

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 1489  
(To be answered on the 26<sup>th</sup> July 2018)**

**SALE OF AIR INDIA**

1489. **KUNWAR BHARATENDRA  
DR. KIRIT SOMAIYA  
SHRI PRASUN BANERJEE  
PROF SAUGATA ROY  
SHRI V. ELUMALAI  
SHRIMATI VASANTHI M.  
SHRI MALLIKARJUN KHARGE  
PROF RAVINDRA VISHWANATH GAIKWAD  
SHRI SISIR KUMAR ADHIKARI  
ADV. NARENDRA KESHAV SAWAIKAR**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Government has undertaken any revision of terms of sale of Air India and if so, the details thereof;
- (b) whether the Government has constituted a committee to work out the modalities to prepare a bailout package for Air India and if so, the details thereof;
- (c) whether the Air India has any shortage of funds to pay the salary of its staff and if so, the details thereof;
- (d) the total assets and liabilities of Air India as of now;
- (e) whether Air India would be split into five parts with four of them being offered for sale while the fifth would be an SPV that would remain with the Government and if so, the details thereof; and
- (f) the steps taken by the Government to bailout Air India including details of funds infused by the Government during the last three years and the current year, year-wise?

**ANSWER**

**Minister of State in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री**

**(Shri Jayant Sinha)**

(a) 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) & (f) In order to help Air India in mitigating its continuing losses and to take back on the path of profitability, the Government has already approved and implemented a Turn Around Plan (TAP) and Financial Restructuring Plan (FRP) of Air India in 2012 in terms of which, all Government Guaranteed loans and interests thereon are being paid by the Government by way of equity infusion into Air India. Similarly, a Financial Restructuring Plan (FRP) has also been implemented by means of which, high cost working capital loans have been converted into long term debt carrying lesser rates of interest so as to reduce the financial burden on Air India.

The TAP/FRP includes budgetary support amounting to Rs. 30231 crore spread over 10 years i.e. upto FY 2020-21 and also equity support for the payment of principal/interest of the Non-Convertible Debentures (NCD). Air India has received an equity infusion of Rs. 27195.21 crore till date. The details of the Equity infused by the Government in Air India during the last three years and the current year are as follows:

Year	Amount (in crore)
2015-16	Rs. 3300.00
2016-17	Rs. 2465.21
2017-18	Rs. 1800.00
2018-19	Rs. 650.00 (upto June, 2018)

(c) Salaries have been paid to all employees including the salary for the month of June, 2018 which was paid on 2nd July, 2018. There was a short delay in the payment of Salaries for May, 2018. However, the same were paid subsequently.

(d) The details of the major items of Assets and liabilities of Air India as per the last Audited Accounts of FY 2016-17 of the company are at Annexure.

(e) Answer of point no.(a) may be referred to.

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Annexure

The details of the major items of Assets and liabilities of Air India Ltd as per the last Audited Accounts of FY 2016-17 of the company are as follows:

(Rs. in crore)

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Outstanding Loans/ Debts	48447.37	Net Fixed Assets	29792.63
Current Liabilities (including Long Term Provisions	19649.81	Current Assets(including Non-current Investments, Long Terms Loans & Advances/Trade Receivables and other Non- Current Assets	16717.7

