

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1825
(To be answered on the 28th December 2017)**

Loans on Air India

**1825. SHRI KUNWAR PUSHPENDRA SINGH CHANDEL
ADV. M. UDHAYAKUMAR
DR. RAMESH POKHRIYAL "NISHANK"
DR. BANSHILAL MAHATO
SHRI P. NAGARAJAN
SHRI LAKHAN LAL SAHU
SHRIMATI VANAROJA R.
ADV. NARENDRA KESHAV SAWAIKAR**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether it has been revealed that Air India has suffered huge losses due to the misuse of its resources, if so, the details thereof;
- (b) whether the former ex-officers of Air India were grossly neglected in foreign deployment, if so, the details thereof;
- (c) whether over staffing in Air India is affecting its efficiency and profit and if so, the steps taken to tackle this issue;
- (d) whether the Air India has sought huge amount of loan to meet its immediate capital requirements and if so, the details thereof indicating various loans on Air India as on date;
- (e) whether some private airlines have expressed their interest to operate International flights of Air India, if so, the details thereof; and
- (f) the other steps taken/being taken by the Government for revival/turnaround of Air India and clear its huge debt burden?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

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- (a): Air India has been making losses since merger 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

v. Liberalized Bilaterals to Foreign Carriers leading to excess capacity in the market.

The details of the Net Losses made by Air India during the last three years and current year are as follows:

Year	Net Profit/ (Loss) (Rs. in crore)
2013-14	(6279.60)
2014-15	(5859.91)
2015-16	(3836.77)
2016-17(Prov.)	(3643.00)

(b): No Sir. Air India has in place a foreign posting policy and a combined seniority list of officers. All postings have been done as per the foreign posting policy.

(c): There has been a ban on Direct Recruitment in Air India for non-operational categories of employees.

There is significant reduction in the manpower due to retirement on superannuation and non filling up of the vacancies arising out of retirements/ voluntary retirements etc. The total number of regular employees of Air India as on November, 2017 is approximately 14006, as against the total manpower of approximately 32600 at the time of merger in August 2007.

(d): The total outstanding loans on Air India as on 30.09.2017 (Provisional) is Rs. 51,890 crore, the details of which are as follows:

- i. Aircraft Loans - Rs.18,364 crore
- ii. Working Capital Loans - Rs.33,526 crore
- Total - Rs.51,890 crore

(e): M/s Interglobe Aviation Limited have shown interest in acquiring the airline operation of Air India and Air India Express.

(f): 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. The Company has made substantial progress in both Operational as well as Financial Areas as per TAP Milestones.
