

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3273

ANSWERED ON:19.03.2001

LICENCE TO PRIVATE AIRLINES

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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the terms and conditions for granting licences to the companies starting new airlines in the country have been made stringent;

(b) if so, the details thereof; and

(c) the extent to which these conditions are likely to help in avoiding the closing of private airlines without the consent of the Government?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b): Terms and conditions for granting of permit to start new airlines for operating scheduled domestic air transport services are provided for in the CAR, Section 3, Air Transport Series `C` Part II issued by the Director General of Civil Aviation (DGCA) on Minimum requirements for grant of permit to operate scheduled passenger air transport services.

(c): Under the existing policy, barriers to entry and exit from the domestic air transport services sector have been removed and there is only a pre-entry scrutiny of applications to verify the financial soundness, maintenance, security and safety aspects of operations and human resources development proposed to be undertaken by the applicant airline. Further, to eliminate non-serious entrepreneurs and to achieve economies of scale, the minimum fleet size for a scheduled operator has been fixed at 5 aircraft and the minimum amount of the shareholders fund at Rs.10.00 crores and Rs.30.00 crores for operators of aircraft of all-up-weight below 40,000 kgs. and above 40,000 kgs., respectively.