

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1366
ANSWERED ON:08.03.2007
PERFORMANCE OF PUBLIC SECTOR AIRLINES
Madhwaraj Smt. Manorama;Pathak Shri Brajesh

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details of the profit of public sector airlines at the end of 3rd quarter in the year 2006-07;
- (b) whether the public sector airlines are earning profits;
- (c) if so, the details thereof;
- (d) if not, the reasons therefor;
- (e) whether any assessment is made about the possibility of target being achieved by these airlines at the end of the current financial year;
- (f) if so, the details thereof; and
- (g) the steps taken/proposed to be taken to enhance the profit?

Answer

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

- (a): The earnings of Air India and Indian Airlines at the end of 3rd quarter are estimated to be Rs.6435 crores and Rs.4850.60 crores, respectively.
- (b), (c), (d), (e), and (f): Both the Airlines have earned net profit during the last three years i.e., 2003-04 to 2005-06. However, the financial performance has been adversely affected during the current financial year mainly on account of steep hike in fuel prices.
- (g): Both the airlines have taken various steps to improve performance viz.
 - (i) dry leasing of aircraft;
 - (ii) acquisition of new aircraft;
 - (iii) refurbishment of the existing aircraft;
 - (iv) launching of special promotional schemes;
 - (v) closing of uneconomical offices and downsizing;
 - (vi) re-deployment of staff from non-operational to operational areas; and
 - (vii) outsourcing of non-core activities to subsidiary companies.