

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:3409

ANSWERED ON:25.04.2012

FINANCIAL CRUNCH IN AIRLINE SECTOR

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

- (a) the details of losses incurred by the country's airlines during each of the last three years and the current year alongwith their present debts, airline-wise;
- (b) whether his Ministry has recently asked all the airlines to submit their financial position on the assets, debt and working capital requirements;
- (c) if so, whether a panel under the Aviation Secretary has been set up to look into the specific requirements of the aviation industry to make it sustainable; and
- (d) if so, the steps suggested by the panel and the time by which specific proposals are likely to be submitted to the Government for reforms in aviation sector?

**Answer**

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a): Based on returns filed by airlines with Directorate General of Civil Aviation, all scheduled airlines operating in the country except IndiGo are incurring losses. The total operational losses for all the airlines for the period 2008-09, 2009-10 and 2010-11 are Rs. 19,000 cr. approx. and Rs 10,000 cr. loss is anticipated in 2011-12. The losses incurred by Air India during the last three years are as under:

YEAR Profit/Loss (Rs in crore)

2008-09 (-) 5548.26

2009-10 (-) 5552.44

2010-11 (-) 6865.17

The Ministry does not maintain profit/loss data of private airlines.

(b): Yes, Madam.

(c) & (d): Yes, Madam. An Inter Ministerial Working Group has been constituted under the Chairmanship of Secretary, Civil Aviation to identify the factors causing stress in civil aviation and suggest solutions to the same. Finance Secretary; Secretary, M/o Petroleum & Natural Gas; Director General of Foreign Trade and Joint Secretary (Civil Aviation) are members of this Working Group. The Working Group held its first meeting on 21.12.2011. The recommendations made by the Working Group, inter-alia, include rationalization of the VAT on ATF, permission to foreign airlines to invest in the domestic airlines undertakings, allow airlines to import ATF directly for their own consumption, revision of fare structure by airlines so that costs of operations are covered.