

(c) whether the Government also propose to permit new foreign and private sector companies to operate in the country;

(d) if so, the reasons therefor;

(e) whether such a move is likely to affect adversely the domestic airlines;

(f) if so, the factual position in this regard; and

(g) if not, the extent to which it will help to improve the air facilities for inland and foreign passengers?

THE MINISTER OF CIVIL AVIATION AND MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM) : (a) and (b) The salient features of the recently approved policy on domestic air transport services are enclosed as Statement.

(c) to (g) The modalities for permitting foreign equity and NRI equity participation in the domestic air transport services sector are under formulation.

Statement

The main features of the recently approved policy framework for domestic air transport services are as follows :

1. Barriers to entry and exit from this sector should be removed. There should only be a pre-entry scrutiny of applications to verify the financial soundness, maintenance, security and safety aspects of operations and human resources development proposed to be undertaken by the applicant.
2. Choice of the aircraft type and size should be left to the operator.
3. To eliminate non-serious entrepreneurs and to achieve economies of scale, the minimum fleet size for a scheduled operator should be raised from the existing three (3) to five (5) aircraft and the minimum amount of the shareholders funds should be enhanced from existing Rs. 5.00 crores to Rs. 10 crores for aircraft of all-up-weight below 40,000 kgs and from Rs. 10 crores to Rs. 30 crores for aircraft of all up weight exceeding 40,000 kgs.
4. Induction of total capacity in the air transport sector should be predetermined on the basis of

trend growth of traffic and projections made for at least a period of five years on annual basis. This information should be widely publicised to enable the entrepreneur to take investment decisions.

5. In the distribution of this predetermined capacity for induction, while preference will be given to Indian Airlines according to its fleet augmentation plan subject to its ability to do so, to meet a share of additional capacity that would emerge each year, there would not be any pre-determined restriction on the induction of capacity by private operators.
6. The present policy of route dispersal guidelines by retained and strictly enforced. According to these guidelines, all scheduled operators are required to deploy in the North-East, Jammu and Kashmir, Andaman Nicobar Islands and Lakshadweep 10% of their capacity deployed on the specified trunk routes.

I.A. and A.I. Loans from Foreign and Indian Banks

1009. SHRI PRAMOD MAHAJAN : Will the Minister of CIVIL AVIATION be pleased to state :

(a) the financial position of Indian Airlines and Air India including their liabilities during each of the last three years;

(b) the details of loan borrowed by Indian Airlines and Air India from Indian and foreign banks during the year 1994, 1995 and 1996 and proposed to be borrowed during the current year for their working capital requirements; and

(c) the steps proposed to be taken by the Government to improve the financial position of I.A. and A.I.?

THE MINISTER OF CIVIL AVIATION AND MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM) : (a) and (b) The details are enclosed as Statement.

(c) Indian Airlines and Air India are taking steps to improve their product, image and on time performance to attract more passengers and to increase revenue.

Statement

Details of financial position of Air India (AI) and Indian Airlines (IA) are as under.

(Rs. in Crores)

	Air India Ltd.			Indian Airlines Ltd.		
	1993-94	1994-95	1995-96	1993-94	1994-95	1995-96
	1	2	3	4	5	6
Capital	79.47	153.84	153.84	55.15	55.15	105.19
Reserves & Surplus	1230.54	1281.57	980.67	584.48	607.07	526.56

	1	2	3	4	5	6
Secured and Unsecured loan	2845.19	2612.64	2612.95	2643.09	2928.55	2759.90
Fixed Assets	2946.83	3100.14	3408.36	3907.28	4593.23	4776.67
Current Assets, Loans & Advances	2194.24	2189.30	1854.62	1003.57	860.41	893.26
Current Liabilities	1072.42	1424.00	1651.27	849.34	1059.67	1271.54
Net Worth	1310.01	1435.41	1134.51	276.27	111.41	25.01
Profit/(Loss)	201.90	40.80	(271.84)	(258.46)	(188.73)	(109.98)

(b) Details of working capital loans borrowed/plans to borrow by AI and IA are as under :

Air India Limited

Year	Loan Amount	From
1993-94	Nil	
1994-95	Nil	
1995-96	Nil	
1996-97	USD 22.939 million	Buyers Credit Facility
	Rs. 200 crores	Rupee Loan from Indian Banks

Indian Airlines Limited

Year	Loan Amount	From
1993-94	Nil	
1994-95	Nil	
1995-96	USD 15 million	Indian Overseas Bank Hongkong.
1996-97	USD 15 million	Bank of India.
(Proposed)	USD 3 million	Hongkong ANZ Bank

[Translation]

Air Service between Calcutta, Ranchi and Patna

1010. SHRI RAM TAHAL CHAUDHARY : Will the Minister of CIVIL AVIATION be pleased to state :

(a) whether the Government propose to ply the existing air service every day between Calcutta, Ranchi and Patna which is at present thrice a week;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION AND MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM) : (a) to (c) Indian Airlines has no plans to increase services between Calcutta, Ranchi and Patna from thrice a week to daily since the present frequency of operation is adequate to meet the existing traffic demand on the sector. Calcutta and Patna are, however, linked on six days a week by Indian Airlines/Alliance Air.

In addition to this, M/s. Bengal Services Ltd. a new airline, has the proposal to provide daily service between Calcutta and Patna and four times a week between Calcutta and Ranchi.

[English]

Radio Station/Doordarshan Kendras, Gujarat

1011. SHRI GORDHANBHAI JAVIA :
SHRIMATI BHAVNABEN DEVRAJ BHAI
CHIKHALIA :
SHRI N.J. RATHWA :

Will the Minister of INFORMATION AND BROADCASTING be pleased to state :

(a) the number of proposals received from Gujarat for setting up, expansion and upgradation of TV transmitter/AIR stations during 1996-97, till date;

(b) the number of proposals cleared/pending so far;

(c) whether the Government have also received the representation for setting up of an F.M. radio station and high power T.V. transmitter at Junagarh;

(d) if so, the details thereof;

(e) the reaction of the Government thereto; and

(f) the time by which both the projects are likely to be taken up and completed?

THE MINISTER OF CIVIL AVIATION AND MINISTER OF INFORMATION AND BROADCASTING (SHRI C.M. IBRAHIM) : (a) and (b) Requests from various quarters, for setting up expansion and upgradation of All India Radio/Doordarshan have been received from time to time. Such requests are kept in view, alongwith other factors such as suitability of location, availability of infrastructural facilities, extent of resultant coverage and inter-se priorities, while finalising the All India Radio/Doordarshan projects which is a continuous activity.

(c) to (e) Yes, Sir. While a High Power TV Transmitter at Junagarh is envisaged to be set up subject to availability of funds and other infrastructural facilities, there is no proposal for setting up of an FM Radio Station at Junagarh at present.

(f) Lead time involved in implementation of such projects is 3 to 4 years after the scheme is sanctioned subject to availability of requisite resources and inter-se priorities.