

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:386
ANSWERED ON:20.04.2000
LOSSES INCURRED BY AIR INDIA
RAM SINGH KASWAN;T.T.V. DHINAKARAN

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Air India has incurred losses during 1997-98, 1998-99, 1999-2000;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) the measures taken by the Government in this regard;
- (d) whether the Air India does not provide the Standard facilities as provided by other aviation companies during their international flights; and
- (e) if so, the steps taken to upgrade the facilities?

Answer

THE MINISTER OF CIVIL AVIATION
(SHRI SHARAD YADAV)

(a), (b), (c), (d) and (e):- A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.386 FOR 20.04.2000 REGARDING LOSSES INCURRED BY AIR INDIA.

(a) and (b):- Yes, Sir. The details of losses incurred by Air India during the last 3 years are as under :-

1997-98 Rs.181.01 crores

1998-99 Rs.174.48 crores

1999-00 Rs.089.75 crores (provisional)

The losses are due to increase in expenditure on account of interest and depreciation on new aircraft, reduction in yield due to increased discounting in the market and cost of operations, increase in wage bill and other staff costs and landing, handling and navigational charges, depreciation of rupee value, etc.

(c):- Air India has taken following steps to improve its financial performance:-

- (i) Marketing efforts have been stepped up to generate additional revenue;
- (ii) Network rationalization and consolidation with emphasis placed on route profitability;
- (iii) Reduction in expenditure on outside repairs of aircraft by undertaking more in-house repairs;
- (iv) Several posts of India based officers abroad have been abolished;
- (v) Two voluntary schemes have been notified viz. shorter working week scheme and leave without pay/allowances scheme for a period of two years extendable upto five years;
- (vi) Rolling back of retirement age from 60 to 58 years.

(d) & (e):- Air India constantly endeavours to provide facilities at par with foreign airlines and other aviation companies during their international flights. Air India has been offering several products to their passengers in line with their competitors; such as

- (i) Separate Check-in counters for all class passengers.
- (ii) Facility of Tele check-in for First class passengers.
- (iii) Facility of pre-selecting a seat.
- (iv) Facility of through check-in on code-share flights.
- (v) Facility of worldwide baggage tracing service.
- (vi) Compensation of lost/damaged baggage in line with the leading airlines of the world.
- (vii) Computerised check-in at most Indian Airports.

(viii) Selection of meals through internet.

(ix) On time arrival and departure status and a host of other facilities through internet.

(x) On time arrival and departure in comparison with international standards.

(xi) Flying Returns Programme to secure continued patronage of travellers.

(xii) The Maharajah Club/Leading Edge Club in order to increase AI's share of the high yield First and Executive class market.