

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
RAJYA SABHA  
UNSTARRED QUESTION NO : 2404  
(TO BE ANSWERED ON THE 8<sup>th</sup> August 2018)

**Absorption of debt of Air India before disinvestment**

2404. SHRI G.C. CHANDRASHEKHAR

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether Government plans to divest its share in Air India and its subsidiaries in the coming months, if so, the details thereof;
- (b) the reasons as to why the disinvestment in Air India failed in 2018 and the details thereof; and
- (c) whether Government plans to absorb the debt in Air India before selling its stake, if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(Shri Jayant Sinha)

(a) and (c): The Government remains committed to the disinvestment of Air India. In this regard, the Air India Specific Alternative Mechanism (AISAM) has decided as follows:

(i) In view of volatile crude prices and adverse fluctuations in exchange rates, the present environment is not conducive to stimulate interest amongst investors for strategic disinvestment of Air India in immediate near future. The issue would be revisited once global economic indicators including oil prices and forex conditions stabilize,

(ii) to undertake near and medium term efforts to capture operational efficiencies and to improve the performance of Air India,

(iii) to monetise non-core land and building assets,

(iv) to separately decide the contours of the mode of disposal of the subsidiaries viz. Air India Engineering Services Limited (AIESL), Air India Air Transport Services Limited (AIATSL) and Airline Allied Services Limited (AASL).

(b): Probable reasons as analyzed by the Transaction Advisor, i.e, M/s EY for non-receipt of bids, interalia, are GOI 24% stake and corresponding rights, high amount of allocated debt, changes in macro environment, individuals not being allowed to bid, profitability track record and bidders not being able to form a consortium within given time period.