

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3544
ANSWERED ON:13.02.2014
WAGE PAYMENT IN AIR INDIA
Mani Shri Jose K.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India has sought immediate infusion of funds to the tune of Rs. 6000 crore from the Government to overcome its pressing working capital requirements and if so, the details thereof;
- (b) whether Air India has a wage bill of Rs. 3000 crore and the late payment of wages has become a regular affair for almost a year now and if so, the details thereof; and
- (c) whether Air India has proposed to borrow around Rs. 600 crore from a public sector bank to tide over its immediate wage payment liabilities and if so, the details thereof?

Answer

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

- (a): Consequent upon the acceptance of Turnaround Plan (TAP) /Financial Restructuring Plan (FRP) the Government of India approved infusion of equity of Rs.30231 crores upto 2021. For FY 2013-14 out of required Equity of Rs.8574 crores, only Rs.5000 crores has been provided so far leading to shortfall of Rs.3574 crores.. For FY 2014-15, equity infusion of Rs.3441 crores has been approved. Accordingly, Air India has sought equity of Rs.7015 crores in FY 2014-15, if shortfall of Rs.3574 crs. is not provided before March, 2014.
- (b): (i) Wage bill for Air India for FY 2012-13 was Rs.3254 crores.
- (ii) Salary up to December 2013 has been paid till date.
- (c) : In view of short fall due to delay in Equity Infusion, Government of India has given a Guarantee for short term borrowing up to Rs.3000 crores from various public/ private banks and foreign banks which would be utilised for working capital requirements including wage payment liabilities.