

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2030

ANSWERED ON:05.12.2012

PRIVATISATION OF AIR INDIA

Bhoi Shri Sanjay; Das Gupta Shri Gurudas; Gaikwad Shri Eknath Mahadeo; Lingam Shri P.; Mandlik Shri Sadashivrao Dadoba; Paranjpe Shri Anand Prakash; Ramasubbu Shri S.; Rao Shri Sambasiva Rayapati; Reddy Shri Anantha Venkatarami; Sudhakaran Shri K.; Thomas Shri P. T.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether a study report on Competitive Framework of Civil Aviation Sector in India has suggested that Air India should be partly privatized;
- (b) if so, the details thereof and the reasons therefor along with the reaction of the Government thereto;
- (c) whether Air India is also considering a proposal to monetize some of its assets spread all over the country and abroad;
- (d) if so, the details of the properties identified for the purpose; and
- (e) the other steps taken/being taken by the Government to bail out the loss-making Government carrier?

Answer

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

(a) : No, Madam.

(b) : No such report has come to the notice of the Government.

(c) : Yes, Madam.

(d) : Air India has appointed a global real estate consultant to examine its properties in India and abroad and to suggest a road map for the monetization of the same. The Consultant is in the process of identification of the properties.

(e) : The Government has approved Air India's Turn-Around Plan and Financial Restructuring Plan on 12.04.2012, which includes financial support from the Government, on achievement of specified milestones, as under :-

(i) Induction of upfront equity of Rs.6,750 Crore, including Rs.1,200 Crore provided in the budget of 2011-12 and already released, in the Financial Year 2011-12.

(ii) Equity for Cash deficit support of Rs.4,552 crore from FY 2012-13 to FY 2017-18.

(iii) Equity for already guarantee aircraft loan of Rs.18,929 Crore till FY 2021

(iv) GOI Guarantee for repayment of Principal amount and payment of Interest on the Non- Convertible Debentures (NCDs) of Rs.7400 crore proposed to be issued by Air India to the financial institutions, Banks, LIC, EPFO etc.