

(b) if so, whether such concession would also be extended to the students studying in the country;

(c) if so, by when the decision regarding such concession is likely to be taken; and

(d) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI ASHOK GAJAPATHI RAJU PUSAPATI): (a) No, Sir. No concessions are offered to students studying abroad by Government as airfares are not regulated by the Government whether international or domestic. Airlines are commercial organizations which fix air fares based on interplay of market forces. Providing concessions on air fare to any class of passenger is a commercial decision and prerogative of the airline.

(b) to (d) Do not arise in view of (a).

FDI in the defence sector

*207. SHRIMATI NAZNIN FARUQUE: Will the Minister of DEFENCE be pleased to state:

(a) the details of the agreements executed by Government with other countries relating to Foreign Direct Investment (FDI) in the defence sector; and

(b) the details of future plans of Government in this regard ?

THE MINISTER OF DEFENCE (SHRI ARUN JAITLEY): (a) and (b) No agreement has been executed by Government with other countries relating to FDI in defence sector. However, in pursuance to the Inter-Governmental Agreement between India and Russia signed in February, 1998, a Joint Venture Company, BrahMos Aerospace, between the Defence Research and Development Organisation (DRDO) of India and NPO Mashinostroyeniya of Russia has been formed for design, development, production of a supersonic cruise missile.

As per the current FDI Policy, upto 26% FDI is permissible in the defence sector subject to licensing through Government route and wherever FDI beyond 26% is likely to result in access to modern and state-of-the art technology in the country, decisions can be taken to allow higher FDI on a case-to-case basis with the approval of Cabinet Committee on Security. However, in the Union Budget 2014-15, it has been announced that the composite cap of foreign exchange is being raised to 49% with full Indian management and control through the FIPB route for defence sector.