

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3413

ANSWERED ON:15.04.2010

NACIL RESTRUCTURING PLANS

Bhoi Shri Sanjay;Naranbhai Shri Kachhadia;Paranjpe Shri Anand Prakash;Ramasubbu Shri S.;Ray Shri Rudramadhab ;Roy Shri Nripendra Nath;Shivanagouda Shri Shivaramagouda;Singh Shri Uday Pratap

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government is aware of the National Aviation Company of India Limited (NACIL) running into huge losses;
- (b) if so, the details thereof during the last three years;
- (c) the current status of restructuring plans of the company;
- (d) whether any private players are also to be involved in its restructuring plans;
- (e) if so, the details thereof;
- (f) whether the Group of Ministers set up by the Government on the financial and organizational restructuring of the NACIL has recommended salary cuts of employees;
- (g) if so, the details thereof and the extent to which it is likely to improve the condition of NACIL; and
- (h) the other measures being taken by the Government to improve the overall health of NACIL?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a) and (b): Yes, Madam. Loss of Rs. 447.43 crores (by erstwhile Air India) and Rs.240.29 crores (by erstwhile Indian Airlines), Rs.2226.16 crores (after merger) and Rs.5548 crores have been incurred by NACIL during financial year 2006-07, 2007-08 and 2008-09 respectively.

(c): The components of the restructuring plans of NACIL – fleet rationalization, rationalization of routes and manpower, operationalization of Strategic Business Units, improving services, etc. are at various stages of implementation. The progress of the plan is being reviewed by the Government and GOM (Group of Ministers) on continuous basis.

(d): No, Madam.

(e): Does not arise.

(f) and (g): The Group of Ministers(GOM) in its meeting held on 3.2.10 has considered measures towards rationalisation and harmonization of revenue and costs including wages.

(h): Apart from releasing an amount of Rs.800 crores in two tranches of Rs.400 crores each in February and March, 2010 in the form of equity, Government has made a provision of Rs.1200 crores towards equity in the Budget 2010-11, the release of which shall be considered on achievement of specified targets. Besides, Government has also appointed four Non-official part time Directors on the Board of NACIL in order to render professional and managerial advice to the Board.