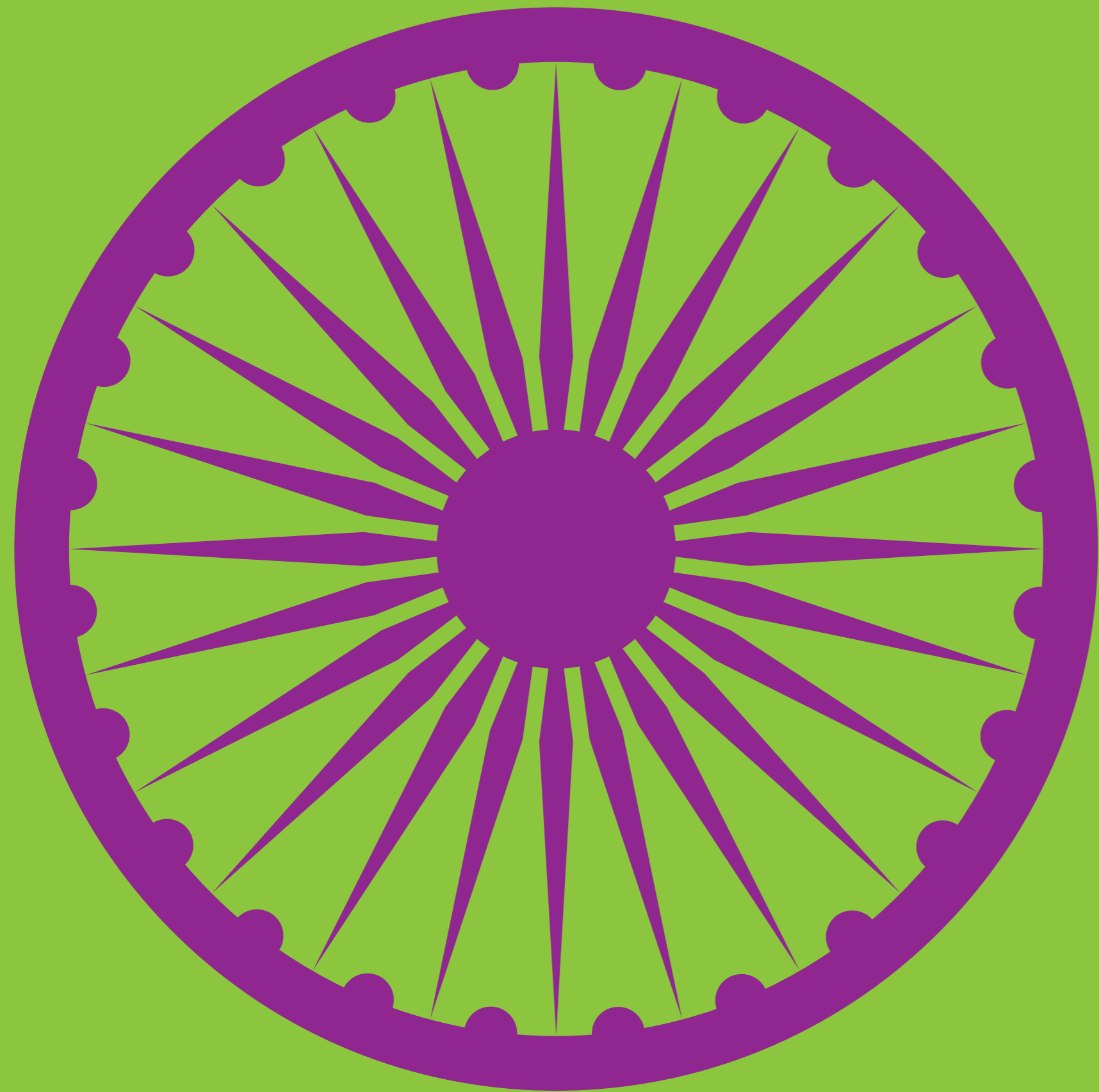
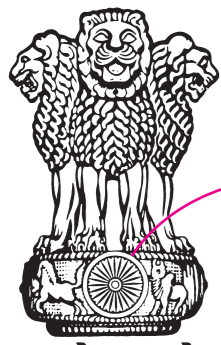


