

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 2513  
(To be answered on the 5<sup>th</sup> March 2020)

EOI FOR SALE OF AIR INDIA

2513. SHRI MANISH TEWARI

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- the details of the Expression of Interest (EOI) for the sale of Air India that was approved by the Group of Ministers (GoM) on 08 January, 2020;
- the details of the share purchase agreement that was also approved by the GoM on the same date;
- whether the Government has valued Air India separately or along with its subsidiary companies;
- the exact enterprise value of Air India as calculated by the Government;
- the methodology adopted for valuation of Air India and the name of the company that assisted the Government in valuing Air India; and
- the mechanism to make an accurate assessment of the offers it receives for sale of the airline in case the Government has not valued Air India?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a): The Government, consequent to the approval by Air India Specific Alternative Mechanism (AISAM), has issued a Preliminary Information Memorandum (PIM) inviting Expression of Interest for sale of 100% equity share capital of Air India Limited (AIL) including AIL's 100% shareholding in the Air India Express Limited (AIXL) and 50% shareholding in Air India SATS Airport Services Private Limited (AISATS) on 27.01.2020. Corrigendums have been issued wherein time period upto 06.03.2020 has been given for submission of written queries on PIM and Share Purchase Agreement (SPA). Last date for release of response to queries on PIM (and SPA, if so provided by the GOI at its discretion) is 16.03.2020. The process has been divided into two stages. In the stage I, Expression of Interest will be submitted by Interested Bidders and they will be shortlisted based on Eligibility criteria and other terms mentioned in the Preliminary Information Memorandum (PIM). In the stage-II, shortlisted Interested Bidders will be provided with an Request for Proposal (RFP) and thereafter there will be a transparent bidding process.

(b): As per AISAM decision, a draft Share Purchase Agreement (SPA) approved by AISAM will be available to the interested bidder in Virtual Data Room (VDR) as per conditions stipulated in PIM/EOI.

**(c) As given in (a), Preliminary Information Memorandum (PIM) inviting Expression of Interest for sale of 100% equity share capital of Air India Limited (AIL) including AIL's 100% shareholding in the Air India Express Limited (AIXL) and 50% shareholding in Air India SATS Airport Services Private Limited (AISATS) has been issued on 27.01.2020. However, valuation of Air India has not been done at stage-I of the disinvestment process.**

**(d): Exact enterprise value of Air India has not been calculated at stage-I of the disinvestment process.**

**(e) and (f): The following companies are assisting in the strategic disinvestment of Air India Limited (AIL):**

- i. Transaction Adviser:- Ernst and Young**
- ii. Legal Adviser:- Cyril Amarchand Mangaldas**
- iii. Asset Valuer:- RBSA Advisors**

**The valuation will be decided by the Inter-Ministerial Group (IMG) constituted by DIPAM at stage-II of disinvestment process.**

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