

are required to follow the wage Policies laid down by the Department of Public Enterprises (DPE). The wage agreements with the recognized Unions of the Public Sector Enterprises should be within the parameters laid down by the DPE. The pay and allowances in Air India are also being paid as per the agreements signed by the Management with its Unions/Associations.

#### **Losses of NACIL**

1815. SHRI MAHENDRA MOHAN:  
SHRIMATI SHOBHANA BHARTIA:  
SHRI N.K. SINGH:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Government is aware that National Aviation Company of India Limited (NACIL) has suffered huge losses in the past one year;
- (b) if so, the details thereof and the factors responsible for huge losses;
- (c) whether the Finance Ministry has asked his Ministry to trim down NACIL's operations and come out with a viable model in the next few years; and
- (d) if so, the steps taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Yes, Sir. NACIL expects to register a loss of approximately Rs. 5000 crores in 2008-09. The losses have been largely due to operating losses, which have been compounded due to the present economic recession as also the high oil prices last year and debt servicing on new aircraft.

(c) and (d) A proposal for infusion of equity and soft loan for NACIL was sent to the Ministry of Finance in 2008-09 and after its examination, Ministry of Finance had sought further details. However, after deterioration of NACIL's financial position, it has been advised to revisit its proposal and to formulate its re-structuring plan.

#### **Operation of flights by Air India**

†1816. SHRI SATYAVRAT CHATURVEDI:  
SHRI MOTILAL VORA:

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the main reasons for losses being incurred by Air India;
- (b) the steps taken by the concerned department to make up the loss;
- (c) the countries to which Air India has its flight from Delhi;
- (d) the companies who are operating their flight on the same routes where flights are being run by Air India;
- (e) whether other companies provide more facilities to their passengers in comparison to Air India; and

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†Original notice of the question was received in Hindi.

(f) the total number of aeroplanes with Air India and the number of planes which can fly?

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

(a) Air India is running in losses largely due to operating losses, which have been compounded due to the present economic recession as also the high oil prices last year and debt servicing on new aircraft.

(b) Air India has initiated the following measures to reduce losses:- (i) integration and restructuring of network and schedules, (ii) fuel efficiency improvement measures, (iii) extended the credit period for all vendors, (iv) promotions and recruitment put on hold, (v) staff asked to travel only on economy class, etc. among other substantive measures for restructuring of loans and credits.

(c) At present, Air India operates its flights to 14 countries from Delhi viz. United States of America, United Kingdom, France, Germany, Japan, Singapore, Thailand, Hong Kong, China, United Arab Emirates, Oman, Nepal, Afghanistan, and Saudi Arabia.

(d) Jet Airways, Jet Lite and Kingfisher.

(e) No, Sir. The customer services provided by Air India are comparable in the Airline Industry.

(f) The total number of aircraft as on 10 July, 2009 with Air India (including owned and leased) are 156. Presently, Air India's 12 aircraft are non-operational due to obsolescence of the landing gear for which no spares are available of which 8 are already in the process of disposal.

#### **Losses of Government airlines**

†1817. SHRI JANESHWAR MISHRA:

SHRI BHAGWATI SINGH:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government airlines are making losses whereas private airlines are earning profit;

(b) if so, the reasons therefor;

(c) whether Government is formulating any scheme to make Government airlines profit making; and

(d) if so, the details thereof?

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

(a) and (b) No, Sir. Almost all private airlines are also making losses. The spiralling cost of Aviation Turbine Fuel (ATF) coupled with the economic slow down and thus the low load factor have contributed heftily to their losses.

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