

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4302

ANSWERED ON:02.05.2012

BAILOUT PACKAGE FOR AI

Abdulrahman Shri ;Biju Shri P. K.;Dhotre Shri Sanjay Shamrao;Gawali Patil Smt. Bhavana Pundlikrao ;Kodikunnil Shri Suresh;Lagadapati Shri Rajagopal;Owaisi Shri Asaduddin;Ponnam Shri Prabhakar;Rao Shri Sambasiva Rayapati;Reddy Shri Modugula Venugopala ;Shekhar Shri Neeraj;Shetkar Shri Suresh Kumar;Singh Shri Ganesh;Singh Shri Ravneet;Singh Shri Yashvir;Siricilla Shri Rajaiah;Sukur Shri Jadhav Baliram;Thamaraiselvan Shri R.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the Government proposes to acquire new fleet for Air India, including 27 Boeing 787 dreamliners, and if so, the details and the status thereof;
- (b) whether the Government proposes to restructure the Board of Directors of Air India, and appoint professionals instead of bureaucrats and if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has monitored or proposes to monitor the progress/performance of Air India in the aftermath of infusion of capital/bailout packages to the company and if so, the details thereof; and
- (d) the further measures being contemplated to revive the company and make it commercially viable?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

- (a): Yes, Madam. The Cabinet in its meeting held on 12.4.2012 approved the Turnaround Plan and equity infusion into Air India as recommended by Group of Ministers. The plan also envisages induction of 27 numbers Boeing 787 and 3 Boeing 777 aircraft on Sale and Lease Back basis, orders for which had already been placed with Boeing in the year 2005-06.
- (b): Government has already appointed Non-official part time Directors on the Board of Air India in order to render professional and managerial advice to the Board.
- (c): The progress of the Turnaround Plan and Financial Restructuring Plan is being monitored by the Group of Ministers.
- (d): Air India has taken several initiatives towards cost cutting and revenue enhancement which includes i) Complete route rationalization of erstwhile Air India and Indian Airlines routes and elimination of route network involving; ii) Rationalization of certain loss making routes; iii) induction of brand new aircraft on several domestic & international routes to increase passengers appeal; iv) Phasing out of old fleet and consequential reduction in maintenance cost; v) Return of leased aircraft at the end of their tenure or prematurely; vi) Freezing of employment in non-operational areas; vii) Redeployment of staff to cut in-fructuous expenditure; ix) Grounding of ageing fleet including B747-400 which would be used only for certain lines of operations and for operating VVIP flights; xii) Relocation of EDs/IBOs from abroad back to India; xiii) Closure of overseas offline offices at certain locations; xiv) Dismantling of the Frankfurt hub and establishment of the Delhi hub resulting in substantial saving due to restructuring of routes; xv) Establishment of Integrated Operations Control Centres.