

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1722
ANSWERED ON:16.08.2013
BAIL OUT PACKAGE TO AIRLINES COMPANIES
Ajay Kumar SHRI

Will the Minister of FINANCE be pleased to state:

- (a) the norms followed by banks with regard to extending the facility of bailout to airlines companies in the country;
- (b) whether any domestic airlines companies have approached the Government / Reserve Bank of India (RBI) for an economic revival package or sought loan for bailout; and
- (c) if so, the details thereof, company-wise and the response of the Government / RBI thereto?

Answer

The Minister of State in the Ministry of Finance (Shri Namu Narain Meena)

(a) In terms of Reserve Bank of India (RBI) guidelines, banks try to assist companies in distress through several mechanisms, including restructuring, compromises or One Time Settlements (OTS) etc. RBI has prescribed guidelines on restructuring of loan accounts applicable to different types of borrowers.

(b) & (c): Kingfisher Airlines Ltd. and Air India as also their bankers had approached RBI for certain concessions regarding restructuring of their bank loans. Regulatory concessions on restructuring of Kingfisher Airlines and Air India were advised by RBI in August 2010 in respect of Kingfisher Airlines and in November 2011 and January 2012 in respect of Air India.