MAKE IN INDIA

AVIATION



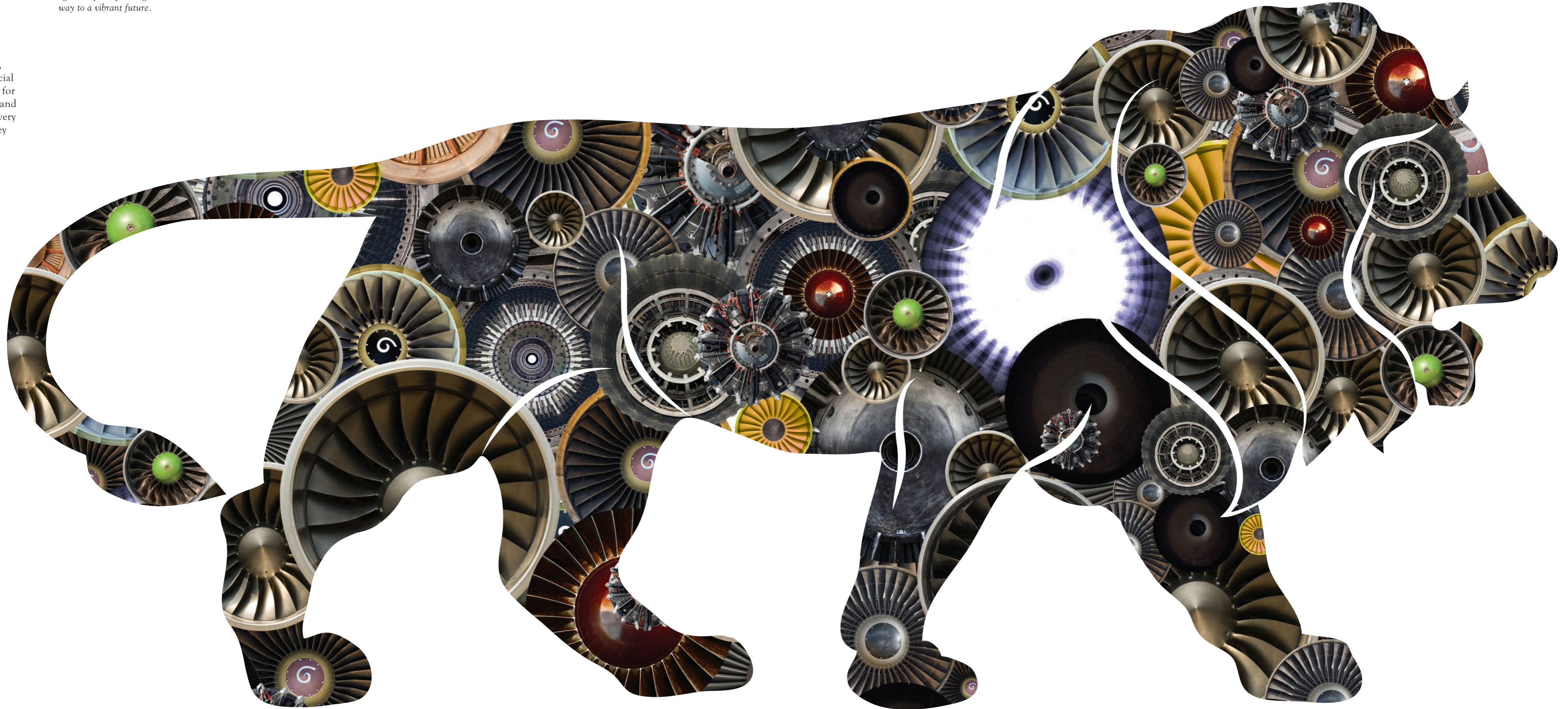
**FROM AGRICULTURE TO AUTOMOBILES
FROM HARDWARE TO SOFTWARE
FROM SATELLITES TO SUBMARINES
FROM TELEVISIONS TO MOVIES
FROM BRIDGES TO BIOTECHNOLOGY
FROM PAPER CLIPS TO POWER PLANTS
FROM ROADS TO CITIES
FROM FRIENDSHIP TO PARTNERSHIP
FROM PROFIT TO PROGRESS
WHATEVER YOU WANT TO MAKE:
MAKE IN INDIA**



The Ashoka Chakra is a central element in India's national emblem and also forms the centrepiece of India's national flag. The wheel denotes peaceful progress and dynamism – a sign from India's enlightened past, pointing the way to a vibrant future.

सत्यमेव जयते

Since time immemorial, the Lion has been the official emblem of India. It stands for strength, courage, tenacity and wisdom – values that are every bit as Indian today as they have ever been.



