

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3823
ANSWERED ON:30.07.2009
LOANS FOR LOSS MAKING CARRIERS
Dharmshi Shri Babar Gajanan

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the loss making carriers are now finding it difficult to get loans from banks;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken by the Government to improve the financial health of public carriers?

Answer

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

(a) to (c):- Getting loans from banks is financial matter of airlines. Ministry does not regulate financial matter of airlines.

The Public Carrier NACIL has initiated the following measures to reduce losses: -

- (i) Integration and restructuring of network and schedules;
- (ii) fuel efficiency improvement measures;
- (iii) enforced credit period for all vendors;
- (iv) Banks requested to roll over the existing working capital borrowings which are due to repayment;
- (v) Extended credit is being sought from the Public Sector Oil Companies for the fuel uplifts by Air India in India.

Apart from that, NACIL has also formulated proposal for equity induction and provision of loans.