

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 4894
(To be answered on the 25th March 2021)**

LOSS OF AIR INDIA

4894. SHRI MARGANI BHARAT

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether Air India suffered loss of around Rs. 10,000 crore during 2020-21 if so, the details thereof and the response of the Government thereto;
- (b) whether the loss will impact valuation of sale of Air India (AI) and if so, the details thereof;
- (c) the details of funds raised by Air India (AI) to meet its operational and other costs during 2020-21 and the manner in which it can be compared with previous years; and
- (d) the current status of process of Air India disinvestment and the time by which it will be completed?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a): The COVID-19 pandemic alongwith its related impact on aviation industry has worsened the financial position of the airlines including Air India. During the lockdown period Air India had operations of Charters/Vande Bharat Mission flights. As such the revenue stream of the airline was impacted due to the complete stoppage of flights during lockdown period whereas fixed costs had to be incurred. As per provisional figures for the financial year 2020-21, Air India is likely to incur a Net Loss of about Rs. 9779 crore.

This Ministry regularly reviews the financial and operational performance of the Air India and accordingly Air India took various measures to overcome the adverse financial impact arising out of COVID-19 pandemic which include rationalization of allowances of employees, introduction of shorter working week, Leave without Pay Scheme and closures of foreign stations with less traffic potential. Further, Air India has also negotiated with lessors to secure cuts in lease rentals.

(b): The valuation of Air India will be done closer to the financial bid stage with the help of the Transaction Advisor and in accordance with the guidance provided by Department of Investment and Public Asset Management (DIPAM).

(c): During FY 2020-21 there has been no Equity infusion by Government of India into Air India. However, in FY 2020-21, GoI Guarantee support of Rs 964 crore has been provided to Air India which has helped them to raise new working capital loans from Indian banks. Further, Government has also extended the existing GoI Guarantee of Rs 6693 crore for working capital requirements and USD 819 million for refinancing of aircraft bridge loans. National Small Saving Fund (NSSF) loan of Rs 4500 crore has also been provided to Air India in FY 2020-21. During the FY 2019-20, FY 2018-19 and FY 2017-18, the equity infusion provided by the Government to Air India Ltd was Rs 0.01 crore, Rs 3975 crore and Rs 1800 crore respectively.

(d): In response to Preliminary Information Memorandum (PIM) issued for disinvestment of Air India on 27.01.2020, multiple Expression of Interests (EOIs) were received, which have been evaluated by the Transaction Advisor. As per the process, post completion of the evaluation of the EOIs received, the Transaction Advisor will directly intimate the Qualified Interested Bidders in relation to their qualification and the next steps for the proposed transaction.
