

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2095
(To be answered on the 4th July 2019)**

PRIVATISATION OF AIR INDIA

2095. SHRI RAVNEET SINGH BITTU

Will the Minister of CIVIL AVIATION
नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has any plans to privatise Air India and if so, the details thereof;
- (b) the reasons for not attracting a buyer for Air India and
- (c) Whether the Government has sufficiently incentivised companies to buy Air India, including ceding them management control, if so, the details thereof?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a): Yes, Sir. The Government is committed to the strategic disinvestment of Air India. The Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 28.06.2017, had given an in-principle approval for considering strategic disinvestment of Air India and its five subsidiaries. CCEA constituted an Air India Specific Alternative Mechanism (AISAM) to guide the process on strategic disinvestment from time to time and decide issues which, inter-alia, include treatment of unsustainable debt of Air India, hiving off of certain assets to a shell company, demerger and strategic disinvestment of three profit making subsidiaries, the quantum of disinvestment and the universe of bidders.

(b) Probable reasons as analyzed by the Transaction Advisor i.e M/s EY for non-receipt of bids in 2018, inter-alia, were 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.

(c) The Government is committed to the Strategic Disinvestment of Air India. The parameters for disinvestment will be decided by the AISAM. The strategic disinvestment of Air India includes transfer of management contract.