

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 840
(To be answered on the 17th September 2020)**

STAKE SALE IN AIR INDIA

840. SHRI BHARTRUHARI MAHTAB

Will the Minister of CIVIL AVIATION

नागर विमानतल मंत्री

be pleased to state:-

- (a) whether the Government has found any bidder for its stake sale in Air India so far;
- (b) if so, the details thereof and if not, the reasons therefor along with the present debt burden of Air India;
- (c) whether the Government has formulated any plan to get Air India out of its debt during each of the last three years and the current year, if so, the details and its success thereof;
- (d) the impact of lockdown due to Covid-19 Pandemic on earnings and debt of Air India;
- (e) the corrective steps taken/being taken by the Government to protect Air India and the rights of its employees along with achievements thereof?

ANSWER

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

नागर विमानतल मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a) & (b): The Preliminary Information Memorandum (PIM) for inviting Expression of Interest for sale of 100% equity share capital of Air India Limited (AIL) including AIL's 100% shareholding in the Air India Express Limited (AIXL) and 50% shareholding in Air India SATS Airport Services Private Limited (AISATS) has been issued on 27.01.2020. However, in view of prevailing situation arising out of COVID 19, last date for submission of EOIs has been extended to 30.10.2020.

As per process of the disinvestment, the Expression of interest in response to PIM by any group or entity will be submitted to the Transaction Advisor. The date of intimation to Qualified Interested Bidders has also been extended to 20.11.2020.

The debt of Air India as on 31.03.2019 as per Annual Audited Accounts of FY 2018-19 is Rs 58255.89 crore.

(c): As decided in the meeting taken by the then Finance Minister on 07.09.2018, operational and financial performance parameters and milestones have been fixed and are being regularly reviewed by the Government. Further, in order to prepare Air India for strategic disinvestment, a strategic plan has been approved by the Government to establish a strong competitive and self-sustaining airline. The plan has several components, which, inter-alia, includes financial package and focuses on increasing the operational efficiencies whereby substantial increase in revenue or cost saving can be achieved. The major components of financial package for F.Y. 2018-19, inter-alia, included:

- i) A total debt amounting to Rs 29464 crore to be transferred from Air India Ltd to the SPV viz Air India Assets Holding Co Ltd.(AIAHL).
- ii) A cash support of Rs 3975 crore to Air India, inclusive of Rs 1630 crore already infused in AI in FY 2018-19.
- iii) Provide a Govt Guarantee of Rs 7600 crore, inclusive of Rs 3000 crore already provided to AI in F.Y. 2018-19, to raise new debt for payment of stretched liabilities.

The above support was provided to Air India Limited during FY 2018-19, FY 2019-20 and FY 2020-2021.

Further, an amount of Rs. 1000 crore as loan to Air India Limited has also been provided in the current financial year.

(d): Air India Ltd has been suffering continuous losses. The COVID pandemic alongwith its related impact on aviation Industry has further worsened the financial position of the Company. During the lockdown period Air India had skeletal operations of flight under Vande Bharat Mission and Chartered flights. As compared to Qtr.1 of the previous FY 19-20, there has been a drop in flight operations in Qtr. 1 of FY 20-21. The net loss in Qtr. 1 of FY 20-21 is about Rs 2570 crore as compared loss of Rs 785 crore in Qtr. 1 of FY 19-20.

(e): The Government is committed to the disinvestment of Air India. The interest of the employees of Air India will be safeguarded in accordance with the guidelines of Department of Investment and Public Asset Management, Ministry of Finance on strategic disinvestment of CPSEs and same will be reflected in the Share Purchase Agreement to be signed with new owner, post disinvestment.
