

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1085
(To be answered on the 27th June 2019)

DEBT OF AIR INDIA

1085. SHRI MANISH TIWARI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) the Government's policy towards Air India;
- (b) the total debt of Air India as on 31st of March, 2019;
- (c) whether the Government proposes to make Air India financially viable again;
- (d) if so, the steps taken especially the debt/equity/loan/grant infusion done by the Government into Air India during the past three years, year-wise; and
- (e) the number of business verticals Air India have and the details of the profit and loss of each vertical separately over the past three years?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

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- (a) The Government remains committed to the disinvestment of Air India Ltd. and its subsidiaries.
 - (b) As per the provisional figures of FY 2018-19, the total debt of Air India Ltd as on 31st March 2019 is Rs.58,351.93 crore.
 - (c)&(d) Government has prepared a Revival Plan for Air India which includes a comprehensive financial package. The revival plan of Air India focuses on the operational efficiencies so that substantial increase in revenue or cost saving can be achieved. The Revival Plan, inter-alia, comprises several major elements including:
 - (i) Higher levels of operational efficiency by strengthening management and implementing best practice business processes
 - (ii) Robust organizational and governance reforms to be implemented by an eminent Board
 - (iii) Differentiated business strategies for each Air India's core businesses

- (iv) World-class HR practices to ensure a talented and motivated workforce and
(v) Sale of non-core real estate assets and strategic disinvestment of subsidiaries such as Air India Air Transport Services Ltd. (AIATSL).

The details of the funds infused into Air India by the Government during the last 3 years are as under :

Year	Amount (Rs in Crore)
2016-17	2465.21
2017-18	1800.00
2018-19	3975.00

(e) Air India Ltd provides domestic and international air transport services, which includes mainly passenger and cargo services and other related services. In addition, Air India also has five Subsidiary Companies and one Joint Venture (JV) with Singapore Air Transport Services which are operating in various business verticals primarily related to the airlines business. The five subsidiary companies and JV are as follows:

- i. Air India Express Ltd (Low Cost Carrier-operating as international Low Cost Carrier mainly for regional international in Gulf and South East Asia)
 - ii. Air India Allied Services Ltd (Providing regional connectivity to remote destination of India under Brand Name of "Alliance Air" and operating smaller aircrafts to Tier II & III cities)
 - iii. Air India Engineering Services Ltd (Providing Maintenance and Repair services to the aircraft of Air India & several other airlines)
 - iv. Air India Air Transport Services Ltd (Providing Ground Handling services at 78 Indian Airports)
 - v. Hotel Corporation of India Ltd (mainly operating hotels and air catering business to airlines)
 - vi. Air India- Singapore Air Transport Services(50:50 JV of Air India Ltd and SATS Limited providing ground handling services in 5 major airports in India i.e. Delhi, Bangalore, Hyderabad, Mangalore and Trivandrum).
- The Net profit/(Losses) of Air India Ltd and its subsidiaries and JV company for the past five years is given in Annexure.

Annexure

The Net Profit/(Losses) of Air India Ltd and its subsidiaries and JV company for the past three years

(Rs. in Crore)

Year	Air India	Airline Allied Services Ltd.	Air India Air Transport Services Ltd.	Hotel Corporation of India	Air India Engineering Service Ltd.	Air India Express	Air India-Singapore Air Transport Services
2017-18	(5348.18)	(263.76)	62.90	(55.30)	(444.43)	262.05	52.2
2016-17	(6452.89)	(286.71)	15.05	(61.77)	(517.89)	235.42	69.2
2015-16	(3836.78)	(198.75)	101.4	(57.80)	(558.62)	361.68	54.7