

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:164
ANSWERED ON:24.11.2014
RECOVERY OF AIRCRAFT BY LESSORS
Azad Shri Kirti (JHA)

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the aircraft lessors have found it difficult to recover the aircraft from various lessee airlines including Kingfisher Airlines and if so, the details thereof;
- (b) whether it is in contravention of the Cape Town Agreement and if so, the details thereof;
- (c) whether the Government is considering any legislative and regulatory changes to expedite the ability of lessors to repossess aircraft; and
- (d) if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Dr. Mahesh Sharma)

(a): Yes Madam. Aircraft lessors related to erstwhile M/s Paramount Airways and Kingfisher Airlines had difficulties in recovering the aircraft due to following reasons.

(i) The Lessor(s) related to the three aircrafts operated by M/s Paramount Airways had issued default notice and subsequently M/s Paramount Airways has filed court case against de- registrations of aircraft.

(ii) The lessors related to Two Airbus 320 aircraft VT-KFM and VT-KFL operated by Kingfisher Airlines were having difficulties in de-registration as the Aircraft were attached by Commissioner, Service Tax-I, Mumbai due to nonpayment of service tax dues. Accordingly, custom authorities had issued instructions to Delhi International Airport Ltd. not to allow the airline to take the aircraft without their prior permission. The lessor was able to take the aircraft after decision from the Delhi High Court.

(b):Yes Madam. Rule 30 of the Aircraft Rules 1937 pertaining to leasing and financing and also de-registration of aircraft is not fully in consonance with the Cape Town Agreement. The details of deviations are given below -

(i) The definitions of few terms are not there in the existing rules like Authorized Party, Registered Interest, Irrevocable De-registration and Export Request Authorisation (IDERA), and IDERA holder.

(ii) The provisions to get the IDERA issued and its applicability to get the aircraft deregistered from the Central Registry are not there in the existing rules.

(c) & (d): Yes Madam. The Government proposes to amend the Aircraft Rules, 1937 pertaining to Leasing & Financing of Aircraft incorporating relevant provisions of Cape Town Agreement.