

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:400

ANSWERED ON:21.12.2011

AIR INDIA'S FINANCES

Gavit Shri Manikrao Hodlya;Thamaraiselvan Shri R.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India and its lenders have broadly agreed to restructure the working capital debt;
- (b) if so, the details thereof;
- (c) whether the Government has agreed to write off some losses of Air India and provide a package of rupees thirty thousand crore over the next few years to liberate the company from the crisis;
- (d) if so, the details thereof alongwith the break-up of funds to be provided to Air India; and
- (e) whether the Government proposes to set up an Oversight Committee to monitor Air India's operational efficiency/expenditure and if so, the details thereof alongwith the other steps being taken in this regard?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a), (b), (c), (d) AND (e) OF LOK SABHA STARRED QUESTION NO.400 TO BE ANSWERED ON 21.12.2011 REGARDING AIR INDIA'S FINANCES

(a), (b), (c) and (d): Upon the directions of Group of Minister (GoM), Air India had prepared its Turn Around Plan (TAP) and Financial Restructuring Plan (FRP), which has been examined by a Group of Officers (GoO). The recommendations of GoO have been referred by GoM for RBI's views and regulatory forbearance of the FRP. The quantum of equity and other support has not been finalised by the Government.

(e): The GoO who have submitted their report to the GoM have recommended that an oversight Committee should be appointed to ensure implementation of the Turnaround Plan and the various milestones. The lenders in their meeting held to discuss the RBI dispensations also suggested setting up of an oversight committee to continuously monitor progress of the Turnaround Plan.