

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3112
ANSWERED ON:17.12.2015
Relaxation of Norms for FDI in Aviation Sector
Mondal Shri Sunil Kumar;Singh Dr. Bhola

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government proposes to raise Foreign Direct Investment (FDI) in the civil aviation sector to hundred percent from the current seventy four percent, if so, the details thereof along with the target fixed in this regard;
- (b) whether the Government also proposes to relax conditions and rules so as to attract more foreign investment in this sector and if so, the details thereof;
- (c) the details of foreign airlines/ companies permitted to invest in the civil aviation sector of the country; and
- (d) the details of the proposals received by the Government from foreign airlines/ companies in this regard along with the action taken thereon?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) and (b): As per Press Note 12 (2015 Series) dated 24th November, 2015, Department of Industrial Policy and Promotion (DIPP) has enhanced the foreign equity cap for Non-scheduled Air Transport Service and Ground Handling Services from 74% to 100% and have placed these sectors under the automatic route. Further, Regional Air Transport Service (RSOP) has also been made eligible for Foreign Investment upto 49% under automatic route.

(c) and (d): Following three proposals of FDI by foreign airlines to invest in Domestic Scheduled Passenger Airlines have been approved by the Government:

(i) Preferential allotment of 24% of paid equity share of Jet Airways (I) Ltd. to Etihad Airways.

(ii) Joint venture company by Air Asia Investment Limites (AAIL, a company incorporated under the laws of Malaysia) 48.951%, Tata Sons Limited (TSL)- 30.019% and Telestra Tradeplace Pvt. Ltd. (Telestra)- 21.028% in the name of Air Asia (India) Pvt. Ltd.

(iii) Joint venture by Tata Sons Ltd (51%) and Singapore Airlines Ltd (49%) in the name of TATA SIA AIRLINES LTD.