

Alliance Air divestment roadshows restarted

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The Centre has restarted roadshows to promote its divestment plan for Alliance Air, the regional airline. Its effort a few years ago did not draw much interest from the industry.

Speaking to *businessline*, industry sources revealed that the responsibility to conduct these roadshows had been given to a consultancy firm.

According to sources, the roadshows, which are to be conducted by consultancy firm EY, are meant to acquaint potential buyers with the airline's financial and operational position.

DIVESTMENT PROCESS

"The divestment process of the regional airline is ongoing. After the roadshows, expressions of interest (EOIs) will be sought," several sources said.

"The firm incharge for conducting the roadshows has approached a few potential buyers."

As per sources, industry players such as Bird Group, Fly91 airline, and a few others have been approached.

As of now, the airline has been kept afloat by state bailouts, as its earnings are used to pay vendors. In 2023, the Central government infused ₹600 crore worth of addi-



tional equity in the airline.

Besides, sources told *businessline*, the debt is estimated to be (approximately) ₹4,000 crore.

"The debt and a few other liabilities have been onboarded after the divestment of Air India," sources said.

The airline's debt is primarily owed to AI Assets Holding Ltd (AIAHL), fuel OMCs and other vendors.

Alliance Air, sources said, requires a fresh round of fund infusion to sustain operations and remain a "going concern" until its divestment process is completed.

ENGINE ISSUES

At present, the airline has 21 aircraft, of which many are grounded due to engine issues. The airline is operating to 52 stations in the country. It operates mainly to tier-2 and -3 cities.

Alliance Air is currently a major player in India's flagship regional air connectivity UDAN scheme.