

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 3536
(TO BE ANSWERED ON THE 27th March 2018)

RELEASE OF REMAINING AMOUNT OF TURN AROUND PLAN OF AI

3536. SHRI N. GOKULAKRISHNAN

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

- (a) whether it is a fact that Government was working on ways to deal with the Rs 50,000 crore debt, which could potentially be a problem in the sale of Air India;
- (b) if so, the details thereof;
- (c) whether it is also a fact that under the turn around plan, Air India was to get Rs 50,000 crore in equity infusion till 2032, and since 2012, Rs 26,000 crore has already been infused; and
- (d) whether it is unlikely that Government shall release the remaining amount of the said turn around plan of Rs 50,000 crore?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

(a) and (b): The Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 28.06.2017, has given in-principle approval for considering strategic disinvestment of Air India and its five subsidiaries. CCEA constituted an Air India Specific Alternative Mechanism (AISAM) to guide the process on strategic disinvestment from time to time and decide issues which, inter-alia, include treatment of unsustainable debt of Air India, hiving off of certain assets to a shell company, demerger and strategic disinvestment of three profit making subsidiaries, the quantum of disinvestment and the universe of bidders.

(c) and (d): In view of the losses suffered by Air India upto 2010-11 and its mounting debt burden, the Cabinet Committee on 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. The TAP/FRP provides equity infusion of Rs.30231 crore upto 2021 subject to achievement of certain milestones. In addition to this, an amount of Rs 11,951 crore has been approved towards payment of interest on the Non-Convertible Debentures(NCDs) for the period 2012-13 to 2031-32 and also, Rs 7400 crore towards the repayment of principal amount of NCDs in the year 2031-32. Till FY 2017-18, an equity of Rs 26545.21 crore has already been infused in Air India Limited under TAP/FRP. Further, Government had decided to continue the equity support to Air India, as envisaged under TAP, for the FY 2017-18 and on pro-rata basis for first quarter of 2018-19. Accordingly, an amount of Rs 650 crore has been approved for Air India for first quarter of FY 2018-19.