



Ministry of Civil Aviation

Substantial Progress in Operational and Financial Areas by Air India

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Air India continuously monitors the market developments, performance of its flights and carries out studies with an objective to withdraw, to introduce new routes or increase or decrease frequency on existing routes. Air India has withdrawn flights which were not meeting their fuel and variable cost. However, Air India analyses the reasons for the losses and based on the strategic importance of such services to its network arrives at a decision whether to continue or withdraw such services. While determining the desirability or otherwise of discontinuing services of loss making services, Air India takes into account the revenue contributions made by the subject services to its other services by way of feeder traffic. As such non-profitability of any one flight is not taken in isolation as the sole barometer of its financial performance.

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 Government 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 Lok Sabha today.

UM/MS

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