

# Bird Group Wants to Fly Off with Air India's Ground-handling Arm

Govt received formal interest from the travel services co in July: Aviation secy

Our Bureau

**New Delhi:** Travel services firm Bird Group has expressed interest in acquiring Air India's profitmaking ground-handling subsidiary, becoming the second suitor for the whole or part of the national carrier that the government is looking to privatise.

Aviation secretary RN Choubey, speaking on the sidelines of an Assocham conference, said the government has received formal interest from the Bird Group. While no-frills airline IndiGo has said it was looking to acquire the state-run airline, the Bird Group's interest is limited to the ground-handling business under Air India Air Transport Services Ltd (AIATSL).

Sources in New Delhi-based Bird Group, which already provides gro-



und-handling services at seven airports including Delhi, Mumbai, Bengaluru and Kochi, confirmed the move. "We have also requested the government to sell Air India and its subsidiaries separately, as it would fetch them maximum value for the airline," a top company executive said. "We operate a ground-handling company in a market where AIATSL is the biggest player, and a bid, if the government decides to sell it separately, will be put by the Bird Group," this executive added, speaking on the condition of anonymity.

The group had written a letter, expressing its interest, to the aviation ministry in July.

If it acquires AIATSL, the executive said, the Bird Group will keep it as a separate company, at least initially, and not merge with its own ground-handling company. The 45-year-old group also operates in travel technology, hospitality, retail and education sectors.

AIATSL shares its revenue with parent Air India. At 25%, its market share is the highest among the ground-handling companies in the country. About 85% of the domestic and international ground-handling business in India is serviced by airline themselves and the rest is

services through ground-handling companies.

Analysts said breaking up the loss-making airline into core and non-core businesses and selling them separately will fetch more value for the government.

"The non-core businesses like ground handling and MRO should be divested from Air India's core business to get the maximum value. However, breaking international and domestic businesses into two before selling would be a bad idea," said a Delhi-based aviation analyst, who did not want to be named.

## Regional Connectivity Scheme may take wing from IAF base on Delhi's outskirts

### OUR BUREAU

New Delhi, August 30

The Air Force is open to allowing airlines under the Regional Connectivity Scheme (RCS) to operate their flights from its air base in Hindon on the outskirts of Delhi, said RN Choubey, Secretary Civil Aviation, here at a conference organised by Assocham.

This will enable RCS flights, which normally use small aircraft capable of seating up to 50 to 100 passengers, to operate from the Air Force Base in Hindon.

The Ministry will have to talk with the GMR group which manages the airport in Delhi as the current rules do not allow civil operations from an airport which is 150 km from an existing airport. This clearance is required as the Hindon air base is less than 150 km from Delhi airport.

"We have to take GMR on



RN Choubey, Civil Aviation Secretary

board. We are reasonably confident that we will be in a position to sort out the contract related issues as far as Hindon is concerned. We see some small constraints for the small aircraft which are flying under the RCS scheme," he explained pointing out that being smaller aircraft they take a much longer time than a bigger aircraft to clear the air field.

The need for approaching the Air Force for use of Hindon air base came up as the government recognised that there was significant demand for slots to operate RCS flights from Delhi and the airport might not be in a position to provide that many slots.

The government will also be willing to talk with other Air Force airports provided the airlines indicate their

readiness in flying to more such defence air bases.

"For example Purnea. If operators are keen to fly there we will take up the matter with the Air Force," he added.

The Secretary also indicated that Mumbai airport has not been included in the second round of bidding for RCS which started earlier this month as no slots are available to operate any new flights from Mumbai airport.

# Delhi-based Bird Group looking to pick up Air India's ground-handling operations

## OUR BUREAU

New Delhi, August 30

New Delhi-based Bird Group has expressed interest in bidding for Air India, but no foreign airline or investor has come forward as yet, Civil Aviation Secretary RN Choubey said at an aviation conference organised here on Wednesday by Assocham.

"The Bird Group has given a letter (showing interest in Air India)," he said.

A spokesperson of the group confirmed to *BusinessLine* it is interested in bidding for Air India Transport Services Ltd, the national carrier's ground handling subsidiary.

"When Air India came up for divestment we recommended that they uncork value by selling the subsidiaries separately. We are keen to bid for the ground handling subsidiary," the spokesperson added.

Delhi-based low-cost airline IndiGo is the other entity which has shown an interest in bidding for Air India. In-

diGo too is interested in only one unit — Air India Express, the airline's low-cost arm.

The Union Cabinet gave its

nod for divestment of Air India on June 28. The Centre is keen to complete the process at the earliest.

## Group may fly in an additional investor

### TANYA THOMAS

Mumbai, August 30

The Bird Group might bring in an external investor for the Air India Air Transport Services Ltd (AIATSL) bid if the Air India arm is valued higher than expected.

