Govt. invites bids to divest its entire stake in Air India

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The government on Monday invited preliminary bids to divest its entire stake in Air India, and the airline's subsidiary Air India Express along with its joint venture Air India SATS Airport Services Private Limited. The last date for submission of bids is 17 March, and qualified bidders will be notified 31 March, according to bid document issued by the Department of Investment and Public Asset Management.

The government owns 100% stake in Air India, and its subsidiary Air India Express. AISATS is a joint venture partnership between Air India and Singapore Airport Terminal Services (SATS) Limited, which provides ground and cargo handling services.

This is the Centre's second attempt to divest its stake in the national carrier which has been bleeding money. In 2018, the Nreandra Modi-led government had expressions of interest (EoI) to divest 76% stake in the airline but found no takers. That time, the government had wanted to sell the loss-making parent with its profitable arm, Air India Express. Foreign entities including foreign airlines can own only up to 49% stake in domestic airlines.

Air India's accumulated losses in the past decade stood at about ₹69,575.64 crore, aviation minister Hardeep Singh Puri had told Parliament in December. The national carrier reported a provisional net loss of ₹8,556.35 crore in FY19 compared with a net loss of ₹5,348.18 crore in the

previous fiscal.

Air India, with a 12.7% share of the domestic market, carried 18.36 million domestic passengers in 2019, according to data from the Directorate General of Civil Aviation. The national carrier had ferried 17.61 million passengers in 2018. In February 2019, the Centre had set up Air India Assets Holding Ltd to park accumulated working capital loans not backed by any asset, standing at about ₹29,464 crore, four subsidiaries, non-core assets such as paintings and artifacts, land bank, and other non-operational assets. The Centre plans to sell these assets.

SOURCE: *Livemint*