HIGH ALTITUDE.

163 MILLION PASSENGERS. THE WORLD'S FASTEST GROWING AVIATION MARKET. HIT THE SKIES RUNNING.

9TH LARGEST CIVIL AVIATION MARKET

163 MILLION PASSENGERS IN 2013

60 MILLION INTERNATIONAL PASSENGERS BY 2017

85 INTERNATIONAL AIRLINES CONNECTING OVER 40 COUNTRIES

3RD LARGEST AVIATION MARKET BY 2020

800 AIRCRAFT BY 2020

L.TK:2250 kg R.TK:2250
8888 8888
LO LVL • LO LVL

NEW INITIATIVES

THE MAKE IN INDIA PROGRAM INCLUDES MAJOR NEW INITIATIVES DESIGNED TO FACILITATE INVESTMENT, FOSTER INNOVATION, PROTECT INTELLECTUAL PROPERTY AND BUILD BEST-IN-CLASS MANUFACTURING INFRASTRUCTURE.

1 NEW PROCESSES

- SPECIAL FOCUS ON EASE OF DOING BUSINESS
- DE-LICENSING & DEREGULATION

2 NEW INFRASTRUCTURE

- INDUSTRIAL CORRIDORS
- INDUSTRIAL CLUSTERS
- SMART CITIES
- NURTURING INNOVATION
- SKILL DEVELOPMENT

3 NEW SECTORS

- OPENING OF CRITICAL SECTORS LIKE DEFENSE, CONSTRUCTION AND RAILWAYS FOR FDI

4 NEW MINDSET

- DEDICATED TEAMS THAT WILL GUIDE AND ASSIST FIRST-TIME INVESTORS FROM TIME OF ARRIVAL
- FOCUSED TARGETTING OF COMPANIES ACROSS SECTORS

FACTS + FIGURES

REASONS TO INVEST

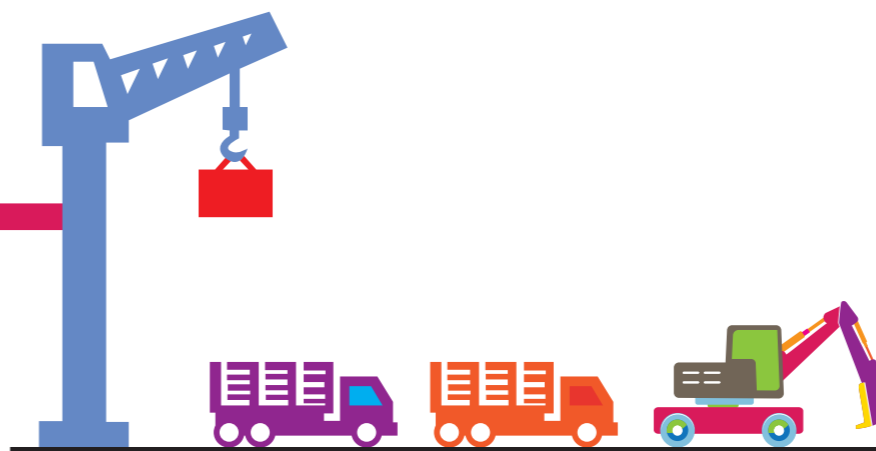
- India is one of the fastest growing aviation markets and currently the ninth largest civil aviation market in the world.
- India is projected to be the 3rd largest aviation market by 2020.
- Total passenger traffic stood at 163.06 Million during 2013. India is one of the least penetrated air markets in the world with 0.04 trips per capita per annum as compared to 0.3 in China and more than 2 in the USA.
- Indian carriers plan to increase their fleet size to reach 800 aircrafts by 2020.
- The Indian aviation sector is likely to see investments totalling USD 12.1 Billion during 2012-17; USD 9.3 Billion is expected to come from the private sector.

STATISTICS

- Domestic Passenger traffic CAGR - 7.71% (FY 2006-13); 209 Million by FY 2017.
- International Passenger traffic CAGR - 8.96% (FY 2006-13); 60 Million by FY 2017.
- Total freight traffic CAGR - 5.2% (FY 2006-13); 2.19 Million Tonnes in FY 2013.
- More than 85 international airlines operate in India and 5 Indian carriers connect over 40 countries.

