

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2093
(To be answered on the 4th July 2019)

PERMISSION TO FOREIGN AIRLINES

2093. SHRI SUNIL KUMAR MONDAL

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

(a) whether the Government has any policy with regard to permitting foreign airlines to operate and invest in India and if so, the details thereof; and

(b) if not, the reasons therefor?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a): Sir, the operations of the designated airlines of foreign countries are governed under the provisions of bilateral Air Services Agreement signed between India and the Government of the country concerned. Investment by foreign airlines in India is regulated by the Foreign Direct Investment (FDI) policy 2017 for Civil Aviation sector which provides that foreign airlines may invest in the capital of Indian companies, operating scheduled and non-scheduled air transport services, upto the limit of 49% of their paid up capital. Such investment would be subject to the following conditions:

- i) It would be made under the Government approval route.
- ii) The 49% limit will subsume FDI and Foreign Institutional Investor(FII)/Foreign Portfolio Investor (FPI) investment
- iii) The investments so made would need to comply with the relevant regulations of SEBI, such as the Issue of Capital and Disclosure Requirements(ICDR) Regulations/ Substantial Acquisition of Shares and Takeovers(SAST) Regulations, as well as other applicable rules and regulations.
- 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.

(b): Does not arise.
