

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
STARRED QUESTION NO. : 264
(To be answered on the 11th July 2019)

SALE OF AIR INDIA

*264. SHRI SANJAY SADASHIV RAO MANDLIK
SHRI BIDYUT BARAN MAHATO

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government is preparing a fresh proposal for sale of Air India after failing to attract bidders for the national carrier during the last year and if so, the details thereof along with the reasons for considering the proposal for sale of Air India;
- (b) the time by which the final/fresh proposal is likely to be completed for sale;
- (c) whether Air India is having huge tracts of unutilized land in various States/ cities of the country and if so, the details thereof, State/city-wise;
- (d) whether Air India has proposed to sell its unutilized land and cut losses; and
- (e) if so, the details thereof and the amount of revenue likely to be generated therefrom along with the other steps taken/ being taken by the Government to save Air India from debt trap?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

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

Statement in reply to part (a) to (e) of Lok Sabha Starred Q.No.264 for 11.07.2019 regarding "Sale of Air India" tabled by Shri Sanjay Sadashiv Rao Mandlik, M.P and Shri Bidyut Baran Mahato, M.P.

(a) & (b): Yes, Sir. The Government is committed to the strategic disinvestment of Air India. NITI Aayog in its recommendations, on Strategic Disinvestment of the Central Public Sector Enterprises in May 12, 2017 had given the rationale for the disinvestment of Air India and has referred to the fragile finances of the company, among various other reasons. Further, NITI Aayog in its report on Air India has stated that further financial support in a mature and competitive aviation market would not be the best use of scarce financial resources of the Government.

The Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 28.06.2017, had given an in-principle approval for considering strategic disinvestment of Air India and its five subsidiaries.

After no bid was received for strategic disinvestment of Air India by the last date i.e 31.05.2018, the Air India Specific Alternative Mechanism (AISAM) in its meeting held on 18.06.2018, had, inter-alia, decided the following:

- i) in the meantime all near medium term efforts should be made to capture operational efficiency and to improve performance of Air India,
- ii) the non-core land and building assets, that have already been identified should be monetized,
- iii) the assets could be shifted to Air India Assets Holding Limited so as to retire the debt of Air India and
- iv) the services of extant advisers should be used to carry out above mentioned activities.

Government has also directed Air India Limited to get financials of Air India and its subsidiaries finalized. Further, an AISAM with new members on its re-constitution will finalise the parameters for disinvestment of Air India.

(c): Air India possesses 30 un-utilised tracts of land, details of which are at Annexure.

(d) & (e): The Cabinet Committee of Economic Affairs (CCEA) had approved Turn Around Plan (TAP) and Financial Restructure Plan (FRP) of Air India on 12th April 2012 which, inter-alia, includes the monetization of Real Estate Assets in Air India to the tune of Rs.5000 crore over a 10 years period with the annual target of Rs.500 crore from the financial year 2013 onward.

Air India has planned to monetize its unutilised/surplus immovable real estate assets. Till date, Air India has realized an amount of Rs.534.65 crore through sale of its non-core assets in various cities in India and abroad. Air India has also realized a rental income of Rs.314 crore approx. Further, amount of revenue likely to be generated from monetisation of land/properties depends

on the bid process and subject to No Objection Certificates (NOCs) from concerned authorities.

Further, even as the Government is committed to the disinvestment of Air India, the Government has approved a Revival Plan of Air India with financial support which focusses on building a competitive and profitable airline Group. The financial support, inter-alia, includes a cash support of Rs. 3975 crore to Air India, transfer of debt amounting to Rs. 29464 crore from Air India Limited to Special Purpose Vehicle (SPV) i.e Air India Assets Holding Limited (AIAHL), providing Government guarantee of Rs. 7600 crore to Air India Limited and Rs. 1300 crore to SPV to meet the interest for Q3/Q4 of Financial Year 2018-19 on the debt transferred to the SPV. Also the entire debt on the SPV debt would be serviced by the Government from Financial Year 2019-20 for which Rs. 2600 crore has been provided.

