

in connection with the transaction of which the transfer forms a part, or if it appears that any false information has been furnished to the commission in connection with an application for such a transfer, the commission may forthwith withdraw its consent to the transfer and thereupon the licence shall become null and void.

(3) With every application for the transfer of a licence there shall be submitted to the commission in form prescribed sworn declarations, by the holder and the proposed transferee of the licence, setting forth full particulars of the transaction of which the proposed transfer of the licence forms a part or to which it is incidental, including particulars of the full consideration passing from the transferee to the holder.

(4) A licence shall automatically lapse in the event of the sequestration of the estate of the holder or, if the holder is a company, in the event of its being wound up.

Insurance.

16. Every licensed air carrier (other than the Railway Administration) shall insure and at all times keep himself insured, in such sums or to such extent as may be prescribed in relation to the class of air service provided by such air carrier, against claims of a nature or class likewise so prescribed, which may arise out of the use of aircraft by such air carrier under the authority conveyed by his licence.

Cancellation or suspension of licences.

17. (1) The commission may, subject to the provisions of sub-sections (2) and (3), at any time cancel a licence, or suspend it for such period as the commission may think fit, or vary or add to the conditions thereof, if the holder has contravened or failed to comply with—

- (a) any provision of this Act or of any law prescribing measures of safety in connection with the use of aircraft; or
- (b) any lawful order or requirement of the commission under this Act; or
- (c) any condition of his licence; or
- (d) the terms of any exemption granted to him under this Act,

or if, in the case of an air transport service, the service provided by the holder of the licence does not meet fully and satisfactorily the air transportation requirements of the public over the route or within the area in respect of which the service was licensed.

(2) The commission shall not exercise any of its powers under sub-section (1) unless it has given the licensee reasonable notice of the action which it is proposed to take and of the grounds therefor, and has afforded the licensee an opportunity of showing cause, either in writing or by appearance in person or by a representative before the commission, why the proposed action should not be taken, and no licence shall be cancelled or suspended on the ground of failure to comply with a condition unless it appears to the commission that the failure has been repeated or persistent, or has been deliberate and serious.

(3) The temporary abandonment, suspension, diversion or interruption of an air service, necessitated or brought about by adverse weather conditions, considerations of safety, illness