

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2049
ANSWERED ON:04.08.2003
LOSSES TO IA
IQBAL AHMED SARADGI

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Indian Airlines has been criticised by the CAG in its latest report for incurring continuous losses;
- (b) whether CAG has pointed out that the factors such as delay in expansion of fleet, poor maintenance, poor revenue management, injudicious implementation of the promotional fares and under-utilisation of cargo capacity have been the main reasons for these losses; and
- (c) if so, the steps being contemplated by the Government to improve its position?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDY)

(a) and (b): Yes, Sir.

(c): Indian Airlines has been taking measures and working out strategies on ongoing basis, to improve its financial performance and bring about qualitative and quantitative improvement in the product offered. Some of the measures taken in the recent past are as follows:-

- i) Comprehensive budgetary control system.
- ii) Cost-benefit analysis.
- iii) Introduction of `Flexi Fare` Policy.
- iv) Better fleet & other resource utilization.
- v) Improvement in quality of products/customer services.
- vi) Marketing Initiatives.
- vii) Cost Control and Economy measures.