

Tirupati, Mangalore, Tezu, Port Blair, Vijaywada, Vadodara, Hubli, Belgaum, Jharsuguda, Kishangarh, Gorakhpur, Jammu, Calicut and Thiruvananthapuram. The timeline for construction and modernisation of airport projects depends upon several factors like land acquisition, availability of mandatory clearances, topographical constraints, financial closure etc.

Financial crisis of Air India

494. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that the Air India is reeling under financial crisis and so is looking out for financial assistance from banks for its administrative capital;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the measures being taken by Government to strengthen Air India?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) and (b) Air India over the past few years and especially since the implementation of the Turnaround Plan by the Government has been constantly improving its operational as well as financial performance. In the Financial Year 2015-16, the company has posted an Operating Profit of ₹ 105 crores. In the Financial Year 2016-17 also, the company has been steadily improving its all round performance and it is expected that the company would again post an improved Operating Profit margin in the current year also.

However, liquidity constraints continue to impact the smooth performance of the company, the impact of which have been met by the Equity infused by the Government. In this connection the company has been making constant efforts for substituting its high cost working capital loans with long term low cost debt. Air India has been in consultation with various banks in this direction so that the interest costs can come down substantially in the coming years.

(c) Government had approved a Turnaround Plan (TAP)/Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of ₹ 30231 crores upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. The Company has made substantial progress in both Operational as well as Financial Areas as per TAP milestones. As a part of the Turnaround Strategy for Air India Ltd., the company with the overall support of the Government has initiated a number of steps in order to cut costs and losses.