

THE MINISTER OF CIVIL AVIATION (SHRI ASHOK GAJAPATHI RAJU PUSAPATI): (a) No, Sir.

(b) Does not arise in view of (a) above.

(c) The Government has approved Air India's Turnaround Plan (TAP) and Financial Restructuring Plan (FRP) on 12.04.2012, that provides for infusion of additional equity by the Government, cost reduction and improved operational performance. The financial support approved under TAP from the Government is as under :

- (i) Induction of upfront equity of ₹ 6,750 crores.
- (ii) Equity for Cash deficit support of ₹ 4,552 crores from FY 2012-13 to FY 2017-18.
- (iii) Equity for already guaranteed aircraft loan of ₹ 18,929 crores till FY 2021.
- (iv) Government of India (GOI) Guarantee for repayment of Principal amount and payment of Interest on the Non-Convertible Debentures (NCDs) of ₹ 7400 crores proposed to be issued by Air India to the financial institutions, Banks, LIC and EPFO.

Till date, an amount of ₹ 15033 crores has been released as equity support to Air India. Further, as part of the TAP/FRP, Government has laid down performance milestones of Air India and constituted an inter Ministerial Oversight Committee to monitor the performance of Air India *vis-à-vis* milestones set in the TAP.

Rise in inflation rate

*29. SHRIMATI NAZNIN FARUQUE: Will the Minister of FINANCE be pleased to state:

(a) whether there has been unexpected rise in inflation rate during May and June 2014;

(b) if so, the details thereof and the reasons therefor;

(c) whether Government would take concrete steps to bring down inflation and ease the life of common people; and

(d) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) and (b) The average annual inflation measured by the Wholesale Price Index (WPI) moderated gradually

from 9.56 per cent in 2010-11 to 5.98 per cent in 2013-14. However, year-on-year WPI inflation tends to fluctuate for some months due to certain seasonal or commodity specific spikes. As such, WPI inflation has inched upward to 6.01 per cent in May, 2014. The data on WPI inflation for June 2014 is not available. Higher inflation in some food articles, manufactured products (chemicals, textiles, rubber etc), revision in electricity prices and higher inflation in non-administered mineral oils due to increase in global crude oil prices has led to this rise in inflation in May, 2014.

(c) and (d) Government is closely monitoring the situation and taking measures on an ongoing basis to bring down inflation. Some of the specific measures taken recently include:

- Recommending the delisting fruits and vegetables from the purview of Agricultural Produce Marketing Committee Acts of the States; this has since been implemented by Delhi.
- Fixing/revising minimum export price of US \$ 500 per MT and US \$ 450 per MT on the export of onions and potatoes respectively.
- Approving the inclusion of onion and potato under the purview of stock holding limits under the Essential Commodities Act, 1955. This will empower the State Governments to undertake de-hoarding operations and to control the prices of onions and potatoes. This decision is expected to help in the efforts being taken to tackle the problem of rising prices and also improve the availability of these commodities to the general public especially vulnerable sections.
- Allocating additionally 50 lakh tonnes of rice for distribution to below poverty line (BPL) families at BPL prices and above poverty line price for others for the period July, 2014 to March, 2015 or till implementation of the National Food Security Act (NFSA) by the respective State/UT whichever is earlier.

Besides the above recent measures, some of the important steps taken earlier in this regard include: reducing import duties to zero — for wheat, onion and pulses and imposing stock limits on various commodities; suspending futures' trading in rice, urad and tur as a matter of abundant precaution; maintaining the central issue price (CIP) for rice (at ₹ 5.65 per kg for BPL and ₹ 3 per kg for Antyodaya Anna Yojana) and wheat (at ₹ 4.15 per kg for BPL and ₹ 2 per kg for Antyodaya Anna Yojana) since 2002 for protecting the poor from price rise.