

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1038
(To be answered on the 8th February 2018)**

DEBT/LOAN ON AIR INDIA

**1038. SHRI P.V. MIDHUN REDDY
DR. KULAMANI SAMAL
ADV. NARENDRA KESHAV SAWAIKAR
SHRI V. ELUMALAI
DR. P. VENUGOPAL**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government proposes to privatise Air India and if so, the details thereof;**
- (b) whether Air India had been operating inefficiently and was unable to compete with private sector Airline operators and if so, the details thereof;**
- (c) the details of loans sought by Air India during the last three years and the outstanding amount of these loans as on date;**
- (d) whether the Government owned Air India is saddled with huge debt burden and if so, the details thereof;**
- (e) whether huge funds were injected by the Government to bail out the flagship carrier and if so, the details thereof together with the reasons for failure on the part of Air India; and**
- (f) the various measures taken by the Government for revival of Air India?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a): 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 and constitution of Air India Specific Alternative Mechanism (AISAM) to guide the process of strategic disinvestment from time to time.

(b): Air India has been consistently improving its overall financial and operational performance since the implementation of the Turnaround Plan by the Government. The details of the Net Losses and Operating Profit/ (Loss) made by Air India from FY 2013-14 to FY 2016-17 are as follows:

Year	Net Loss Rs. in (crore)	Operating Profit/(Loss) Rs. in (crore)
2013-14	6279.60	(3977.89)
2014-15	5859.91	(2636.19)
2015-16	3836.77	105.00
2016-17	5765.16	298.03

(c) & (d): The details of the total debt of Air India for the last three years is available at Annexure.

(e) & (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. Detail of Equity infused in Air India from the FY 2011-12 to till date are as follows:

Year	Equity Infused Rs. in (crore)
2011-12	1200
2012-13	6000
2013-14	6000
2014-15	5780
2015-16	2500
2016-17	1713
2017-18	1800
(till date)	
Total	26545.21

As a part of the Turnaround Strategy for Air India Limited, the Company, with overall support of the Government, has initiated a number of steps in order to cut costs and losses. These steps, inter-alia, include the following :

- i) Route rationalisation of erstwhile AI I& IA routes and elimination of route network involving parallel operations.
- ii) Rationalisation of certain loss making routes.
- iii) Enhanced utilisation of new fleet resulting in production of higher Available Seat Kilometers (ASKMs).

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The details of the total debt of Air India for the last three years

Year	Aircraft Loans	Working Capital Loans	(Rs in Crores)
			Total Loans
2016-17	17359.61	31087.76	48447.37
2015-16	22203.52	30613.50	52817.02
2014-15	22574.09	28792.99	51367.08

