

**GOVERNMENT OF INDIA**  
**MINISTRY OF CIVIL AVIATION**  
**Rajya Sabha**  
**UNSTARRED QUESTION NO. : 3209**  
**TO BE ANSWERED ON THE 24th March 2021**  
**RAISING EBR FOR AIAH**

**3209. SHRI B. LINGAIAH YADAV**

**Will the Minister of CIVIL AVIATION be pleased to state:-**

- (a) the steps taken to raise Extra Budgetary Resources (EBR) by issuing Government Fully Serviced Bonds to refinance Air India's debt transferred to Air India Asset Holding Limited (AIAHL) as on date and the reasons therefor; and**
- (b) the details of future action plan in this regard?**

**ANSWER**

**Minister of State (IC) in the Ministry of CIVIL AVIATION  
(Shri Hardeep Singh Puri)**

**(a) & (b): Government had approved transfer of the identified Air India debts aggregating to Rs.29,464 crore to AIAHL, a Special Purpose Vehicle (SPV). Bonds worth an amount of Rs.21,985 crore were issued by AIAHL in September and October 2019 under three (3) series of listed Non-Convertible Debentures (NCDs), which are fully assured for servicing and repayments through the budgetary support/grants from the Government. The proceeds of these AIAHL issued NCDs along with some monetization proceeds from sale of properties identified for transfer to AIAHL were utilized in 2019-20 as repayment funds by Air India to settle the AI identified debts totaling to Rs.22,064 crore. An amount of Rs.7400 crore, the remaining AI identified debt, represent AI issued NCDs under novation to AIAHL.**

**Air India issued NCDs of Rs. 7400 crore in 2012 wherein part of AI's Working Capital loan was converted into NCDs under a Financial**

**Restructuring Plan (FRP). The NCDs were subscribed by M/s. LIC and EPFO in the year 2012. Subsequently, EPFO sold NCD of Rs. 400 crore to Coal Miners Provident Fund (PF). AI had, therefore, approached LIC, EPFO and Coal Miners PF for approval to novate the said NCDs (which were guaranteed by Govt. of India) to AIAHL (SPV) as part of the takeover of debts by SPV.**

**Air India has received clearance from LIC and Coal Miners PF, however EPFO is yet to give its consent.**

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