

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:552
ANSWERED ON:03.08.2011
PAYMENT OF SALARIES TO AI EMPLOYEES
Panda Shri Prabodh

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India is not disbursing the salaries of their employees and workers in time;
- (b) if so, the details thereof;
- (c) whether the Government has taken steps in this regard so that the salaries and wages are disbursed in time;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a) and (b): There has been delay in payment of wages and salaries because of the severe liquidity crisis in Air India. This is the result of escalating fuel prices, falling yields and high interest costs. The allowances and incentives for the month of May, 2011 and salary wages (including allowances and incentives) for the month of June 2011 are pending.

(c), (d) and (e): The financial position of Air India is being intensively monitored by the Government regularly. The Turnaround Plan and with Financial Restructuring Plan of Air India is presently being examined by a Group of Ministers. Efforts are being made to improve to cash liquidity position of Air India.