

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 933
(To be answered on the 27th June 2019)

DISINVESTMENT OF AIR INDIA

933. SHRI RAHUL KASWAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has accorded in-principle approval to the strategic disinvestment in the Government owned Air India;
- (b) if so, the details thereof along with other ways being prepared by the Government in this regard;
- (c) the total market share and the quantum of debt on Air India as on date;
- (d) whether the Government is likely to consult all stakeholders along with Employees Unions before making disinvestment;
- (e) if so, the details thereof; and
- (f) the time by which strategic disinvestment is likely to be made?

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 Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 28.06.2017, has given in principle approval for considering strategic disinvestment of Air India and its five subsidiaries and constitution of Air India Specific Alternative Mechanism (AISAM) to guide the process of strategic disinvestment from time to time and decide issues which, inter-alia include hiving off of certain assets to a shell company, the quantum of disinvestment and the universe of bidders etc.

(b): 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 i.e. 31.05.2018. 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).

(c): As per the provisional figures of FY 2018-19, the total debt of Air India Ltd as on 31st March 2019 is Rs 58,351.93 crores. The total Market Share of Air India Group for FY 2018-19 is as follows:

International : 16.7 %

Domestic : 12.52%

(d) & (e): Air India Limited had held consultations with its employees at the time of the earlier disinvestment process in 2018.

(f): The Government remains committed to the disinvestment of Air India Ltd. and its subsidiaries. In this regard, AISAM has, inter-alia, approved the contours for sale of subsidiaries of AI and directed to expedite the sale of AIATSL.
