

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
Rajya Sabha
UNSTARRED QUESTION NO. : 2565
TO BE ANSWERED ON THE 11th August 2021
NRIS ALLOWED STAKES IN AIR INDIA

2565. DR. KIRODI LAL MEENA

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether the Central Government has allowed 100 per cent stake in Air India to Non Resident Indians (NRIs);**
- (b) if so, the details thereof;**
- (c) the reasons behind allowing 100 per cent stake in Air India to only NRIs and the objectives thereof; and**
- (d) by when this deal of partnership would be completed and the details of the revenue generated through this deal?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (GEN. (DR) V. K. SINGH (RETD))

(a) & (b): Yes, Sir. As per Press Note No. 2 (2020 Series) in respect of review of FDI Policy on Civil Aviation, the percentage of Equity/FDI cap in Air Transport Services under Civil Aviation sector is 100% subject to conditions as under:

Sector/Activity	% of Equity/FDI Cap	Entry route
(1) (a) Scheduled Air Transport Service/Domestic Scheduled Passenger Airline	100%	Automatic up to 49% (Automatic up to 100% for NRIs), Government route beyond 49%

Further, the Scheduled Air Transport Services need to comply with the condition that substantial ownership and effective control is vested in Indian nationals as per Schedule XI of Aircraft Rules, 1937.

(c): Earlier 100% investment by NRIs in the automatic route was permitted for all scheduled Air Transport Service/Domestic Scheduled Passenger Airline/Regional Air Transport Service, except Air India. The FDI Policy was harmonized from the perspective of providing a level playing field across all players in the civil aviation sector, and specifically to bring Air India at par with other scheduled airline operators.

(d): Request for Proposal (RFP) along with draft Share Purchase Agreement (SPA) have been shared with Qualified Interested Bidder by the Transaction Adviser on 30.03.2021 for submission of financial bids. The financial bids are likely to be received by 15.09.2021.
