

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2232

ANSWERED ON:09.03.2011

FINANCIAL HEALTH OF IA AND AI

Adhalrao Patil Shri Shivaji;Ahir Shri Hansraj Gangaram;Bajirao Shri Patil Padamsinha ;Bapurao Shri Khatgaonkar Patil Bhaskarrao;Bhujbal Shri Sameer ;Gaikwad Shri Eknath Mahadeo;Kumar Shri Kaushalendra;Lagadapati Shri Rajagopal;Nagorao Shri Dudhgaonkar Ganeshrao;Patil Shri A.T. Nana;Ramkishun Shri ;Rani Killi Krupa;Ray Shri Rudramadhab ;Reddy Shri Anantha Venkatarami;Reddy Shri Magunta Srinivasulu;Semmalai Shri S. ;Singh Alias Pappu Singh Shri Uday;Singh Chaudhary Lal;Singh Shri Uma Shanaker;Singh Smt. Meena;Thamaraiselvan Shri R.;Viswanathan Shri P.;Wankhede Shri Subhash Bapurao;Yaskhi Shri Madhu Goud

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the staff of Indian Airlines (IA) and Air India (AI) are facing problems in getting their monthly salary on time;
- (b) if so, the details thereof and the corrective steps taken/being taken in this regard;
- (c) whether there is disparity in salaries of IA and AI pilots after the merger;
- (d) if so, the reasons therefor and the efforts made by the Government for removal of this anomaly;
- (e) whether AI has sought a bailout package for 2011-12;
- (f) if so, the steps being taken by the Government in this regard;
- (g) whether private airlines are doing much better business both at national and international routes and achieved higher positions while National Carrier has slipped downwards;
- (h) if so, the details thereof and the reasons therefor;
- (i) whether the Comptroller and Auditor General (C&AG) in its report has stated the AI has under reported its losses in 2009-10; and
- (j) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION

(SHRI VAYALAR RAVI)

(a) and (b): In view of financial constraints, Air India has delayed the payment of salary by a week. As a long term solution to the liquidity problem, Air India has prepared a `Turnaround Plan`. Besides operational restructuring, the turnaround plan includes financial restructuring to enhance the cash flow of the Company.

(c) and (d): The Employees in Air India, including Pilots, are being paid salary and allowances as per the Wage Agreements signed by the management of erstwhile Air India and Indian Airlines with the respective Unions/ Associations. Air India has been directed to undertake a rationalisation of wage related issues.

(e) and (f): Yes, Madam. A provision of Rs.1200 crores has been made in the Budget for 2011-12.

(g) and (h): The market share of private airlines has improved with the induction of more capacity by them. Whereas, the market share of Air India has gone down as a result of increase in capacity by domestic and foreign airlines and route rationalisation undertaken to curtail costs and losses.

(i) and (j) : The Comptroller and Auditor General of India(C&AG) has made some observations, as a part of their normal procedure. Air India and Ministry of Civil Aviation have clarified to C&AG that this is a normal accounting practice as per standard tax procedures.