GROWTH DRIVERS

- Five international airports (Delhi, Mumbai, Cochin, Hyderabad, Bengaluru) have been completed successfully under PPP mode.
- Greenfield airport at Navi Mumbai, Mopa (Goa) and some brownfield airports of Airports Authority of India (AAI) and 50 airports under the low cost model are to be developed all over the country, including under PPP.
- Indian aviation is experiencing dramatic growth across the board, from the emergence of LCC/new carriers to a growing middle class ready to travel by air as well as growth in business and leisure travel.
- India's middle income population is expected to increase from 160 Million in 2011 to 267 Million by 2016.
- Greater focus on infrastructure development; increasing liberalisation - Open Sky Policy; AAI driving modernisation of airports, Air and Navigation Systems.
- Growth in aviation accentuating demand for MRO (maintenance, repair and overhaul) facilities.
- Large scale collaborations/M&A deals - Etihad Airways & Jet Airways; Tata Group & Singapore Airlines, Tata Group & AirAsia.
- India plans to increase the number of operational airports to 250 by the year 2030.



INVESTMENT OPPORTUNITIES

- 300 business jets, 300 small aircraft and 250 helicopters are expected to be added to the current fleet in the next 5 years.
- Growth in aviation is accentuating demand for MRO facilities.
- Greenfield airports under Public Private Partnership at Navi Mumbai and Mopa (Goa).
- The development of new airports - the Airports Authority of India aims to bring around 250 airports under operation across the country by 2020.
- The North-east region - the Airports Authority of India plans to develop Guwahati as an inter-regional hub and Agartala, Imphal and Dibrugarh as intra-regional hubs.
