

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) 56 unserved and 17 underserved airports and 31 heliports in the country will be connected under Regional Connectivity Scheme (RCS)-UDAN.

(b) So far, 30 State Government / Union Territories have signed the Memorandum of Understanding with the Ministry of Civil Aviation and Airports Authority of India for participating in the Scheme and providing various concessions to the Selected Airline Operators under RCS-UDAN.

(c) and (d) Cabinet Committee on Economic Affairs has approved the proposal for revival of 50 existing un-served/under-served airports/airstrips of the State Governments, Airports Authority of India, Central Public Sector Undertakings (CP.SUs) and Civil enclaves at an estimated cost of ₹ 4500 crore.

(e) A Monitoring cum Coordination Committee has been constituted under RCS-UDAN which is responsible for coordinating with the concerned stakeholders including the State Governments and UTs for time bound implementation of the Schemes.

#### **Disinvestment of Air India**

4. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that proposed sale of stake in Air India has failed to attract bidders;

(b) if so, the details thereof; and

(c) whether it is also a fact that Government is rethinking of its decision of disinvestment of Air India, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) and (b) The Preliminary Information Memorandum (PIM) for inviting Expression of Interest (EOI) for the Strategic Disinvestment of Air India including its shareholding in Air India Express and AI SATS was issued on 28th March, 2018. No EoI/bid was received till the last date of receipt of bids. Probable reasons as analyzed by the Transaction Advisor *i.e.* M/s EY for non-receipt of bids *inter-alia*, are GOI 24% stake and corresponding rights, high amount of allocated debt, changes in macro environment, individuals not being allowed to bid, profitability track record, and bidders not being able to form a consortium within given time period.

(c) The Government remains committed to the disinvestment of Air India. In this regard, the Air India Specific Alternative Mechanism (AISAM) has decided as follows:

- (i) In view of volatile crude prices and adverse fluctuations in exchange rates, the present environment is not conducive to stimulate interest amongst investors for strategic disinvestment of Air India in immediate near future. The issue would be revisited once global economic indicators including oil prices and forex conditions stabilize,
- (ii) to undertake near and medium term efforts to capture operational efficiencies and to improve the performance of Air India,
- (iii) to monetise non-core land and building assets,
- (iv) to separately decide the contours of the mode of disposal of the subsidiaries viz. Air India Engineering Services Limited (AIESL), Air India Air Transport Services Limited (AIATSL) and Airline Allied Services Limited (AASL).

#### **Leasing out of Air India**

5. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government is still determined to go ahead with stake sale in loss-making Air India;

(b) whether Government has examined the factors that had resulted in the market rebuff for Air India's sale;

(c) if so, the details thereof; and

(d) whether Government would consider leasing out Air India to an Indian/ foreign/ joint venture operator instead of pumping in more money into the loss making national carrier?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) to (d) Probable reasons as analyzed by the Transaction Advisor, i.e. M/s EY for non-receipt of bids, *inter-alia*, are GOI 24% stake and corresponding rights, high amount of allocated debt, changes in macro environment, individuals not being allowed to bid, profitability track record and bidders not being able to form a consortium within given time period.