

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
QUESTION NO 09.11.2010
ANSWERED ON
FINANCIAL CONDITION OF AIR INDIA .

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SHRI N.K. SINGH

Will the Minister of COALCOALCOALCOALCIVIL AVIATION be pleased to state :-

- (a) the current financial health of Air India;
- (b) whether any fresh capital has been infused in the company in last one year;
- (c) if so, the details thereof;
- (d) whether Government has chalked out a firm plan for the rehabilitation of the company; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION

(SHRI PRAFUL PATEL)

(a): Air India has been suffering losses for the last three years due to increase in fuel prices, increase in interest and depreciation costs, increase in wage bill and increase in leasing and maintenance cost. However, Air India has shown improvement in the year 2009-10 as compared to 2008-09 in terms of reducing operational losses by nearly 36%.

(b) and (c): Yes, Sir. Government has released an amount of Rs.800 crores, in two tranches of Rs.400 crores each in February and March, 2010, in the form of equity to Air India.

(d) and (e): Yes, Sir. Air India has embarked on a turnaround plan in order to cut operating losses and increase revenue. The initiatives basically focus on fleet rationalization, route profitability, manpower rationalisation, structural changes and financial restructuring.