

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:63

ANSWERED ON:08.08.2013

JET ETIHAD DEAL

Adhi Sankar Shri ;Das Gupta Shri Gurudas

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether certain irregularities have been reported in the Jet-Etihad deal recently;
- (b) if so, the details thereof;
- (c) whether the Foreign Investment Promotion Board (FIPB) and the Securities and Exchange Board of India (SEBI) have raised questions about the ownership and effective control of the domestic airlines in this regard;and
- (d) if so, the details thereof and the steps taken/being taken by the Government to address the concern raised by FIPB and SEBI?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CIVIL AVIATION

(a), (b), (c) and (d) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID IN REPLY OF THE LOK SABHA STARRED QUESTION () NO. 63 FOR ANSWER ON 08.08.2013 REGARDING `JET - ETIHAD DEAL`.

(a) to (d) A proposal has been submitted by Jet Airways (India) Ltd. and Etihad Airways to Foreign Investment Promotion Board (FIPB) for preferential allotment of 24% of paid up equity share of Jet Airways (I) Ltd. to Etihad Airways. The proposed foreign direct investment is within the prescribed limits under the FDI policy of the Government for the civil aviation sector.

During the consideration of the proposal FIPB on 14.06.2013, some Ministries/Departments had raised certain concerns on the issue of `Effective Control` over the Jet Airways post allotment of its 24% share to Etihad Airways. These concerns were referred to Securities and Exchange Board of India (SEBI) and also to the applicant airline companies by the FIPB.

Addressing the concerns, the applicant-companies have revised their agreement. Comments of SEBI have also been received by the FIPB. The proposal was considered by the FIPB in its meeting held on 29.07.2013 and the same is currently being prepared for submission to the competent authority.