)	B-777-LR	08	05	
e)	B-777-ER	12		
f)	B-787-8	23		21
	TOTAL	86	05	21