

SBI Caps prepares road map for Air India rejig

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AS a high-level committee headed by the cabinet secretary prepares to review Air India's overall performance, SBI Caps is readying a road map to restructure and strengthen the national carrier which is suffering an estimated monthly loss of about Rs 250 crore. SBI Caps, which was appointed recently to prepare short, medium and long term growth plans for the carrier, has studied the company's financials and estimated that it would take two years to break even if the current load factors and revenues remain the same, sources in the know said.

While the annual average revenue stands at about Rs 16,000 crore, the passenger load factor of Air India ranges between 60-65 per cent. It is estimated that almost half of the daily losses of the airline goes towards payment of interests, primarily on its borrowings of Rs 16,000 crore from 15 banks as overdraft. This was mainly to pay off debt for its fleet acquisition.

The high-level Committee, headed by cabinet secretary K M Chandrasekhar, would meet on Saturday where the first Action Taken Report of the airline would come up for review, apart from the key features of the SBI Caps roadmap, the sources said.

Civil aviation minister Praful Patel said, "We have appointed SBI Caps. Soon, we would be getting feedback on what would be the short, medium and long term restructuring required for Air India."