

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:5361

ANSWERED ON:09.05.2012

PRIVATISATION OF AIR INDIA

Das Shri Khagen;Majumdar Shri Prasanta Kumar;Rao Shri Nama Nageswara;Turkey Shri Manohar

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government is contemplating to privatise/ sell a part of its stake in Air India;
- (b) if so, the details thereof alongwith the process being followed/to be followed for privatisation;
- (c) whether Air India has approved transferring of some of its preferential shares to its lenders;
- (d) if so, the details thereof;
- (e) whether the Government has set up a panel to examine the blueprint of Air India's turn around and financial restructuring plans and moved a Cabinet note for equity infusion in Air India; and
- (f) if so, the details thereof?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a): No, Madam.

(b): Does not arise.

(c): No, Madam.

(d): Des not arise.

(e) and (f): The Financil Restructuring Plan (FRP) and Turn Around Plan (TAP) approved by the Group of Ministers(GOM)on 28.10.2011, which was subsequently modified by theGOM on 7.2.2012. The Government of India has considered the FRP/TAP as approved by the GoM and has approved the following financial package for Air India in order to improve its financial condition:-

(i) Induction of upfront equity of Rs.6,750 Crore, including Rs.1,200 Crore provided in the budget of 2011-12 and already released, in FY 2011-12.

(ii) Equity for Cash deficit support of Rs.4,552 crore till FY 2021.

(iii) Equity for already guaranteed aircraft loan of Rs.18,929 Crore till FY 2021.

(iv) GOI Guarantee for repayment of Principal amount and payment of Interest on the Non Convertible Debentures of Rs.7400 crore proposed to be issued to financial institutions, Banks, LIC, EPFO etc. which will be used to repay part of Working capital loans.