

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 719  
(To be answered on the 17<sup>th</sup> September 2020)**

**STAKE IN AIR INDIA**

719. **SHRI A.K.P. CHINRAJ**

Will the Minister of CIVIL AVIATION

**नागर विमानन मंत्री**

be pleased to state:-

- (a) whether the Union Government has taken a decision to grant permission to NRI (Non-Resident Indian) 100% stake in Air India;  
(b) if so, the details thereof;  
(c) the reasons and motive to allow only NRI to claim 100% stake in Air-India; and  
(d) the time by which the stake deal will be completed along with the revenue expected to be generated through this stake deal?

**ANSWER**

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

**नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

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(a) to (b): Yes, Sir. As per Press Note dated 19.03.2020 issued by Department for Promotion of Industry and Internal Trade (DPIIT) regarding review of Foreign Direct Investment (FDI) Policy on Civil Aviation, foreign investment in M/s Air India Ltd. shall be subject to the following conditions:

(i) Foreign investment(s) in M/s Air India Ltd., including that of foreign airline(s) shall not exceed 49% either directly or indirectly except in case of those NRIs, who are Indian Nationals, where foreign investment(s) is permitted up to 100% under automatic route.

(ii) Substantial ownership and effective control of M/s Air India Ltd. shall continue to be vested in Indian nationals as stipulated in Aircraft Rules, 1937.

(c): FDI policy for Civil Aviation, issued by DPIIT vide press Note dated 23.01.2018, permitted 100% FDI for Non-Resident Indians (NRIs) in Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline. The same was not applicable for Air India in case of NRIs. FDI policy for Civil Aviation, issued by DPIIT vide press Note dated 19.03.2020, permits foreign

**investment in M/s Air India Limited at par with other scheduled airline operators.**

**(d): The process of disinvestment has been divided in to two stages. In the stage I, EOI will be submitted by Interested Bidders and they will be shortlisted based on eligibility criteria and other terms mentioned in the 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.**

**The Preliminary Information Memorandum (PIM) for 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, in view of prevailing situation arising out of COVID 19, last date for submission of EOIs has been extended to 30.10.2020. The Expression of interest in response to PIM by any group or entity will be submitted to the Transaction Advisor.**

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