

Gov't to divest Air India groundhandler - report

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India's government is reportedly readying the sale of a profitable groundhandling unit belonging to Air India (AI, Mumbai Int'l) amid the much-delayed privatisation process for the airline itself. The loss-reaping flag carrier's MRO unit may also soon be up for grabs. The country's Ministry of Finance should soon release a preliminary document for interested bidders for fully-owned subsidiary Air India Air Transport Services Limited, an unnamed "senior official" in the ministry told the financial daily Mint. "We are waiting for Air India's strategic sale to proceed, and then we will separately come out with an expression of interest for Air India's groundhandling subsidiary," the official said. "There are other subsidiaries like Air India Engineering Services Limited that will also be put on sale, but we have yet to decide on their timing." The Mumbai Int'l-based groundhandling unit says it provides its services for Air India and its affiliates at 81 airports across India as well as for 37 non-Indian scheduled carriers, three other domestic scheduled carriers, and four regional airlines, among others. It has earned a net profit since the 2014-15 financial year, including a net profit of INR638 million rupees (USD8.73 million) for the year ending March 31, 2019, the most recent data available. As of the latter date, it had 9,474 employees. Air India, by contrast, has been loss-making since 2007. So far, the Tata Sons conglomerate and a consortium of over 200 employees headed by the airline's commercial director, Meenakshi Mallik, are among the entities that have put in preliminary bids for the 100% Air India shareholding. However, in late February anonymous sources told The Economic Times that Ajay Singh, principal shareholder, chairman, and managing director of SpiceJet (SG, Delhi Int'l), along with two other investors, one of them a "foreign fund," had also shown a strong interest in the acquisition of the airline. The Indian government has claimed it has received "multiple expressions of interest," but another anonymous source told The Economic Times that not all of the parties are serious enough to qualify for the later stage when they submit their bids. Some of the expressions had been made, the source elaborated, "just to increase the number of interested parties." Air India was not immediately available for comment.

