

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

STARRED QUESTION NO:565  
ANSWERED ON:06.05.2002  
RECOMMENDATIONS OF KELKAR COMMITTEE  
ADHIR RANJAN CHOWDHURY;SHYAMA SINGH

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the recommendations made by the Kelkar Committee to provide sufficient funds for the fleet expansion during 2000 which were duly approved by the Cabinet have not yet been implemented;
- (b) if so, the reasons therefor; and
- (c) the present status of each of the recommendations of the committee on the safety of aircraft?

**Answer**

THE MINISTER OF CIVIL AVIATION ( SHRI SYED SHAHNAWAZ HUSSAIN )

(a), (b) and (c): A statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO PARTS (a), (b) AND (c) OF LOK SABHA STARRED QUESTION NO.565 FOR 6/5/2002 REGARDING RECOMMENDATIONS OF KELKAR COMMITTEE.

(a) and (b): Government had constituted a Committee under the Chairmanship of Dr. Vijay K. Kelkar, the then Secretary, Ministry of Petroleum and Natural Gas to look into the reasons for losses in Indian Airlines and to develop strategies in the context of competitive market environment. The Committee, inter-alia, recommended financial restructuring of Indian Airlines which included financial support of Rs.475 crores by the Government in the form of subordinated loan for Rs.150 crores, equity infusion to the extent of Rs.125 crores and payment of Rs.200 crore as compensation for the decisions taken by the Government that affected the financial performance of Indian Airlines.

As part of the implementation of the Kelkar Committee recommendations, it was decided by Government in May,1999 to infuse Rs.325 crores as equity in Indian Airlines in the form of margin money for acquisition of new aircraft. The fund could not, however, be released due to ongoing process of disinvestment in the company.

In October, 2001 Indian Airlines was asked to formulate proposal for acquisition of fleet, so that release of Rs.325 crores could be considered as and when Government takes a final view on the proposal of Indian Airlines.

(c): Kelkar Committee Report does not contain any recommendation on the safety of aircraft.