A senior spokesperson at Bird Group confirmed to *BusinessLine* that the company had, in July, written to the Ministry of Civil Aviation expressing interest in buying AIATSL. The spokesperson, who did not wish to be named, also said the company had requested the Centre to consider the separate disinvestment of Air In-

dia subsidiaries to unlock the "maximum value". While declining to name a figure for AIATSL, the spokesperson said globally such businesses are valued at about 5-7 times EBITDA.

The Bird Group was founded by Vijay and Radha Bhatia in 1971 as a travel agency. Today, its two main business verticals are travel technology and aviation services, and hospitality. The privately-held family-run business is led by Ankur Bhatia, Executive Director.

Its aviation services include aircraft navigation, ground handling, customer

management, logistics, ticketing, cargo management and baggage handling.

It runs ground handling operations in Delhi, Mumbai, Bengaluru, Kochi, Gaya and Goa airports. The group is looking to scale up the business "as and when opportunities arise," the spokesperson said.

AIATSL is the market leader in India in the ground handling business, present in 70 airports. Most airlines, however, outsource their ground handling operations. Besides Air India, there are six private third-party operators.

## ● AI DISINVESTMENT

# Bird Group interested in acquiring Air India's ground handling division

Bird Group's aviation firms give services like general aviation, ground handling and cargo management

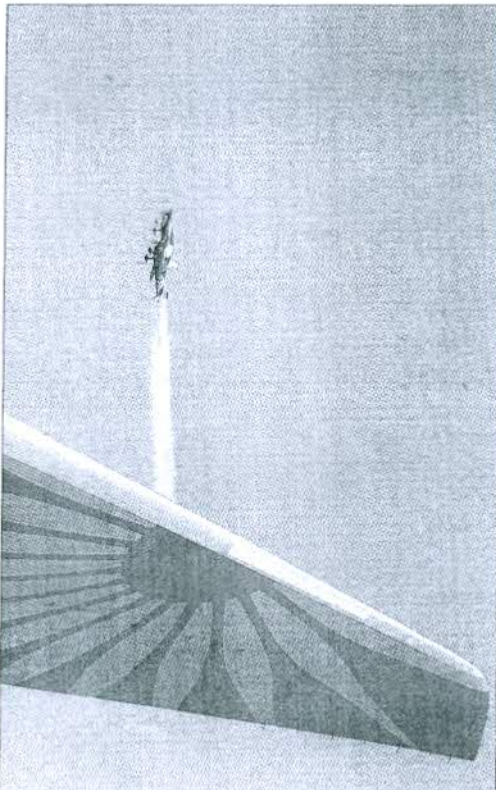
**PRESS TRUST OF INDIA**  
New Delhi, August 30

**AVIATION SERVICES PROVIDER** Bird Group has written to the government expressing interest in acquiring Air India's ground handling subsidiary AIATSL, a top official said on Wednesday.

"After IndiGo, Bird Group has written a letter with an expression of interest in Air India," civil aviation secretary R N Choubey told reporters at an ASSOCHAM event here.

When contacted, a spokesperson of Bird Group told PTI "we have written to the government with an interest in Air India's ground handling arm (AIATSL) because that sits well with our own business model."

Elaborating further, he said the Group has urged the government that when it moves forward with the process of disinvesting Air India, it should divest the subsidiaries separately. Air India has several subsidiaries including Air India Air Transport Services



(AIATSL), Air India Charters, IAL Airport Services Limited, Airline Allied Services and Air India Engineering Services.

Bird Group's aviation companies provide varied services from general aviation services and ground handling to cargo management. "Our expression of interest has gone for AIATSL. We are already in this business," he said, adding "we don't want to buy the company as such. We want to be a bidder. And

if we are the highest bidder for what we see the value in it, we will take over."

"What we have told the government is that when you start the process of disinvestment of Air India, please look at disinvestment in the subsidiaries separately to unlock maximum value and we will be keen to bid for one of the subsidiaries, that is the AIATSL," the spokesperson said replying to questions.

Jaitley hints at quick decision on AI stake sale

**PRESS TRUST OF INDIA**  
New Delhi, August 30

**FINANCE MINISTER ARUN Jaitley** on Wednesday indicated that an expeditious decision would be taken on Air India disinvestment, with at least two parties having formally expressed interest in buying stake in the national carrier.

A group of ministers, headed by Jaitley, is working on the modalities of the strategic disinvestment of debt-laden Air India, which has been making losses for long. "These decisions are to be taken expeditiously but in their normal course," Jaitley told reporters in response to a query about the Air India stake sale process. The Union Cabinet had in June given in-principle approval for strategic disinvestment of the carrier and its five subsidiaries.

Surviving on taxpayers' money, the airline has been in the red for long and various proposals, including government think tank NITI Aayog's suggestion for complete privatisation, have been made.

