

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 786  
(To be answered on the 17<sup>th</sup> September 2020)**

**DISINVESTMENT OF AIR INDIA**

**786. SHRI MANISH TEWARI**

**Will the Minister of CIVIL AVIATION**

**वायु विमानन मंत्री**

**be pleased to state:-**

- (a) the details of response so far to the Government's plan to disinvest Air India;**
- (b) whether any prospective buyer/buyers evinced an interest in purchasing Air India;**
- (c) if so, the names of the prospective buyers and the details of bids offered by them;**
- (d) whether the Government has not carried out a comprehensive and holistic valuation of Air India and its Group Companies before putting it up for disinvestment and, if so, the reasons therefor;**
- (e) the asset value of Air India and its affiliated enterprises;**
- (f) whether any reserve price has been fixed by the Government in the offer/bid document for the sale of Air India and if so, the details thereof; and**
- (g) whether the Non Resident Indians (NRIs) have been permitted 100% foreign investment in Air India while the scale of other foreign investment's including foreign Airlines has been capped at 49% and if so, the reasons therefor?**

**ANSWER**

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

**तामर किमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

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**(a) to (c): 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. The date of intimation to Qualified Interested Bidders has also been extended**

to 20.11.2020.

**(d) to (e): The valuation analysis of Air India and its subsidiaries will be done closer to the financial bid stage using the valuation approaches as suggested in the valuation methodology guidance note of Department of Investment and Public Asset Management (DIPAM).**

**(f): No, Sir. As per process, the reserve price is determined at the financial bid stage.**

**(g): 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.**

**Further, the FDI policy for Civil Aviation, issued by DPIIT vide Press Note dated 23.01.2018, permitted 100% FDI in Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline by Non-Resident Indians (NRIs). This provision, however, was not applicable in the case of Air India. The FDI policy for Civil Aviation, issued by DPIIT vide Press Note dated 19.03.2020 extended this provision to Air India as well.**

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