



# Air India Working on Its Turnaround Strategy

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Air India over the past few years and especially since the implementation of the Turnaround Plan by the Govt. 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 Rs.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.

The 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 Rs.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 Govt. has initiated a number of steps in order to cut costs and losses.

This information was given by the Minister of State for Civil Aviation Shri Jayant Sinha in written reply to a question in Rajya Sabha today.

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