

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 339
(To be answered on the 25th February 2016)**

LOSSES INCURRED BY AIR INDIA

**339. SHRI RAJESH KUMAR DIWAKER
SHRI KODIKUNNIL SURESH
SHRI JYOTIRADITYA M. SCINDIA
SHRI MAHEISH GIRRI
SHRI ARJUN MEGHWAL
SHRI KIRTI AZAD**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether Air India is incurring huge losses on continuous basis and if so, the details thereof for the last three years and the current year, year-wise along with the reasons therefor;**
- (b) the steps taken or being taken by the Government to reduce the losses including the budgetary support being provided by the Government this year;**
- (c) whether the Government has any proposal for restructuring of the Air India and if so, the details thereof;**
- (d) whether the Government proposes to privatise Air India, if so, the details thereof; and**
- (e) whether the Government proposes to introduce Dreamliner flights for domestic services especially to long distances route like Delhi-Kochi-Thiruvananthapuram sector as part of reducing the operational cost, if so, the details thereof?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Dr Mahesh Sharma)

(a): Yes, Madam. Air India (AI) has been incurring losses over the past few years and the details of the losses for the past 3 years and the current year are

given below:

Financial Year	Net Loss/ (Rs. Crores)
2012-13	5490.16
2013-14	6279.60
2014-15	5859.91
2015-16 (BE)	3529.80

AI has been facing losses for the past many years on account of a multitude of factors which include:

- i. Adverse impact of exchange rate variation due to weakening of the Indian Rupee
- ii. High interest burden
- iii. Increase in competition especially from low cost carriers
- iv. High Debt Equity Ratio

(b): In view of the losses suffered by AI upto 2010-11 and its mounting debt burden, 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 AI. The TAP/FRP provides equity infusion of Rs.30231 crores upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. Government has infused equity of Rs.3300 crores in AI, in the current financial year.

(c) and (d): No, Madam.

(e): No, Madam. Air India has no immediate plans to introduce Dreamliner services on Delhi-Kochi-Thiruvananthapuram sector.
