

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 169
(TO BE ANSWERED ON THE 1st December 2015)

FINANCIAL PROBLEM OF CIVIL AVIATION SECTOR

169. SHRI KIRANMAY NANDA
SHRI B.K. HARIPRASAD

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

- (a) whether civil aviation sector in the country is facing financial and liquidity problems;
- (b) if so, the details thereof including the State of financial performance of Air India and other airlines services in the country;
- (c) whether there is any proposal under consideration of the Government for resolving above stated problems; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Dr Mahesh Sharma)

(a) & (b) Directorate General of Civil Aviation has not conducted any study in this regard. However, Airlines are free to assess their financial status including Air India.

The state of financial performance of Air India Ltd from 2011-12 onward are as under:

Year	Operating Profit/(Loss)	(Rs in Crores)
		Net Loss after Tax
2011-12	(5138.69)	(7559.74)
2012-13	(3807.15)	(5490.16)
2013-14	(3977.89)	(6279.60) (*)
2014-15 (Prov)	(2636.19)	(5859.91)

(*) - Airline Business related loss is Rs 5935.93 crores

(c) & (d) The Cabinet Committee of Economic Affairs (CCEA) in its meeting held on 12.04.2012, approved a Turnaround Plan (TAP)/ Financial

Restructuring Plan (FRP) for operational and financial turnaround of Air India (AI) subject to achievement of certain laid down milestones by AI. As part of the TAP/FRP, AI has initiated, inter-alia, the following steps in order to cut costs:-

- (i) Rationalization of certain loss making routes
- (ii) Induction of brand new aircraft on several domestic & international routes to increase passenger appeal
- (iii) Phasing out & grounding of old fleet
- (iv) Establishment of Integrated Operations Control Center and Hub Control Center in Delhi
- (v) Freezing of employment in non-operational areas.
- ((vi) Operationalization of Subsidiary Companies such as Air India Air Transport Services Limited and Air India Engineering Services Limited and transfer of manpower and equipment and treating them as Independent Profit Centers and
- (vii) Induction of the B787 aircraft on Medium Capacity Long Haul Routes.
