

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3389
(To be answered on the 15th March 2018)

Monetization of Air India Assets

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Will the Minister of CIVIL AVIATION
नागर विमानन मंत्री

be pleased to state:-

- (a) whether Air India (AI) has achieved any significant progress in monetizing its assets according to the CCEA's Financial turnaround plan of 2012;
- (b) if so, the details of the monetized assets, location-wise;
- (c) whether the Ministry has any specific rationale behind the sale of the properties of Air India to State Bank of India in South Mumbai;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Air India was unable to meet the target under the asset monetization plan due to problem with land titles and if so, the details thereof; and
- (f) whether out of Rs.500 crore financial restructuring plan involving asset monetization from 2012-13 to 2021-22, AI has so far managed to garner only Rs.369 crore and if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION
नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

- (a) & (b): Cabinet Committee on Economic Affairs (CCEA) approved the FRP & TAP for Air India (AI) in the year 2012. It also approved monetization of Real Estate Assets in AI to the tune of Rs.5000 crore over the next 10 years period with the annual target of Rs.500 crore from the Financial Year 2013 onward. The Following properties have been monetized so far by AI:
- i) 06 Flats sold to SBI at Sterling Apartment, Mumbai at Rs.22 crore each totaling Rs.132 crore.
- ii) Vacant land at Coimbatore sold to NBCC at Rs.19.81 crore.
- iii) Vacant land returned to EDC, Govt. of Goa at Rs.2.50 crore.
- iv) Lease rental from renting out of Air India Building Nariman Point and an amount of Rs.291 crore collected since 2012-13 till January 2018.
- v) Lakshmi house, Chennai to MEA at Rs. 97.72 crore.

(c) & (d): The four flats at Sterling Apartment, Peddar Road, Mumbai, were put to e-auction during 2015-16. Bids were received from SBI & GIC. The rates quoted were again negotiated with SBI and a final price of Rs.22 crore achieved for each flat against quoted price of Rs.19.50 crore for each flat. The sale of properties to SBI at the above price was recommended by Over Sight Committee on Monetization and also by Board of AI.

The 2 flats in the sterling Apartment were Mumbai were put to e-auction during 2016-17. Bid of Rs.18.6 crore was received against the Reserve Price of Rs.22 crore. The bids were rejected and as approved by Over Sight Committee, the offer of sale of 02 flats to SBI was approved by AI Board being the highest price offered by a Public Sector Bank.

(e): AI was unable to meet the target under the asset monetization plan due to problem with land titles. The high value properties were allotted to AI for specific purposes which had end use restrictions and did not have clear marketable titles as they were allotted on perpetual lease basis. The details of high value properties are as follows:

- i) AI Housing Colony at Vasant Vihar, New Delhi allotted by Ministry of Urban Development (MoUD) for residential purposes only.
- ii) Land at Baba Kharak Singh Marg, New Delhi allotted by Ministry of Urban Development (MoUD) for Air India City Terminal office.
- iii) Residential land for AI housing (WB) at plot Sector 27, Nerul, Mumbai allotted by CIDCO, Govt. of Maharashtra.
- iv) Residential land for AI housing (NB) at plot Nerul, Mumbai allotted by CIDCO, Govt. of Maharashtra. Subsequently, CIDCO cancelled the allotment letter.

(f): Air India has monetized a sum of Rs.543.03 crore from 2012-13 to 2017-18. The details of properties so far monetized by AI are as indicated in the reply of (a) & (b) above.
