

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:602

ANSWERED ON:09.07.2004

FOREIGN EQUITY IN AVIATION SECTOR

Panda Shri Prabodh;Patil Shri Shriniwas Dadasaheb;Tirath Smt. Krishna;Tripathy Shri Braja Kishore

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

- (a) whether the Government have a proposal to allow foreign investors to pick only up to 49% stake in the Joint Venture for privatization programme for Airports in the country;
- (b) if so, the details thereof;
- (c) the names of Indian investors and firms reported to be interested in bidding for the project;
- (d) the last date for inviting Expressions of Interest (EOI);
- (e) the details of Naresh Chandra Committee recommendations thereon; and
- (f) the status of its implementation as on date?

**Answer**

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION ( SHRI PRAFUL PATEL )

- (a) & (b):- Yes, Sir. In the proposed restructuring and modernisation of Delhi and Mumbai airports through public private participation, maximum permissible limit of Foreign Direct Investment (FDI) in the proposed Joint Venture Company has been limited to 49% only. Airports Authority of India(AAI) and other Government of India`s Public Sector Undertakings will hold 26% equity. Remaining 25% equity will be held by Indian entities (Indian companies). For this purpose, the Indian company is defined as a company incorporated in India and 100% owned by Indian entities.
- (c) & (d):- The last date for receipt of Expressions of Interest is 20th July 2004. Hence, Expressions of Interest are yet to be received.
- (e) & (f):- The Naresh Chandra Committee is in favour of encouraging private participation in the Airports. The views of this committee shall, inter-alia, be considered while finalising the Civil Aviation Policy.