

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 5018
(To be answered on the 25th March 2021)**

SALE OF AIR INDIA

5018. SHRI BHARTRUHARI MAHTAB

Will the Minister of CIVIL AVIATION

नागर विमानन 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;
- (d) if so, the details and its success thereof;
- (e) the impact of current COVID 19 Pandemic on earnings and debt of Air India; and
- (f) 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 विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a) and (b): In response to Preliminary Information Memorandum (PIM) issued for disinvestment of Air India Ltd. 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. Further, the Transaction Advisor has to maintain the confidentiality of the identity of the bidders.

The total debt of Air India Ltd. as per the audited accounts of FY 2019-2020 (Prov) is Rs. 38,366.39 crore. The above amount is after the transfer of debt amounting to Rs. 22,064 crore during the FY 2019-20 to Air India Assets Holding Limited, a Special Purpose Vehicle (SPV).

(c) and (d): In order to effectively prepare Air India for disinvestment, the Government prepared a plan to bring operational and financial efficiency in Air India. This plan focuses on improving financial and operational performance of Air India and the parameters and milestones as fixed by the Government are monitored and regularly reviewed. During the last three years, the total equity infusion provided by the government to Air India is as given below:

Year	Equity Infusion by GoI (Rs. in Crore)
2020-21	NIL
2019-20	0.01
2018-19	3,975

In FY 2020-21, GoI Guarantee support of Rs 964 crore has been provided to Air India which has helped it 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.

(e): 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 per provisional figures, Air India is likely to incur a Net Loss of about Rs. 9779 crore in FY 2020-21 as compared to the Net loss of Rs 7982.83 crore in FY 2019-20 (Prov).

(f): The Government is committed to the disinvestment of Air India. The disinvestment of the airline will bring private investment, robust management and faster decision making processes which will improve the efficiency of the airline and build a viable and vibrant Air India. The interest of the employees of Air India will be safeguarded in accordance with the guidance 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.
