

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 1704  
(To be answered on the 28<sup>th</sup> November 2019)**

**LOSS OF AIR INDIA**

**1704. SHRI V.K. SREEKANDAN**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether Air India posted an operating loss of around Rs. 4,600 crore in the last financial year and if so, the details thereof;  
(b) whether the loss was mainly due to higher oil prices and foreign exchange losses and if so, the details thereof; and  
(c) whether the debt laden carrier expects to turn operationally profitable in 2019-20 and if so, the details thereof and the method being adopted in this regard?

**ANSWER**

**Minister of State (IC) in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

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**(a): Yes, Sir. Air India posted an operating loss of Rs. 4685.24 crore in the FY 2018-19. The details of the same are as under:**

<b>Operating Revenue</b>	<b>- Rs 25509 Crore</b>
<b>Operating Expenses</b>	<b>- Rs 30194 Crore</b>
<b>Operating Loss</b>	<b>- Rs 4685 Crore</b>

**(b): Yes, Sir. The major contributors in the operating loss of Rs. 4685 Crore in FY 2018-19 were the increase in fuel costs and the impact of foreign exchange rate variation. Aviation Turbine Fuel (ATF) costs increased from Rs 7363 Crore in FY 2017-18 to Rs 10034 Crore in FY 2018-19 i.e an increase of almost 28.9% in fuel rates over previous year. The impact of exchange rate variation led to an increase in expenses from Rs.31 Crore in FY 2017-18 to Rs.772 Crore in FY 2018-19.**

**(c): Air India has accumulated losses and the Government is committed to the disinvestment of Air India. In order to effectively prepare Air India for disinvestment, the Government has prepared a plan to bring operational and financial efficiency in Air India. This plan focuses on the financial and operational efficiencies so that substantial increase in revenue or cost saving could be achieved. Also, operational and financial performance parameters and milestones fixed are regularly being reviewed by the Government.**

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