

Will revive Air India before selling it: Sinha

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NEWDELHI: The civil aviation ministry is working on a comprehensive package to make Air India globally competitive before putting it up for sale again, Minister of State for civil aviation Jayant Sinha said in an interview. His comments come after an attempt by the government to sell a majority stake in the airline failed to attract any bidders.

“We will have to see how industry conditions develop before we take a decision on how to move forward on disinvestment. In the meanwhile our goal is to strengthen Air India as much as possible, to provide the financial resources and liquidity that it needs to operate properly,” Sinha added.

High fuel prices and a falling rupee seem to have ended the profitable run of airlines. On Tuesday SpiceJet Ltd posted a net



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JAYANT SINHA, MoS, civil aviation

loss of ₹38.06 crore in June quarter. Interglobe Aviation, which runs IndiGo, India's largest airline, posted its biggest-ever drop in quarterly profit. Air India, which doesn't declare quarterly results, has other problems as well. Pilots unions are at arms with the management on delayed salaries and not having enough money for spare parts. Sinha said the government would intervene.

“The government is committed to ensuring that Air India receives all the necessary financial resources. And has the

liquidity to be able to operate as a really competitive global airline. We are working on a comprehensive package to strengthen Air India,” he added. The comprehensive package will include financial assistance, organisational improvement and care for employees. “We are working on it, as soon as it receives all the necessary approvals, we will share it. We have had many rounds of discussions in the government on this,” Sinha said.

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Jayant Sinha

In 2012, the government promised to infuse ₹50,000 crore in Air India till 2032 under yet another turnaround plan. Of this, the airline has so far received ₹27,195 crore. In late July, the government sought parliamentary approval to make a supplementary grant of ₹980 crore — Air India had sought ₹2,100 crore.

Sinha also said that after the implementation of GST (Goods and Services Tax), the overall the tax burden for the aviation industry has increased and the ministry is working on a supportive policy environment for the entire industry.

Mark D Martin, founder and CEO of Martin Consulting, said: “The top management of airlines should be held accountable for this fiasco. Why the international airlines are not facing this problem? Because everyone knew oil prices will go up and they factor in these things. In India, the airlines despite knowing the oil prices will go up, didn’t do much.”