

Financial liabilities of Air India

*105.DR. BHALCHANDRA MUNGEKAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the total financial liabilities of Air India including Indian Airlines, as on 31 March, 2014; and

(b) the details of the plan of the Ministry to clear these liabilities?

THE MINISTER OF CIVIL AVIATION (SHRI ASHOK GAJAPATHI RAJU PUSAPATI): (a) The financial liabilities of Air India as on 31.3.2014 are as follows:

- (i). Aircraft Debt Outstanding - ₹ 17,565.05 cr.
- (ii). Working Capital Loan - ₹ 21,257 cr.
- (iii). NCDs - ₹ 7400 cr.
- (iv). Current Liabilities
 - 1. Bridge Loan for acquiring B787 aircraft - ₹ 3500 crores.
 - 2. Vender Liabilities - ₹ 5700 crores.

(b) Government has taken the following measures to improve the financial condition of Air India:

- 1. in view of the financial liabilities of Air India and its mounting debt burden, Air India formulated a Turnaround Plan (TAP), comprising an Operational Turnaround Plan and a Financial Restructuring Plan (FRP), which was approved by Cabinet Committee on Economic Affairs (CCEA) on 12th April, 2012. The FRP 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 ₹ 6750 crs.;
 - (ii). Equity for Cash deficit support of ₹ 4552 crs. from FY 2012-13 to FY 2017-18;
 - (iii). Equity for already guaranteed aircraft loan of ₹ 18929 Crs. till FY 2021; and
 - (iv). Government of India Guarantee for repayment of Principal amount and payment of Interest on the Non-Convertible Debentures (NCDs) of ₹ 7400 Crs. proposed to be issued by Air India to the financial institutions, Banks, LIC and EPFO.
- 2. As a part of the TAP/FRP, Government has laid down performance milestones for Air India and constituted an Inter Ministerial Oversight Committee to monitor the performance of Air India *vis-a-vis* milestones set in the TAP.