- The Airports Authority of India plans to spend USD 1.3 Billion on non-metro projects between 2013 and 2017, focusing on the modernisation and upgradation of airports.
- Indian airports are emulating the SEZ Aerotropolis model to enhance revenues, focus on revenues from retail, advertising and vehicle parking, security equipment and services.

FDI POLICY

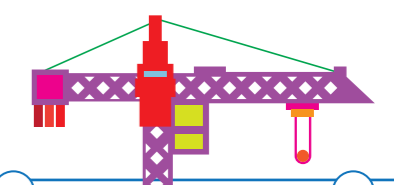
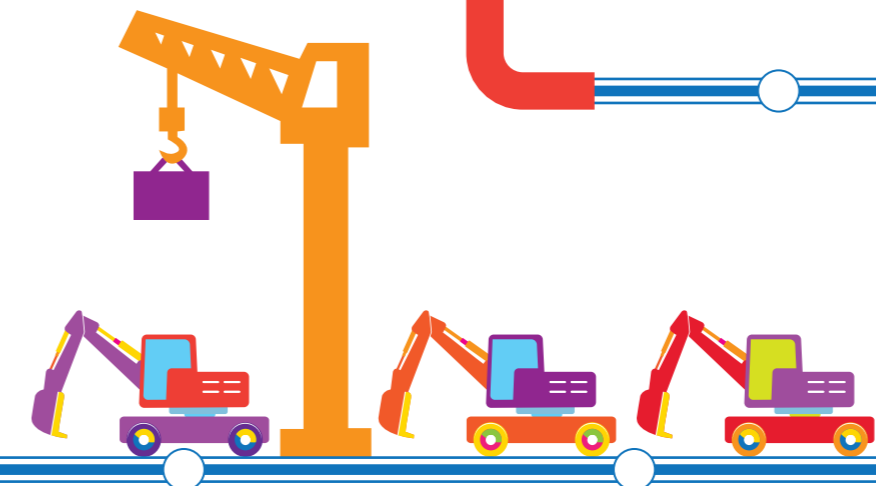
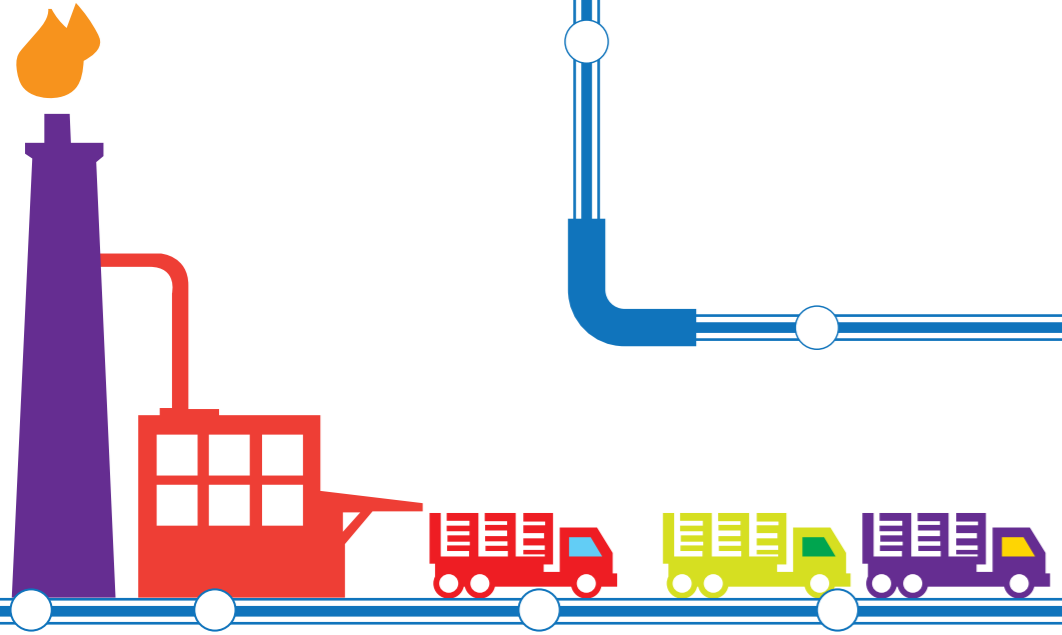
- 100% FDI is permitted for greenfield airport projects under the automatic route.
- Up to 74% FDI is permitted for existing airport projects under the automatic route, above 74% and up to 100% permitted under government approval route.
- Up to 49% FDI is permitted in domestic scheduled passenger airlines under the automatic route. 100% permitted for NRIs. Up to 49% FDI under the automatic route is permitted in Non-Scheduled Air Transport Service. FDI above 49% and up to 74% is permitted under Government approval route. 100% FDI permitted for NRIs.
- Up to 100% FDI is permitted in helicopter services and seaplanes under the automatic route.
- Up to 49% FDI is permitted in ground handling services under the automatic route. FDI above 49% and up to 74% is permitted under government approval route. 100% FDI permitted for NRIs.
- Up to 100% FDI is permitted in maintenance and repair organizations; flying training institutes; and technical training institutes under the automatic route.
- Investments are subject to relevant regulations, approvals from DGCA and security and other conditions. Foreign airlines are also, henceforth, allowed to invest in the capital of Indian companies, operating scheduled and non-scheduled Air Transport Services, up to the limit of 49% of their paid-up capital. Investments will be subject to government route.

