

- (b) the details of the airports to be developed under this project;
- (c) the quantum of funds earmarked and released so far; and
- (d) the progress of the work made so far?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) to (d) Yes, Sir. The Airports Authority of India (AAI) has already initiated development of smaller airports at Kadapa, Rajahmundry and Donakonda in the state of Andhra Pradesh. Out of these, Kadapa and Rajahmundry are operational airports whereas Donakonda is a non-operational airport for which AAI has prepared a master plan for operation of ATR-72 type of aircraft under Regional Connectivity Scheme and is in the process of conducting the requisite Obstacle Limitation Surface (OLS) survey to ascertain the feasibility of development of airport. AAI has earmarked ₹29.50 crore for development of Kadapa and ₹ 48.10 crore for Rajahmundry for the year 2018-19, out of which ₹4.49 crore for Kadapa and ₹22.16 crore for Rajahmundry have already been released for undertaking the construction work like extension & strengthening of existing runway, construction of isolation bay pavement against blast erosion, Runway Safety Area and other allied work.

#### **Sale of Air India**

12. DR. R. LAKSHMANAN: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that there were no takers for the proposal of Government to sell-off Air India;
- (b) if so, the details thereof; and
- (c) the next step/measures Government proposes in view of the present scenario?

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).

#### **Stake sale of Air India**

13. SHRI DHARMAPURI SRINIVAS: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that Government is planning to sell major stake in Air India and privatize the organisation;
- (b) if so, the details thereof; and
- (c) whether it is a fact that in spite of Government's bidding it has failed to attract the buyers and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) and (b) 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 and constitution of Air India Specific Alternative Mechanism(AISAM) to guide the process of Strategic disinvestment. Government decided to sell 76% shareholding of Air India. 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. The last date of receipt of bids was 31st May, 2018.