

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 919
(To be answered on the 17th September 2020)**

PRIVATISATION OF AIR INDIA

919. SHRI ANTO ANTONY

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) the present stage of privatization of Air India and other subsidiaries of Air India;
- (b) whether the Government has recently notified the privatization of Air India, if so, the details and the response thereof;
- (c) the major hindrances of detaining Air India in the present form;
- (d) whether mismanagement of Air India is one of the main reasons for loss and if so, the details thereof; and
- (e) whether Air India employees have been paid their salaries during the lock down period, if so, the details thereof and if not, the reasons therefor?

ANSWER

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

नागर विमानन 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. Subsequent to issuing of PIM, queries were received from the Interested Bidders. The clarification to the queries raised by the Interested Bidders have been issued. However, in view of prevailing situation arising out of COVID 19, last date for submission of EOIs has been extended to 30.10.2020. 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.

Regarding other subsidiaries, process of releasing fresh PIM for EOI of disinvestment of Air India Airport Services Ltd. (AIASL), a ground handling

subsidiary of Air India is in process. Air India Engineering Service Ltd. (AIESL), a Maintenance, Repair and Overhaul of Engines and Airframe subsidiary of Air India was operationalised in January 2015. AIESL had been incurring losses over the years, however, in FY 2018-19, it has made operational profit. Once AIESL is viable for disinvestment, process of disinvestment of Air India Engineering Service Ltd. (AIESL) will be initiated. Alliance Air Service Ltd. (AASL) provides regional connectivity and operates to NE region and to Tier II and Tier III cities. The process of disinvestment of AASL will be initiated later. Hotel Corporation of India (HCI), a subsidiary of Air India has two properties one in Jammu & Kashmir and another in Delhi. Administration of J&K has been requested to take back the property in J&K and utilise it appropriately. For the property in Delhi i.e. Centaur Hotel, HCI has plans to run it on O&M contract basis, till the completion of lease period of Airports Authority of India.

(c) & (d): The Government has decided to disinvest Air India due to its fragile finances and its continued and accumulated losses. Further financial support to revive the airline in a mature and competitive aviation market would not be the best use of scarce financial resources of the Government.

(e): All Air India staff have been paid salaries upto the month of August 2020 . Further, allowances of Cabin Crew/Pilots have been paid upto June 2020.
