

**GOVERNMENT OF INDIA**  
**MINISTRY OF CIVIL AVIATION**  
**LOK SABHA**  
**UNSTARRED QUESTION NO. : 2659**  
**(To be answered on the 2<sup>nd</sup> August 2018)**

**PRIVATIZATION OF AIR INDIA**

**2659. SHRI MUTHAMSETTI SRINIVASA RAO (AVANTHI)**  
**SHRI PINAKI MISRA**  
**SHRI G. HARI**  
**ADV. NARENDRA KESHAV SAWAIKAR**  
**SHRI A. ARUNMOZHITHEVAN**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether the Government is examining the option of offering 100 per cent stake in the national carrier, Air India to a private entity in spite of earlier 76 per cent offer and if so, the details thereof;
- (b) whether the interest of the employees would be protected in the backdrop of the sale of the national carrier and if so, the details thereof;
- (c) the plan of action of the Government after the failure of the efforts of FDI in Air India;
- (d) whether the Government is considering to exit the airline altogether, instead of holding 24 per cent, if so, the details thereof;
- e) whether there would not be over 160 queries after the Preliminary Information Memorandum if there were no buyers for the airline and if so, the details thereof;
- (f) whether a foreign player has expressed interest in acquiring 49% stake in Air India and if so, the details thereof;
- (g) whether this company has given an unsolicited expression of interest for Air Indian's airline arm if so, the details thereof; and
- (h) whether it is likely that the foreign players is an airline as Government had earlier allowed foreign airlines to invest upto 49% in Air India 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) & (d):** The Government has no such plan to exit Air India by offering 100 percent stake.

**(b) & (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).

(e): The Preliminary Information Memorandum (PIM) for inviting Expression of Interest (EOI) for the Strategic Disinvestment of Air India including its shareholding in Air India Express and AI SATS was issued on 28.03.2018. Accordingly, time was given upto 16.04.2018 for submitting written queries by the prospective bidders to the Transaction Advisor. On receipt of the queries by the Transaction Advisor, clarification/corrigendum to PIM was issued on 01.05.2018.

(f) to (h): The Preliminary Information Memorandum (PIM) for inviting Expression of Interest (EOI) for the Strategic Disinvestment of Air India including its shareholding in Air India Express and AI SATS was issued on 28th March, 2018. No EoI/ bid was received till the last date of receipt of bids. Any informal or unsolicited Expression of Interest was not considered relevant.

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