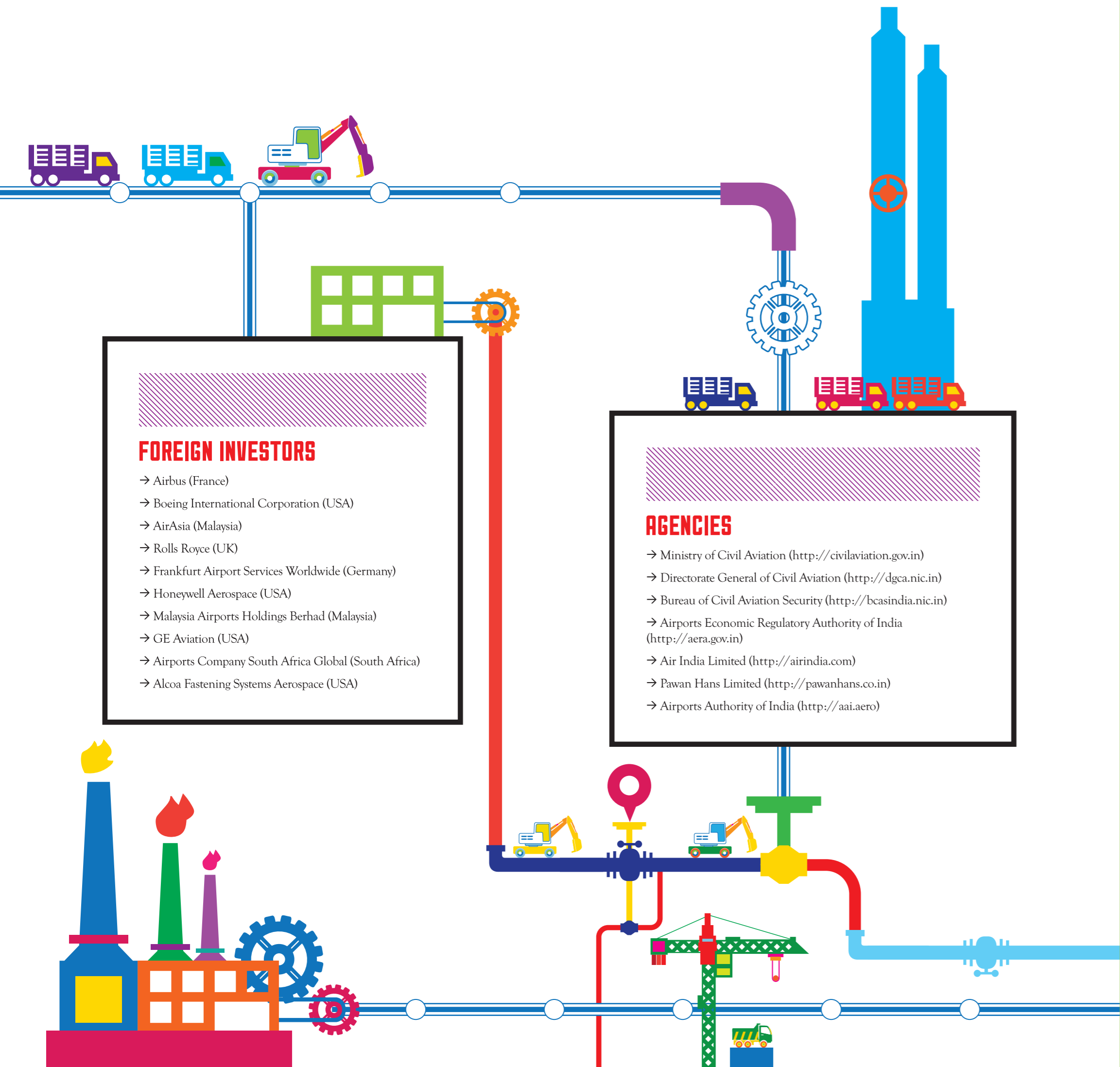
FINANCIAL SUPPORT

- PROVISIONS OF THE 2014-2015 UNION BUDGET:**
- Aircraft engines and parts thereof are eligible for duty exemption when imported for servicing, repair or maintenance of aircraft used for scheduled operations.
 - The budget envisages the development of new airports in Tier I and Tier II cities.
 - The Income Tax Act provides presumptive taxation under Section 44AE in respect of assesses who are engaged in the business of plying, hiring or leasing goods carriages. The bill proposes to increase the amount of presumptive income to INR 7,500 per vehicle for all types of goods carriage vehicles.
 - Exemptions under the Income Tax Act for infrastructure development under section 80 IA.
 - Basic customs duty exemption is available for parts and testing equipment used for the maintenance, repair and overhaul of aircraft.
 - Budgetary support is provided to the AAI for the development of airport infrastructure in the north-eastern states of India.

SECTOR POLICY

- The Airports Authority of India is responsible for developing, financing, operating, and maintaining all public sector airports. New airports are permitted under the Greenfield Airport Policy 2008. Investment in airports is encouraged under the Public Private Partnership Policy of the Government of India.
- Regional Air Connectivity Policy offers attractive incentives in the form of exemption of landing, parking and navigation fees to airlines operating at designated airports in non-metro areas.





FOREIGN INVESTORS

- Airbus (France)
- Boeing International Corporation (USA)
- AirAsia (Malaysia)
- Rolls Royce (UK)
- Frankfurt Airport Services Worldwide (Germany)
- Honeywell Aerospace (USA)
- Malaysia Airports Holdings Berhad (Malaysia)
- GE Aviation (USA)
- Airports Company South Africa Global (South Africa)
- Alcoa Fastening Systems Aerospace (USA)

AGENCIES

- Ministry of Civil Aviation (<http://civilaviation.gov.in>)
- Directorate General of Civil Aviation (<http://dgca.nic.in>)
- Bureau of Civil Aviation Security (<http://bcasindia.nic.in>)
- Airports Economic Regulatory Authority of India (<http://aera.gov.in>)
- Air India Limited (<http://airindia.com>)
- Pawan Hans Limited (<http://pawanhans.co.in>)
- Airports Authority of India (<http://aai.aero>)



GOVERNMENT OF INDIA

Department of Industrial Policy & Promotion
 Ministry of Commerce & Industry
 Investor Facilitation Cell
 Tel: +91-11-23487411



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