

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
QUESTION NO 02.03.2010
ANSWERED ON
HUGE LOSS TO AIR INDIA .

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SHRI R.C. SINGH

Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING, CIVIL AVIATION be pleased to state :-

- (a) whether it is a fact that Air India (AI) has incurred Rs.5000 crores loss in the year 2008-09 which is more than double of the amount of Rs.2226.16 crores, the loss incurred in the year 2007-08;
- (b) if so, the reasons for such a huge loss during the year 2008-09;
- (c) the expected loss of AI in the year 2009-10; and
- (d) what efforts National Aviation Company of India Ltd. (NACIL) is taking to reduce the losses of AI during the current financial year through cost reduction, revenue enhancement, etc.?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION

(SHRI PRAFUL PATEL)

- (a) and (b): Yes, Sir. The losses are mainly due to the prevalent economic recession, higher fuel prices, low yields and load factors.
- (c): Air India is expected to incur a loss of Rs.5,400 crores approximately (Prov.) during the year 2009-10.
- (d): NACIL has formulated a Turnaround Plan, along with cost reduction/revenue enhancement programme, focusing on Fleet Rationalisation, Route Rationalisation, Manpower Rationalisation and Structural Changes.