

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:3203

ANSWERED ON:04.08.2016

Performance of Air India

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

- (a) whether the Government held a meeting recently to review the functioning of Air India and if so, the details and the outcome thereof;
- (b) whether the Government has made comparison of the performance of Air India with other domestic airlines and if so, the details thereof;
- (c) whether the Government is aware about lack of synergy among staff, especially among pilots which is hurting the performance of Air India at all levels and if so, the details thereof;
- (d) the details of profit/loss incurred by various airlines including Air India due to various reasons including natural calamities during the last three years and the current year, airline/year-wise;
- (e) the compensation paid to the passengers due to cancellation of flights due to various reasons including natural calamities during the above period yearwise; and
- (f) the steps taken/being taken by the Government to increase market share of Air India in domestic and international market as well as improve its financial performance by reducing losses in various segments of the company?

**Answer**

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): Periodical meetings are held between the Ministry and Air India(AI) wherein the performance of the company is regularly monitored and reviewed.

(b): No, Madam.

(c): No, Madam. No such lack of synergy among staff, which is hurting performance of Air India has come to the knowledge of the Ministry.

(d): No such information is available.

(e): The Ministry does not maintain such data. However, the expenses incurred by Air India towards hotel accommodation, catering and transport facilities provided to passengers effected by delayed/cancelled flights for the last three years is as under:

Year Amount (Rs Crores)

2013-14 63.64

2014-15 77.44

2015-16 (Prov) 75.53

(f) As a part of the Turnaround strategy for Air India Ltd, the company with the overall support of the Govt has initiated a number of steps in order to cut costs and losses. These steps inter-alia include the following:

(i) Setting up a Route Rationalization Committee to ensure revenue maximization by continuously looking at load factors, revenue yields and competitor fare structure and responding immediately to the same;

(ii) Joining of Star Alliance.

(iii) Induction of brand new aircraft on several domestic & international routes to increase passenger appeal;

(iv) Phasing out & grounding of old fleet;

(v) Leveraging the assets of the Company to increase MRO revenue and revenue from Company's real estate properties;

- (vi) Up-gradation of IT Infrastructure & implementation of Quick Win IT Solutions;
- (vii) Introduction of PSS (Passenger Services System) to have a single code and SAP ERP based Solutions;
- (viii) Establishment of Integrated Operations Control Centre and Hub Control Centre in Delhi;
- (ix) Operationalization of Subsidiary Companies such as AIATSL & AIESL and transfer of manpower and equipment and treating them as Independent Profit Centers;
- (x) Induction of the B-787 aircraft on Medium Capacity Long Haul Routes.

To increase the market share the followings steps have been taken by Air India:

- (i) Introduction of new routes;
- (ii) Progressive induction of B 787 aircraft on AIs International routes;
- (iii) Joining of Star Alliance;
- (iv) Induction of brand new aircraft on several domestic & international routes to increase passenger appeal;
- (v) Improved in flight services;
- (vi) Spot fare to tap last minute passengers by utilising the vacant inventory.