

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4592
ANSWERED ON:17.12.2009
CONSULTATION WITH BOOZ ALLEN AND COMPANY
Singh Shri Uday Pratap

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Air India has reported huge losses during 2008-09 even as the airline appointed consulting firm Booz Allen to formulate a plan to cut costs and enhance revenues;
- (b) if so, the details thereof
- (c) whether the factors attributed to the rise in losses of Air India has been examined; and
- (d) if so, the details thereof and the steps taken by the Government to adopt cost cutting measures in Air India?

Answer

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

(a) and (b): Air India is expected to incur a loss of Rs.5,000 approximately (Prov.) during the year 2008-09. The consulting firm Booz and Allen has not yet been appointed by Air India.

(c) and (d): The reasons for losses are mainly due to prevalent economic recession and low yields and load factors. NACIL has taken several initiatives to turnaround the performance of the company focussing on Cost Reduction and Revenue Enhancement.