

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2882
(To be answered on the 5th December 2019)**

POST MERGER PERFORMANCE OF AIR INDIA

2882. SHRI SHIVAKUMAR C. UDASI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has assessed the performance of Air India after its merger with Indian Airlines and if so, the details thereof;
(b) whether the functioning of Air India has improved after merger;
(c) if so, the extent to which it has been improved after its merger; and
(d) the steps taken by the Government to make Air India more competitive and profit earning PSU?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a) to (c): Post merger, the total Net Loss (after tax) of Air India Ltd since its formation in 2007-08 till 2018-19 are given below:

Financial Year	Net Loss (Rs Crore)
2007-08	2226.16
2008-09	5548.26
2009-10	5552.44
2010-11	6865.17
2011-12	7559.74
2012-13	5490.16
2013-14	6279.60
2014-15	5859.91
2015-16	3836.78
2016-17	6452.89
2017-18	5348.18
2018-19	8556.35 (provisional)

In view of the continuous losses suffered by Air India since merger i.e 2007-08 and its mounting debt burden, the overall performance of Air India Limited was reviewed by a Group of Ministers (GoM) and thereafter, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 12.4.2012, approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/ FRP approved by CCEA for Air India provided that equity would be infused by the Government subject to achievement of certain laid down milestones which were regularly monitored/reviewed by an Oversight Committee under the chairmanship of Secretary, Ministry of Civil Aviation. It is stated in this regard that Air India has received an equity infusion of Rs. 30520.21 crore till date from FY 2011-12 which includes financial support as per TAP/FRP and cash support in FY 2018-19.

(d):The government is committed to disinvestment of Air India. As decided in the meeting taken by Finance Minister on 07.09.2018, operational and financial performance parameters and milestones have been fixed and are being regularly reviewed by the Government. Further, in order to prepare Air India for strategic disinvestment, a strategic plan has been approved by the Government to establish a strong competitive and self-sustaining airline. The plan has several components, which, inter-alia, includes financial package and focuses on increasing the operational efficiencies whereby substantial increase in revenue or cost saving can be achieved. The major components of financial package for F.Y. 2018-19, inter-alia, included:

- i) A total debt amounting to Rs 29464 crore to be transferred from Air India Ltd to the SPV viz Air India Assets Holding Co Ltd.(AIAHL).**
- ii) A cash support of Rs 3975 crore to Air India, inclusive of Rs 1630 crore already infused in AI in FY 2018- 19.**
- iii) Provide a Govt Guarantee of Rs 7600 crore, inclusive of Rs 3000 crore already provided to AI in F.Y. 2018-19, to raise new debt for payment of stretched liabilities.**
