

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:1857  
ANSWERED ON:05.12.2012  
FDI IN INDIAN CARRIERS BY FOREIGN AIRLINES  
Siricilla Shri Rajaiah

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

- (a) whether the Government has any proposal to allow 49 percent Foreign Direct Investment (FDI) by foreign airlines in Indian carriers;
- (b) if so, the details and the present position thereof;
- (c) whether any pre-condition have also been laid down like appointment of Indian CEO, etc. with such proposal;and
- (d) if so, the details thereof?;

**Answer**

Minister of State in the Ministry of CIVIL AVIATION ( SHRI K. C. VENUGOPAL )

(a) to (d): The Government has decided to permit foreign airlines to invest in the capital of Indian companies operating scheduled and nonscheduled air transport services, up to the limit of 49 percent of their paid-up capital.

Such investment would be subject to conditions which include:

- (i) It would be made under the Government approval route.
- (ii) The 49 percent limit will subsume FDI and FII investment.
- (iii)The investments so made would need to comply with the relevant regulations of SEBI.
- (iv)A Scheduled Operator's Permit can be granted only to a company:
  - a) that is registered and has its principal place of business within India.
  - b) the Chairman and at least two-thirds of the Directors of which are citizens of India and
  - c) the substantial ownership and effective control of which is vested in Indian nationals.