

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:66
ANSWERED ON:20.07.2017
Privatization of Air India
Antony Shri Anto ;Bala Smt. Anju

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has recently taken any decision to privatize Air India and if so, the details thereof;
- (b) whether certain private airline companies have approached the Government to take over Air India and if so, the details thereof and the response of the Government thereto;
- (c) whether the Government has received any complaint/representation regarding the privatization/sell off of Air India, if so, the details thereof and the response of the Government thereto;
- (d) whether the Government has formed a panel of Ministers under Finance Minister to decide the size of the stake to be sold and the manner in which Air India's assets and debts would be handled, if so, the details thereof and the progress made in this regard till date; and
- (e) the steps being taken by the Government to expand air connectivity among tier-2 and tier-3 cities in the country and the details of net loss of Air India as on March, 2017?

Answer

The Minister of CIVIL AVIATION
(Shri Ashok Gajapati Raju Pusapati)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 66 TO BE ANSWERED ON 20.07.2017 REGARDING PRIVATIZATION OF AIR INDIA TABLED BY SHRI ANTO ANTONY AND SHRIMATI ANJU BALA, MPs.; (a): The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 28.06.2017 has given "in-principle" approval for considering strategic disinvestment of Air India and its five subsidiaries and for constitution of Air India Specific Alternative Mechanism (AISAM);

(b): Indigo airline has submitted an expression of interest in this regard. The disinvestment of any CPSE is done in accordance with the laid down procedure and no response needs to be communicated at this stage to Indigo.

(c): Suggestions and views are received from time to time, including the articles published in media, regarding disinvestment of Air India. These would be kept in mind while arriving at the final decision regarding contours of the disinvestment.

(d): Yes, Madam. The Government has constituted an Air India Specific Alternative Mechanism (AISAM) headed by Minister for Finance including Minister for Civil Aviation and such other Ministers to guide the process on strategic disinvestment from time to time and decide on issues. The meeting of AISAM are yet to commence.

(e): The Ministry of Civil Aviation has launched Regional Connectivity Scheme (RCS)-UDAN (Ude Desh ka Aam Nagrik) on 21-10-2016 for providing connectivity to un-served and under-served airports of the country. The primary objective of RCS is to facilitate / stimulate regional air connectivity by making it affordable. ; Further, Government of India has laid down Route Dispersal Guidelines (RDG) with a view to achieve better regulation of air transport services taking into account the need for air transport services of different regions of the country. It is up to the airlines to provide air services to specific places depending upon the traffic demand and commercial viability. As such, the airlines including Air India are free to operate anywhere in the country subject to compliance of RDG issued by the Government. ; As per provisional estimates, Air India is expected to post a net loss of Rs. 3643 crores for the year 2016-17.