

MR. CHAIRMAN: We will then go to the next Question, Q. No. 163. He is also not there. Something special is happening!

Sale of Air India

*164. SHRI DEVENDER GOUD T.: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that operating loss of Air India has gradually come down and since 2015-16, AI is able to earn operating profits;

(b) if so, the details thereof since 2015-16 and what is the estimated profit for 2017-18;

(c) the details of net loss, after tax, of Air India in the last three years and the current year, year-wise;

(d) the steps taken by the Ministry to bring down net losses of AI and status of disinvestment of AI; and

(e) the reasons for which the Ministry wants to sell the Air India off when it has started earning profits?

THE MINISTER OF CIVIL AVIATION (SHRI ASHOK GAJAPATHI RAJU PUSAPATI): (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) and (b) The details of operating profit of Air India since FY 2015-16 are as follows:

Year	Operating Profit (₹ in crore)
2015-16	105.00
2016-17 (Prov.)	215.00
2017-18 (BE) (projected)	531.00

(c) The details of the Net Loss, after tax, of Air India in the last three years and the current year, year-wise are as follows:

Year	Net Loss (₹ in crore)
2014-15	5859.91

Year	Net Loss (₹ in crore)
2015-16	3836.77
2016-17(Prov.)	3643.00
2017-18 (BE) (projected)	3579.00

(d) Government had approved a Turnaround Plan (TAP) / Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. As a part of the Turnaround Plan, Air India has initiated a number of steps in order to cut costs and losses. These steps, *inter alia*, include the following:

- (i) Rationalization of certain loss making routes.
- (ii) Enhanced utilization of new fleet resulting in higher Available Seat Kilometers (ASKMs).
- (iii) Signing of the Financial Restructuring Plan with the lenders resulting in saving in interest costs and moratorium on repayment of Loans.
- (iv) Induction of brand new aircraft on several domestic and international routes to increase passenger appeal and phasing out and grounding of old fleet.
- (v) Freezing of employment in non-operational areas.
- (vi) Redeployment of staff to curb in-fructuous expenditure. and
- (vii) Up-gradation of IT Infrastructure and Implementation of Quick Win IT solutions.

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 constitution of Air India Specific Alternative Mechanism (AISAM) to guide the process of strategic disinvestment from time to time.

(e) 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. Air India has been incurring continuous losses and has huge accumulated losses. 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.

MR. CHAIRMAN: Then Question No. 164, the Minister has laid the reply on the Table. Any supplementary?

SHRI ANAND SHARMA: Sir, about the sale of Air India, the Minister should inform the House as to what the proposals are and whether the proposal has been duly approved by the Union Cabinet or not. In addition to that, what about the assets' listing? Has the audit been done? What is the present market value of the Air India-assets? How do you propose to dispose them of? There is confusion about the sale. Sometimes, the Government comes out with a statement that there will be a bifurcation of some other companies or the assets will be sold separately before they proceed.

SHRI ASHOK GAJAPATHI RAJU PUSAPATI: Sir, Air India-specific Alternative Mechanism has been constituted. There are a few Ministers on it. It is headed by the Finance Minister. I am on it, Shri Suresh Prabhu is there, Shri Piyush Goyal is there and Shri Nitin Gadkari is there. This Committee will take a decision as to what has to happen there. As of now, if any suggestion from any quarter...

SHRIMATI RENUKA CHOWDHURY: Sir, there is something wrong with the sound system. ...*(Interruptions)*...

MR. CHAIRMAN: I have heard you and we will take note of it. Mr. Minister, please.

SHRI ASHOK GAJAPATHI RAJU PUSAPATI: Sir, as of now, if any suggestions come, all the suggestions are welcome and the Government will definitely take them into consideration. The ultimate idea is to make Air India a vibrant airline with a professional management. Without professionalism in the management, there is hardly going to be any improvement in Air India.

MR. CHAIRMAN: Now Question No. 165, the last question. ...*(Interruptions)*...

SHRI ANAND SHARMA: He said that the Cabinet Committee on Economic Affairs, in its meeting held on 28th June...

MR. CHAIRMAN: What is the question?

SHRI ANAND SHARMA: Sir, they have already given an approval for the strategic disinvestment. Please also refer to the rationale of disinvestment. That is what we are asking. ...*(Interruptions)*...

SHRI ASHOK GAJAPATHI RAJU PUSAPATI: Sir, in-principle approval is given. ...*(Interruptions)*...

MR. CHAIRMAN: He said, 'in-principle approval' is given.

SHRI ASHOK GAJAPATHI RAJU PUSAPATI: Sir, that is why I am saying that if there are any suggestions, these are welcome. ...*(Interruptions)*...

SHRI ANAND SHARMA: Sir, the assets run into lakhs of crores of rupees, including the land assets, buildings. ...*(Interruptions)*...

MR. CHAIRMAN: Please, we are not discussing the issue ...*(Interruptions)*... In Question Hour, we have got the answer. Anandji, please sit down.

I have an observation to make. Surprisingly, five or six Members who have their Questions today did not turn up in the House. They have the liberty. I don't question them. At the same time, we have a responsibility. If you file a Question, so much time, energy and also resources are spent. Not coming to the House is not a good practice. Keep that in mind.

*165. [*The questioner was absent*]

World Bank loan to Andhra Pradesh for new capital

*165. SHRI V. VIJAYASAI REDDY: Will the Minister of FINANCE be pleased to state:

(a) the status of World Bank loan to Andhra Pradesh for construction of its new capital;