

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
RAJYA SABHA  
UNSTARRED QUESTION NO : 816  
(TO BE ANSWERED ON THE 28<sup>th</sup> July 2015)**

**LOSSES INCURRED BY AI IN INTERNATIONAL SECTOR**

816. DR. PRABHAKAR KORE

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether it is a fact that international operations are bleeding Air India (AI) heavily, and the national carrier posted another huge loss in the year ended March, 2015;
- (b) if so, what is the estimated loss on international sector for the last year; and
- (c) what are the details of the losses incurred on international sectors, sectorwise and the steps taken by Government to turnaround the loss-making airline?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Dr Mahesh Sharma)

(a) to (c) : Air India's International network has generated Surplus over Variable Cost in the last two years.

Civil Aviation is a highly dynamic and competitive sector. Profitability of a route depends on multiple factors such as seasonality of demand, economic growth, festivals, weather patterns etc. and hence, routes do not remain profitable or loss making permanently. The sector-wise information cannot be revealed being commercially confidential in nature.

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 12.4.2012, approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of Rs.30231 crores upto 2021

subject to achievement of certain milestones as laid down in the TAP/FRP.

The Company has achieved the Targets set out in the TAP milestones, and has made substantial progress in both Operational as well as Financial Areas. The main areas in which the company has registered improvements in FY 2014-15 in comparison to FY 2011-12, when the TAP was initiated are as follows

- i. The overall Network On Time Performance (OTP) of the company has improved from 68.2% in 2011-12 to 72.7 % in 2014-15.
- ii. The Passenger Load Factor has improved to 73.1% in 2014-15 from the Seat Factor of 67.9% in 2011-12.
- iii. The Network Yield achieved is Rs 4.35/RPKM in 2014-15 as against Rs 3.74/RPKM in 2011-12.
- iv. The number of Revenue Pax has increased from 13.40 Million in 2011-12 to 16.90 Million in 2014-15.
- v. The Operating Loss has consistently reduced since merger and in 2014-15 the same stands at Rs 2171.40 crores as compared to Rs.5138.69 crores in 2011-12.
- vi. As per the provisional estimates for 2014-15 the Net Loss is expected to be Rs.5547.40 crores as against the loss of Rs.7559.74 crores in 2011-12.
- vii. The Company has turned EBIDTA positive by Rs 541.60 crores as against the negative EBIDTA of Rs 2236.95 crores in 2011-12.
- viii. Total Revenue increased from Rs 14713.81 crores in 2011-12 to Rs 19718 crores in 2014-15 i.e. by Rs.4026.31 crores viz by 33.25%.

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