

Embattled Air India seeks 'urgent' loan

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Air India has announced it is seeking an urgent multi-million-dollar loan to maintain day-to-day operations, highlighting the wretched financial predicament of the country's debt-stricken national carrier.

In a statement posted on its website this week the airline said it was looking for a short-term loan of 10 billion rupees (\$148 million) "to

meet urgent working capital requirements".

Air India has failed to pay staff their salaries on time for the past three months, according to multiple news reports.

The plea for funds, made on Tuesday but only picked up by media late Thursday, came just days after the government said it had not received any bids in an auction for a majority stake in the beleaguered airline.

The government announced in March that it planned to sell up to 76 percent of Air India but a May 31 deadline passed without any suitors coming forward.

Airlines and other investors were put off by some of the sale terms, forcing the government to go back to the drawing board.

India's Tata Group, Singapore Airlines (SIA) and IndiGo were all linked to a takeover but subsequently ruled themselves out.

IndiGo, India's biggest airline, wanted Air India's international operations but the [government](#) refused to carve up the carrier.

Air India, founded in 1932, was once the country's monopoly airline, known affectionately as the "Maharaja of the skies".

But it has been haemorrhaging money for years and it has lost market share to low-cost rivals in one of the world's fastest-growing airline markets.

Successive governments had spent billions of dollars to keep it flying before Prime Minister Narendra Modi's cabinet last year gave the go-ahead for a sell-off.

Air India is about \$8 billion in the red and reported losses of almost 58 billion rupees for the financial year ending March 2017.

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