

Financial restructuring of Air India

4338. DR. R. LAKSHMANAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that inspite of repeated and number of bailout packages and the recent Turnaround Plan (TAP)/ Financial Restructuring Plan (FRP) Air India is unable to register substantial profit, if so, the details thereof; and

(b) whether it is also a fact that Air India is unable to register Operational Profit for more than three years and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) and (b) Government has approved the only Turnaround Plan(TAP)/ Financial Restructuring Plan (FRP) in 2012 for operational and financial turnaround of Air India. Air India over the past few years and especially since the implementation of the Turnaround Plan, 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.

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 so that the interest costs can , come down substantially in the coming years to improve its profits.

Change in 5/20 Rule

4339. SHRI B.K. HARIPRASAD: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government has proposed any change in "5/20 Rule" for new aviation companies;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) how these changes will help in the development of aviation sector in the country?