

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3475
ANSWERED ON:20.08.2004
UNDER CAPITALIZATION OF IA/AI
Singh Shri Chandra Bhushan;Singh Shri Dushyant

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government is aware of under capitalization of Indian Airlines and Air India;
- (b) if so, the details thereof alongwith the reasons therefor; and
- (c) steps being taken in this regard?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b) & (c) : The paid up equity capital of Air India is Rs. 153.84 crores while the equity capital base of Indian Airlines is of Rs. 107.14 crores. Keeping in view the capital intensive nature of business, the current equity base of the two airlines is not considered adequate. The question of increasing the equity base of these airlines is linked to their aircraft acquisition proposals.