

are pointed out by audit from time to time and sometimes these over payments are detected by the disbursing authorities themselves. The precise information as regards amount involved will be collected and placed on the Table of the House.

(b) Action is being taken to recover the over payments.

(c) In view of the reply to (b), the question does not arise.

Decline in profitability in the working of Indian Airlines

1289. SHRI PILOO MODY: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that the profitability in the working of Indian Airlines declined substantially in 1978-79 as compared to the previous year;

(b) what are the reasons therefor; and

(c) what steps are likely to be taken in the near future to augment profitability of this undertaking?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI CHANDULAL CHANDRAKAR): (a) Yes, Sir. The profit of Indian Airlines decline from Rs. 14.33 crores in 1977-78 to Rs. 11.42 crores in 1978-79.

(b) The decline in profitability was mainly due to increase in the Aviation fuel price, the payment of interest, amounting to Rs. 13.36 crores on loan for the purchase of aircraft and enhancement in the rates of customs duty for aircraft and aircraft spares.

(c) Indian Airlines has taken various steps to improve the performance which *inter-alia* include on-time performance, optimum utilization of aircraft, periodical checks and maintenance and better facilities to passengers etc. To compensate for the increase in the Aviation fuel price, Government approval has been conveyed to the Indian Airlines for the levy of

fuel surcharge/increase in the dollar fares on International Airlines tickets for Indian Airlines sector at the following rates:—

Sales within India (Domestic Fares)

- (i) Sector fares upto Rs. 350/- 25% of the fare.
- (ii) Sector fares above Rs. 350/- 20% of the fare.

Sales Abroad (Dollar Fares)

In regard to International Airlines tickets for Indian Airlines sector—25 per cent uniform increase in dollar fares.

Losses incurred by British India Corporation

1290. SHRI R. R. MORARKA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that British India Corporation Limited which is backed by the Central Government assistance, has suffered a loss of Rs. 242 lakhs in 1978-79 as against a profit of 37 lakhs in the previous year;

(b) if so, what are the reasons for this poor performance; and

(c) what steps Government have taken to reverse this position?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) The British India Corporation Ltd., Kanpur is Limited Company, registered under Companies' Act, 1956 in which Central Government and public financial institutions have some equity participation. As per 59th Annual Report and Accounts 1978-79 of the British India Corporation Ltd., it suffered a loss of Rs. 241.43 lakhs during the period ending 31st March, 1979 as against a profit of Rs. 33.40 lakhs in the pre-year.

(b) As mentioned in the Annual Report itself, a major portion of the loss is attributable to the payment of Rs. 1.08 crores, arising out of the award of the Industrial Tribunal on the demand by the workers, of New Egerton