

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1743

ANSWERED ON:10.08.2011

RESTRUCTURING OF AI

Majhi Shri Pradeep Kumar; Mitra Shri Somendra Nath; Patel Shri Kishanbhai Vestabhai; Thamaraiselvan Shri R.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government/Ministerial panel has been examining/propose to examine the issue of restructuring of Air India;
- (b) if so, the details thereof;
- (c) whether the said panel has submitted their report;
- (d) if so, the details thereof alongwith the funds required and allocated for restructuring of Air India;
- (e) if not, the reasons therefor alongwith the time by which the report is likely to be submitted;
- (f) whether it is logical to revamp this loss making company at the cost of Tax payer's money;
- (g) if so, the details thereof and the target set by AI for revenue/costs per annum alongwith the projections made in this regard; and
- (h) the steps taken by the Government for survival of Air India till report is finalized?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a) to (g): The financial position of Air India is being monitored by a 'Group of Ministers'. Group of Ministers had directed Air India to prepare a viable and credible Turn Around Plan (TAP). Air India has prepared a TAP and Financial Restructuring Plan (FRP) in consultation with the financial consultant M/s. SBI Caps. The TAP and FRP are currently being examined by a group of Officers as per directions of the GOM. The Group of Officers has been given six weeks time to submit its report. After the submission of the report, the GOM will make a final set of recommendations to the CCEA/Cabinet.

(h): The Government has decided to infuse Rs.1200 crore as equity in order to address to the adverse debt-equity ratio of the Company.