

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 501
(To be answered on the 13th December 2018)

LOSSES INCURRED BY AIR INDIA

501. SHRI K.N. RAMACHANDRAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has appointed an expert committee to advise Air India to come out of losses and if not, the reasons therefor;
- (b) whether the Air India Unions are against privatisation of Air India;
- (c) if so, the reasons therefor; and
- (d) the steps taken by the Government to bail out Air India from going bankrupt?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a): The Government has decided to constitute a committee headed by the Cabinet Secretary and having Secretaries of Ministry of Civil Aviation, Department of Expenditure, Department of Investment and Public Asset Management, Department of Economic Affairs and Chairman, Air India Limited as members. The committee is mandated to quantify the parameters and milestones for measuring operational and financial performance to be achieved by Air India for the financial year 2018-19 and thereafter and to review measures taken for operational efficiency on performance parameter finalized, on a quarterly basis.

(b) & (c): Air India has received various representations from its employee unions against dis-investment and privatization of Air India citing this move against interest of the employees.

(d): The Government has prepared a Revival Plan for Air India. Air India's Revival Plan is focused on building a competitive and profitable airline group. The Revival Plan comprises several major elements including:

(i) A comprehensive financial package, as approved by Government of India - this includes transferring non-core debt and assets to a SPV.

(ii) Higher levels of operational efficiency by strengthening management and implementing best practice business processes.

(iii) Robust organizational and governance reforms to be implemented by an eminent Board.

(iv) Differentiated business strategies for each of Air India's core businesses.

(v) World-class HR practices to ensure a talented and motivated workforce and

(vi) Sale of non-core real estate assets and strategic disinvestment of subsidiaries such as Air India Air Transport Services Ltd.

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