

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 4021
(TO BE ANSWERED ON THE 3rd April 2018)

Revival of Air India

4021. SHRI SANJAY RAUT

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

- (a) whether it is a fact that Air India is one of the worst performing Public Sector company;
- (b) if so, the reasons therefor and Government's response thereto;
- (c) what is the current financial status of Air India Limited indicating its loan, liabilities and assets;
- (d) whether Government has any concrete plan to revive Air India in the future; and
- (e) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

(a) and (b): Air India has been making losses since merger of Air India and Indian Airlines in 2007 for various reasons. The major reasons for the losses are as follows:

- i. High interest burden,
- ii. Increase in competition especially from low cost carriers,
- iii. High Airport User Charges,
- iv. Adverse impact of exchange rate variation due to weakening of the Indian Rupee, and
- v. Liberalized Bilaterals to Foreign Carriers leading to excess capacity in the market.

In view of the same, Government had 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 as laid down in the TAP/FRP. Till date, equity of Rs. 26545.21 crore has been infused in Air India Limited.

(c): The total outstanding loans on Air India at the end of 31st March 2017, as per the audited accounts of FY 2016-17 are Rs 48447.37 crore, the details of which

are given hereunder:

i) Aircraft Loans	Rs 17,359.61 crore
ii) Working Capital Loans	Rs 31,087.76 crore
Total	Rs 48,447.37 crore.

The other financial parameters w.r.t. AI, as on 31st March, 2017 are as under:

	(Rs. in crore)
Non Current Liability	34,775.66
Current Liability	31,054.06
Net Fixed Assets	29,792.63
Other Non Current Assets	9,732.33
Current Assets	6,390.25

(d) and (e): The Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 28.06.2017, has given inprinciple approval for considering strategic disinvestment of Air India and its five subsidiaries and constitution of Air India Specific Alternative Mechanism (AISAM) to guide the process of strategic disinvestment from time to time.
