



Ministry of Civil Aviation

# Air India : Improvement in Operational and Financial Performance

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The Air India has registered remarkable improvement in both operational and financial performance since the introduction of the Turnaround Plan/Financial Restructuring Plan by the Govt. This can be seen from the following:

(i) Improvement in Operational Performance

- The passenger load factor has improved to 75.6% in 2015-16 from the Seat Factor of 67.9% in 2011-12.
- The number of Revenue Passenger has increased from 13.4 Million in 2011-12 to 18.0 Million in 2015-16.

(ii) Improvements in Financial Performance

- The Operating Loss has consistently reduced since 2011-12 and infact in 2015-16 the company has achieved an Operating Profit of Rs 105 crores. The Operating Loss during 2011-12 was Rs 5138.69 crores.
- The Net Loss during 2015-16 is Rs.3836.77 crores as against loss of Rs.7559.74 Crores in 2011-12.
- The Company has turned EBIDTA positive by Rs 2413.29 crores as against the negative EBIDTA of Rs 2236.95 crores in 2011-12.
- Total Revenue increased by Rs.4622.77 crores i.e.29 % as compared to levels of 2011-12.

The main reasons for the losses of Air India is that the company is facing financial pressure and earning less profits due to high debt burden as an offshoot of past accumulated losses. The debt servicing is at around Rs. 6000 crores per annum for Air India.

The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 28<sup>th</sup> June, 2017 has given in-principle approval for considering strategic disinvestment of Air India and its five subsidiaries and constitution of Air India Specific Alternative Mechanism. To implement the decision of CCEA, appointment of Transaction Adviser, Legal Adviser and Asset Valuer shall be taken up as per terms and conditions and scope of work of Advisers/ Valuer in accordance with the model RFPs suggested by the Department of Investment and Public Asset Management.

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

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**NP/MS**

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