

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 4518
(To be answered on the 22nd March 2018)

Privatisation of Air India

4518. PROF A.S.R. NAIK
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Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has proposed to privatise Air India and if so, the details thereof including the funds likely to be generated therefrom;
- (b) whether the Government proposes to write off the debt of Air India, if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has decided for Air India to join hands with foreign airlines and if so, the details thereof;
- (d) whether any restriction has been imposed on purchase of stake in Air India and if so, the extent to which this step of the Government is likely to reduce growing losses of Air India;
- (e) whether interests of employees has been kept in view while taking this decision, if so, the details thereof;
- (f) whether under the turnaround plan, Air India was to get Rs.50,000 crore in equity infusion till 2032 and if so, the details thereof; and
- (g) whether there has been a suggestion that disinvestment in Air India should be put on hold for at least five years and if so, the details thereof?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a), (b) and (e): 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. CCEA

constituted an Air India Specific Alternative Mechanism (AISAM) to guide the process on strategic disinvestment from time to time and decide issues which, inter-alia include hiving off of certain assets to a shell company, the quantum of disinvestment and the universe of bidders etc. The contours of the bid would be contained in the bid documents as approved by AISAM.

(c) and (d): The Cabinet considered the proposal from Ministry of Commerce and Industry and approved the proposal to delete the clause mentioned in Note (iii) of Clause 5.2.9 (c) of the consolidated FDI policy circular of 2017 with a direction that foreign investment(s) in Air India including that of foreign airline(s) shall not exceed 49% either directly or indirectly.

(f): Government had approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) in 2012 for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of Rs.30231 crore upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. Out of this amount, the Government has released a total Equity Support of Rs 26545.21 crore till 2017.

Year	Equity (Rs. In crore)
2011-12	1200
2012-13	6000
2013-14	6000
2014-15	5780
2015-16	3300
2016-17	2465.21
2017-18	1800

(g) There is no such suggestion received in this Ministry.
