

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:332
ANSWERED ON:23.11.2011
AIR INDIA LOANS
Aaron Rashid Shri J.M.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India (AI) has defaulted on payment of service tax and interest on working capital and owes around Rs. 48,000 crore in loans and payments to vendors;
- (b) if so, the details thereof;
- (c) whether AI has sought norms waiver from Reserve Bank of India (RBI) as its loans would become non- performing assets as per RBI provisioning norms if the interest liability or the repayment of loan is not made by the stipulated time;
- (d) if so, the details thereof; and
- (e) the measures being taken to salvage Air India from its enormous debt burden?

Answer

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

(a) and (b): No, Madam. However, Air India owes approx.Rs22,000 crore by way of working capital loans and approx. Rs.21000 crore as aircraft acquisition loans.

(c),(d) and (e): As part of the financial restructuring, Air India is looking at an Financial Restructuring package in conjunction with their banks for which RBI's approval is necessary. Payments of interest have been made in time to avoid becoming non performing assets.