

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3396

ANSWERED ON:26.04.2007

NEW GUIDELINES FOR PRIVATE SECTOR AVIATION COMPANIES

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has issued new guidelines regarding the aviation requirements for the private sector aviation companies;
- (b) if so, the details thereof;
- (c) the names of the companies operating in this sector following the said new guidelines;
- (d) the details of such companies that are awaiting the Government's approval to enter into this sector; and
- (e) the time by which the approval is likely to be given to them?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) The Government has decided to revise the minimum equity requirements for issue of No Objection Certificate (NOC) for scheduled air transport services.

(b) For airlines operating aircraft with take off mass exceeding 40,000 Kgs., the equity requirement has been raised to Rs.50 crores from Rs.30 crores for five aircrafts. For each addition of upto five aircraft, additional equity investment of Rs.20 crores be required.

For airlines operating aircraft with take off mass not exceeding 40,000 Kgs. the equity requirement has been raised to Rs.20 crores from Rs.10 crores for five aircrafts. For each addition of upto five aircraft, additional equity investment of Rs.10 crores will be required.

There would be no further requirement of enhancement of equity if the paid up equity/reserves of Rs.100 crores is available with the airlines.

(c) The Civil Aviation Requirements under Aircraft Rules are being notified to implement the decision.

(d) There are fourteen applications pending for grant of initial NOC viz. M/s Mukti Airways Pvt. Ltd. M/s Air Dravida, M/s King Airways, M/s Air One Feeder Airline Pvt. Ltd., M/s Premier Airways Ltd., M/s Aryan Cargo Express Pvt. Ltd., M/s Star Aviation, M/s Magic Airlines Pvt. Ltd. M/s Avicore Cargo, M/s Trans India, M/s Jagson Airlines, M/s ZAV Airways, M/s MDLR Airlines, M/s Mega Airways Ltd.

(e) The cases are under consideration for assessing their financial capacity and soundness of their business plans.