

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
STARRED QUESTION NO. : 321
(To be answered on the 8th December 2016)**

OUTSTANDING LOAN ON AIR INDIA

***321. SHRI P. KUMAR**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) the total outstanding loan on the Air India and the name of the companies/institutions from whom the said loans have been taken;**
- (b) whether the Government proposes to provide financial assistance to revive Air India and if so, the details thereof;**
- (c) whether the said assessment has been done after comprehensive study of the company and if so, the details thereof;**
- (d) the total expenditure incurred by the Air India and other domestic airlines on complimentary/concessional tickets during the last three years and the current year, year/airline-wise; and**
- (e) whether the major reasons of losses to airlines industry have been ascertained and if so, the details thereof and the corrective steps taken by the Government in this regard?**

ANSWER

Minister of CIVIL AVIATION

नागर विमानन मंत्री

(Shri Ashok Gajapathi Raju Pusapati)

(a) to (e): A statement is laid on the table of the House.

STATEMENT IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO.321 TO BE ANSWERED ON 08.12.2016 REGARDING OUTSTANDING LOAN ON AIR INDIA TABLED BY SHRI P. KUMAR, MP.

(a): The total outstanding loans on Air India as on 30th September 2016 are Rs 46570.35 crores, the details of the same are available at Annexure.

(b): In view of the precarious financial condition of Air India Ltd., Govt. approved a Turnaround Plan (TAP)/ Financial Restructuring Plan (FRP) for Air India in the year 2012 for operational and financial turnaround of Air India. The TAP/FRP envisages equity induction by the Government subject to achievement of certain financial and operational parameters. The TAP/FRP includes budgetary support amounting to Rs 30231 crores spread over 10 years i.e. upto FY 2020-21 and also equity support for the payment of principal/interest of the Non Convertible Debentures. The financial support approved under TAP/ FRP is as under:

(i) Induction of upfront equity of Rs.6,750 Crores,

(ii) Equity for Cash deficit support of Rs.4,552 crores from FY 2012-13 to FY 2017-18.

(iii) Equity for already guaranteed aircraft loan of Rs.18,929 Crores till FY 2021

(iv) GOI Guarantee for repayment of Principal amount and payment of Interest on the Non- Convertible Debentures (NCDs) of Rs.7400 crores proposed to be issued by Air India to the financial institutions, Banks, LIC, EPFO etc.

An amount of Rs. 23993 crores has already been released as equity support to Air India from the period of FY 2011-12 to the end of November, 2016.

(c): Government took cognizance of the deteriorating financial position of AI and directed it to come up with TAP. AI came up with a proposal for equity induction by the Government and Business and Financial Restructuring Plan in consultation with SBI Caps who were appointed by AI in July, 2009 for the debt restructuring Plan. Air India along with SBI Caps after having a series of discussions with the lender banks and in consultation with M/s Deloitte, who were appointed as independent Aviation consultants to vet the TAP in terms of assumptions made, submitted its report to the Ministry of Civil Aviation in June, 2011. The TAP/FRP was considered by a Committee of Group of Officers (GoO) under the Finance Ministry. The Group of Ministers (GOM) accepted the recommendations of GoO and the same was approved by the Government.

(d): No expenditure is incurred by Air India on complementary/concessional tickets. The data regarding expenditure incurred by other domestic airlines are not maintained by the Government.

(e): The major reasons for the losses to airline industry include high incidence of taxes on ATF, high ATF prices in previous years, reduced yield due to increase in competition and adverse impact of exchange rate variation due to weakening of the Indian Rupee.

The Government has taken several measures like persuading State Governments to reduce Value Added Tax (VAT) on Aviation Turbine Fuel (ATF), allowing direct import of ATF by Indian carriers as actual users, permitting foreign airlines to participate upto 49% in the equity of scheduled air transport under taking and tax concession for parts of aircraft and testing equipment for third party maintenance, repair and overhaul of civil aircraft.

ANNEXURE

The total outstanding loans on Air India as on 30th September, 2016

Sl. No.	Name of Bank/Institution	Amount of Loan (Rs in Crores)
(A)	Aircraft Loans	
i)	EDC Bank	24.13
ii)	KFW Bank	3108.55
iii)	ICICI Bank	5500.00
iv)	Standard Chartered Bank	1811.26
v)	Citibank	2223.78
vi)	JP Morgan Chase	2653.68
vii)	Deutsche Bank	550.49
Sub-Total (A)		15871.89
(B)	Debentures Issued to Life Insurance Co and Employee Provident Fund Organization	7400.00
	Other Bank Loans	
(C)	(Details are attached as Appendix)	23298.46
GRAND TOTAL OF LOANS AS ON 30.9.2016		46570.35

APPENDIX

Loan Position as on 30/09/2016- As per Air India Ltd.

Sl. NO.	Bankwise Summary		Approx. Total INR (in Crs)
1	ALLAHBAD	Allahabad Bank	667.39
2	ANDHRA	Andhra Bank	439.95
3	BOB	Bank of Baroda	1981.42
4	BOI	Bank of India	2191.55
5	CANARA	Canara Bank	1309.76
6	Central Bk	Central Bank of India (CBI)	1176.37
7	CITI-ECB	CITI BANK	1931.20
8	CORPN	Corporation Bank	956.81
9	DENA	Dena Bank	332.40
10	FEDERAL	Federal Bank	270.55
11	HDFC	HDFC Bank	2.48
12	IDBI	IDBI Bank	551.21
13	INDIAN BK	Indian Bank	551.54
14	IOB	Indian Overseas Bank	884.66
15	INDUSIND	IndusInd Bank	400.00
16	OBC	Oriental Bank of Commerce	1125.37
17	PNB	Punjab National Bank	1581.43
18	P & S	Punjab & Sind Bank	549.16
19	SBI	State Bank of India	1125.19
20	SCB	Stand Chartered Bank	2632.13
21	SYND	Syndicate Bank	809.44
22	UCO	UCO Bank	735.10
23	UNION	Union Bank	240.00
24	UBI	United Bank of India	453.35
25	VIJAYA	Vijaya Bank	400.00
		TOTAL	23298.46