The Revival Plan of Air India also focuses on the financial and operational efficiencies so that substantial increase in revenue or cost saving can be achieved. Also, as decided in the meeting taken by Finance Minister on 07.09.2018, operational and financial performance parameters and milestones were fixed by the Government and are regularly reviewed via review meetings held under the chairmanship of Secretary, Ministry of Civil Aviation.

ANNEXURE

Sl.No.	Description/Location	Area (inSqm.	Status
1.	AI Plot of land at Baba Kharak Singh Marg, New Delhi	14326*	
2.	Residential Plot at Gurgaon	420	Sold
3.	Commercial Land at Rail Head Comple, RakhBahu, Residency Rd. Jammu	1518	
4.	Residential land at Sector 3, Trikuta Nagar, Jammu	1138	
5.	Land for Housing Colony (13 Flats) Vidyadhar Housing Colony, Khasra No. 16C & 17K SADA. Khajuraho	8094	
6.	Residential land for Housing Colony 8, Haderpura Bye Pass West Distt. Badgam, Srinagar	9861	
7.	Land for Booking Office, Near Bus Stand, Behind Telephone Exchange, Khajuraho	2090	
8.	Commercial Land for Booking Office at Indira Nagar, Bengaluru	804	Sold
9.	Land for office premises at Udaygiri, Bengaluru	25617	Sold/Returned to KIADB
10.	Land for Housing Colony at Gangamuthanahali, Bengaluru	5827	
11.	Land for Housing Colony at NCC Nagar, Thiruvananthapuram	2479	
12.	Residential Plot at Krishnaswamy Nagar, Pankaja Mills Road, Sowripalayam Village, Ramanathapuram, Coimbatore, Tamilnadu	4024	Sold
13.	Vacant Land at Plot No. 1 & 4 under Dag No. 404 & 405 of Patta No. 180, Mouza Dibrugarh Town, Ward Gabherupathar, Sub District Dibrugarh (Assam)	3519	
14.	Commercial Vacant Land at B, No.6 of Dag No. 414, Tourist Lodge Compound, Kohima Road, Near Super Market, Dimapur	1038	
15.	Vacant Residential land at Dag No. 487, Village Borjhar, Mouza – Kakhin Rani under Palasbari Circle, Guwahati (Assam)	1405	
16.	Residential Plot for Staff Quarters at Khaikhali, Kolkata	10684	

17.	Commercial Land at Plot Nos 951,953 and 954, Wart No.1, Street No. 46, Revenue Village – Muharrampur, East Gandhi Maidan, Patna	566	
18.	Land for Staff Quarters at Sardar Nagar, Site No. 1 Vibhag-1, Hansol, Near Indira Bridge, Ahmedabad	16000	
19.	Land & Building for Booking Office, Airlines House, Station Road, New SBI, Bhuj	399	
20.	Plot No. 21, Ghanshyam Nagar, Bhuj, Kutch, Gujarat	2500	
21.	Commercial Land for Booking office at Jamnagar	1000	
22.	06 Residential Plots, Charkop, Kandivali, Mumbai	5410	
23.	Residential Plot No. 24, Sector 27, CIDCO, Nerul, Navi Mumbai	100021	
24.	Residential Plot No. 2, Sector 27, CIDCO, Nerul, Navi Mumbai	69973	
25.	Land for Booking Office at Angels Chamber, Dheber Road, Rajkot	1076	
26.	Residential Plot No. 43, 44, 78 & 79, Village Nana Mava, Rajkot	1331	
27.	Land for Booking Office, T.P Scheme No.9, Plot No.1, Vadodra	2000	
28.	Land for Staff Qtrs. Plot No. 8,9,10, Survey No.3 (Part) Town Center, Bajipura, Aurangabad	706	
29.	Bungalow Plot No. ASL-56 Survey No. 925 in Ashwin L at New Nashik	385	
30.	Residential cum Commercial Land at Laxmi House, Mount Road, Teynampet, Chennai	5371	Sold

***Note Property handed over to Ministry of Housing and Urban Affairs on 18th August, 2017 on as is where is basis.**