

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:44

ANSWERED ON:25.02.2010

LOSSES SUFFERED BY NACIL

Adsul Shri Anandrao Vithoba; Das Gupta Shri Gurudas

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the National Aviation Company of India Limited (NACIL) is incurring heavy losses for three consecutive years;
- (b) if so, the loss incurred by NACIL during each of the last three years;
- (c) whether the Board for Reconstruction of Public Sector Enterprises (BRPSE) to review sick companies and suggest revival plans has sought financial details of NACIL from the Ministry of Civil Aviation;
- (d) if so, the details thereof and the measures suggested by the BRPSE for the revival of NACIL; and
- (e) the steps being taken for the financial turn around of the company?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

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

STATEMENT IN REPLY TO PARTs (a) to (e) OF LOK SABHA STARRED QUESTION NO.44 FOR ANSWERED ON 25.02.2010
TABLED BY S/SHRI ANANDRAO ADSUL AND GURUDAS DASGUPTA REGRADING LOSSES SUFFERED BY NACIL.

(a) and (b): Yes, Madam. Loss of Rs. 447.43 crores (by erstwhile Air India) and Rs.240.29 crores (by erstwhile Indian Airlines), Rs.2226.16 crores (after merger) and Rs.5548 crores have been incurred by NACIL during financial year 2006-07, 2007-08 and 2008-09 respectively.

(c) and (d):- Yes, Madam. BRPSE has requested Ministry of Civil Aviation to send a detailed note about working of NACIL, its present financial position, future plans/ strategies etc. in order to present the case before its Board. However, BRPSE has been informed that the financial position of NACIL is already under consideration of the Committee of Secretaries and Group of Ministers.

(e): NACIL has formulated a Turnaround Plan, along with cost reduction/revenue enhancement programme focussing on Fleet Rationalisation, Route Profitability, Manpower Rationalisation and Structural Changes. Fleet Rationalisation is being attempted through reduction of fleet size from 146 aircraft to 105 by March, 2011, which will result in reduction of future requirement of cockpit, cabin crew and engineers. Reduction in wage costs and other related expenses need to be effected. Operationalisation of subsidiaries companies to enlarge business opportunities in maintenance, repair and overhaul, ground handling and cargo is also part of the overall plan.