

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3061
(To be answered on the 11th July 2019)**

STATUS OF PRIVATISATION OF AIR INDIA

**3061. SHRI BHARTRUHARI MAHTAB
SHRI RAJENDRA DHEDYA GAVIT
SHRI RAHUL RAMESH SHEWALE**

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government proposes to privatise Air India and if so, the details and the present status thereof;
- (b) whether the Government has received any representations from various quarters including Air India Unions to not privatise Air India and if so, the details thereof along with the reaction of the Government thereto;
- (c) the quantum of debt decreased/increased and profits earned/losses incurred by the Air India during each of the last three years and the current year;
- (d) the capital infused by the Government in to Air India during the said period; and
- (e) the steps taken/being taken by the Government to revive Air India and to protect the interests of its employees in case of its privatisation?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a): 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 subsidiaries.

After no bid was received for strategic disinvestment of Air India by the last date i.e 31.05.2018, the Air India Specific Alternative Mechanism (AISAM) in its meeting held on 18.06.2018, had, inter-alia, decided that in the meanwhile:

- i) all near medium term efforts should be made to capture operational efficiency and to improve performance of Air India,**
- ii) the non-core land and building assets, that have already been identified**

should be monetized,

iii) the assets could be shifted to Air India Assets Holding Limited so as to retire the debt of Air India and

iv) the services of extant advisers should be used to carry out above mentioned activities.

Government has also directed Air India Limited to get financials of Air India and its subsidiaries finalized. Further, an AISAM with new members on its re-constitution will finalise the parameters for disinvestment of Air India.

(b): Joint Forum of Air India Unions/Associations /Guild/ Federation/Trust, vide their letter dated 12.06.2019 to Air India, has expressed its protest against the privatisation of Air India. However, no official communication has been made by the Management of Air India regarding the same.

(c): The details of the total Debt and Net Losses of Air India of the last 3 years and the current year are given hereunder (Rs in Crore):

Year	Net Loss	Total Debt
2018-19	7635.00(prov.)	58351.93 (Prov)
2017-18	5348.18	55308.52
2016-17	6452.89	48447.37
2015-16	3836.78	52817.02

(d): The details of the funds infused into Air India by the Government during the last 3 years and current year are as under (Rs in Crore) :

Year	Amount
2018-19	3975.00
2017-18	1800.00
2016-17	2465.21
2015-16	3300.00

(e): Government prepared a Revival Plan for Air India which included a comprehensive financial package. The Revival Plan of Air India focuses on the operational efficiencies so that substantial increase in revenue or cost saving can be achieved. The Revival Plan, inter-alia, comprises several major elements including:

- (i) Higher levels of operational efficiency by strengthening management and implementing best practice business processes
- (ii) Robust organizational and governance reforms to be implemented by an eminent Board
- (iii) Differentiated business strategies for each Air India's core businesses
- (iv) World-class HR practices to ensure a talented and motivated workforce and
- (v) Sale of non-core real estate assets and strategic disinvestment of subsidiaries such as Air India Air Transport Services Ltd. (AIATSL).

Further, even as the Government is committed to the disinvestment of Air India, the Government has approved a Revival plan of Air India with financial support. The financial support, inter-alia, includes a cash support of Rs. 3975 crore to Air India, transfer of debt amounting to Rs. 29464 crore from Air India Limited to Special Purpose Vehicle (SPV) i.e Air India Assets Holding Limited (AIAHL), providing Government guarantee of Rs. 7600 crore to Air India Limited and Rs.1300 crore to SPV to meet the interest for Q3/Q4 of Financial Year 2018-19 on the debt transferred to the SPV. Also, the entire debt on the SPV debt would be serviced by the Government from Financial Year 2019-20 for which Rs. 2600 crore has been provided.

Further, an AISAM with new members on its re-constitution will finalise the parameters for disinvestment of Air India.
