

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 1050
(To be answered on the 27th June 2019)**

DISINVESTMENT OF AIR INDIA

1050. SHRI GANESH SINGH

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has given ex-post facto approval for the creation of the Special Purpose Vehicle (SPV) and associated activities for the disinvestment of Air India and its subsidiaries/Joint Ventures;
- (b) if so, the details thereof;
- (c) whether the approval would ease warehousing of Air India's subsidiary companies approval namely, AIATSL, AIESL, AASL and HCI from Air India to the newly created SPV company, if so, the details thereof;
- (d) whether AIATSL has been transferred to AIAHL subject to conditions precedents which include lenders' approval, if so, the details thereof along with precedents which include lenders' approval; and
- (e) the details of Preliminary Information Memorandum (PIM) for disinvestment of AIATSL and Non-core assets, painting and artifacts and other non-operational assets of Air India Ltd.?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a) to (c): An SPV has been created for warehousing accumulated working Capital Loan not backed by any asset along with four Subsidiaries (Air India Air Transport Services Limited (AIATSL), Airline Allied Services Limited (AASL), Air India Engineering Services Limited (AIESL) and Hotel Corporation of India Limited (HCI), non-core assets, paintings and artefacts and other non-operational assets of Air India Limited to an SPV. The name of the SPV is Air India Assets Holding Limited (AIAHL). Ex-post facto approval of Cabinet was accorded for the creation of SPV on 28.02.2019.

(d): No, Sir. The Share Purchase Agreement between Air India Ltd. and AIAHL agreeing to transfer the shares of AIATSL to AIAHL has been executed subject to conditions precedents which include lenders' approval.

(e): After due process, the Preliminary Information Memorandum for inviting Expression of Interest from the prospective bidders for proposed disinvestment of AIATSL was issued on 12th February, 2019. Subsequently, queries were raised by prospective bidders which involve policy issues and issues relating to change in Ground Handling Policy. The last date of release of response to the queries and subsequent dates has been revised from time to time.

The Government has decided to transfer following to the newly-created SPV:

- i. Debt of Air India Ltd. amounting to Rs. 29,464 crore**
- ii. The subsidiaries which are not part of Air India strategic disinvestment viz. AIATSL, AIESL, AASL and**
- iii. Non-core assets, paintings and artefacts and other non-operational assets of Air India Ltd.**
