

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4686

ANSWERED ON:15.12.2016

Losses Incurred by Aviation Sector

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the total loss incurred by the aviation sector during the financial year 2015-16 and the percentage of total loss incurred by Air India during the same period;
- (b) the reasons for incurring losses by aviation sector as well as Air India;
- (c) the total number of airports operating in the country and out of them, the number of profitable airports operational during the financial year 2015-16;
- (d) whether the Government has institutionalized any mechanism for the settlement of loans and system of recovery on the losses incurred by Air India; and
- (e) if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): During the year 2015-16, the scheduled airlines posted an operating surplus of Rs.42,697.27 Million (Provisional) out of which, Air India's contribution amounts to Rs.1050.00 Million (Provisional). The Financial performance of all scheduled Indian Carriers are available at Annexure.;

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(b): The major reasons for the losses to airline industry include high incidence of taxes on ATF, high ATF prices in the previous years, reduced yield due to increase in competition and adverse impact of exchange rate variation due to weakening of the Indian Rupee. However, the net loss of Air India for the year 2015-16 was Rs.3836.77 crores.

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(c): There are 94 airports operational under Airport Authority of India in which 13 airports are profitable during the financial year, 2015-16.

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(d) & (e): The Government has already approved the Turnaround Plan (TAP) and the Financial Restructuring Plan (FRP) of Air India in terms of which the Government is infusing Equity in to Air India. This Equity infusion also includes the financial support towards the repayment of Principal as well as Interest on the Government guaranteed Loans taken for the acquisition of aircraft by Air India. As per the TAP/FRP, Government will infuse Rs.30231 crores as equity support and repayment of the Government Guaranteed Loans/ Interest till FY 2020-21.;

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Till November, 2016, the Government has already infused an amount of Rs.23993 crores in the form of Equity Infusion into Air India. The TAP/FRP also provides that equity would be infused subject to achievement of certain laid down milestones. The Company has achieved most of the targets set out in the TAP milestones, and has made progress in both Operational as well as Financial Areas.