

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2612

ANSWERED ON:13.03.2013

AI LOANS

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**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) the details of borrowings of Air India on various accounts including acquisition of new aircraft, working capital requirement, and dues to oil companies;
- (b) the total exposure of Public sector banks to AI;
- (c) the unrecovered dues of AI from various Ministries, its departments its aided institutions and Public sector enterprises of Central and State Governments as on date; and;
- (d) the steps taken by Air India to turn around and perform?;

**Answer**

Minister of State in the Ministry of CIVIL AVIATION ( SHRI K. C. VENUGOPAL )

- (a) : Presently Air India borrowings on account of working capital requirement and on account of acquisition of aircraft is Rs. 15,000 crores (approx.) and Rs. 20,000 crores (approx.) respectively. The total dues of the oil companies are about Rs. 4,200 crores which includes dues for 3 months credit period also
- (b) : The total exposure of public sector banks to Air India is approximately Rs. 15,000 crores.
- (c) The unrecovered dues of AI from various Ministries, Departments, aided Institutions and PSEs of Central/State Governments is about Rs. 300 crores.
- (d): Some of the steps being taken by Air India to improve its operational and financial performance are : (i) Implementation of Fuel Efficiency & Gap Analysis conducted with the help of IATA, (ii) Critical analysis of fuel consumption on all flights by setting up a Fuel Council and Fuel Manager (iii) Route rationalization of erstwhile Air India & Indian Airlines routes and elimination of route network involving parallel operations, (iv) Rationalization of certain loss making routes, (v) Induction of brand new aircraft on several domestic & international routes to increase passengers appeal,(vi) Phasing out of old fleet and consequential reduction in maintenance cost, (vii) Freezing of employment in non-operational areas(viii) Redeployment of staff to curb infructuous expenditure (ix) Enhanced utilization of new fleet resulting in production of higher ASKM, (x) Curtailment of overtime and certain staff perks and relocation of officers from abroad to India (xi) Closure of overseas offline offices at certain locations (xii) Leveraging the assets of the Company to increase MRO revenue and revenue from Company's real estate properties.