

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3793
(To be answered on the 18th March 2021)

DISINVESTMENT OF AIR INDIA

3793. SHRI HEMANT TUKARAM GODSE

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government intends to disinvest Air India and its subsidiaries and if so, the details thereof and the reasons therefor;
- (b) the present stage of disinvestment and the steps taken by the Government in this regard;
- (c) whether the Government has taken any steps to improve Air India's operations and financial performance; and
- (d) if so, the details thereof including the financial assistance given to Air India during each of the last five years and its resultant impact on the financial health of Air India?

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): 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 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 in-principle approval for considering strategic disinvestment of Air India and its five subsidiaries.

The Preliminary Information Memorandum (PIM) for inviting Expression of Interest (EOI) for strategic Disinvestment of 100% stake of Government of India in Air India along with 100% stake in Air India Express Ltd and 50% stake in Air India SATS was issued on 27.01.2020. Due to the COVID-19 pandemic, the last date for submission of EOI was extended from to time. The last date for submission of EOI was 14.12.2020. As per the process of the disinvestment, the Expression of Interest in response to PIM by any group or entity were to be submitted to the Transaction Advisor. 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.

Regarding other subsidiaries, CCEA had given in-principle approval for strategic disinvestment of five subsidiaries of Air India as well, in its meeting held on 28.06.2017. The PIM inviting EOI for the strategic disinvestment of Air India Air Transport Services Limited was issued on 12.02.2019, which was later withdrawn.

(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 five years, the total equity infusion provided by the government to Air India Ltd is as given below:

Year	Equity Infusion by GoI (Rs in Crores)
2020-21	NIL
2019-20	0.01
2018-19	3,975
2017-18	1,800
2016-17	2465.21

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