

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3407

ANSWERED ON:16.03.2011

GREENFIELD AIRPORTS

Jakhar Shri Badri Ram ;Sudhakaran Shri K.

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to allow NRIs to invest in shares floated by infrastructure companies building greenfield airports in the country;

(b) if so, the details thereof, airport - wise;

(c) whether NRIs are showing keen interest in investing in shares floated by the company involved in construction of airport in Kannur in Kerala; and

(d) if so, the details thereof?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a), (b), (c) & (d): As per the policy on Airport Infrastructure, promulgated by the Government in 1997, foreign equity participation in airport projects have been permitted upto 74% with automatic approvals and upto 100% with special permission. However in the case of Greenfield airports Foreign Direct Investment (FDI) is permitted upto 100% under the Automatic Approval Route subject to sectoral regulations. In case of the Greenfield airport at Kannur in Kerala, the equity structure of the Joint Venture Company namely Kannur International Airport Limited is 26% by State Government of Kerala, 23% by Public Sector Undertakings (PSUs), 2% by companies promoted by the Government, which are not (PSUs) and 49% by private sector (Qualified Institutional Investors, Companies and High Net worth individuals).