

December 2024





Aviation Roundup 2024

DGCA announced revised FDTL regulations

DGCA on the <u>8th January 2024</u>, made changes in the regulations pertaining to Flight Duty Time Limitations (FDTL) for flight crew, in line with the international best practices. The regulations have been instrumental in managing fatigue related aviation safety risks. Initially, this regulation was supposed to be enforced by DGCA from <u>1st June 2024</u> but were differed due to resistance from airlines. Soon after this, few cases were filed in Delhi High Court by pilots and thereafter Hon'ble court asked for sooner implementation of new FDTL regulations. The regulator i.e., DGCA stated that the new rules may be implemented in phased manner from July 2025.

Delhi High Court directed the DGCA to process the deregistration of leased aircraft

The Delhi High Court passed a judgment in the case of Accipiter Investments Aircraft 2 Ltd. v. Union of India, [2024 SCC OnLine Del 3125], on <u>26th April 2024</u>. The judgment included several key directives; the petitions for de-registration of the aircraft were approved, with the DGCA required to process de-registration within 5 working days, dismissing the CoC's application.

The government announced a uniform IGST rate of 5% for aircraft parts

The Government of India announced in <u>August 2024</u>, that a uniform 5% IGST will be apply on all imports of parts components, testing equipment, tools as well as tool-kits of aircraft, irrespective of their HSN classification, subject to specified conditions. This crucial step has been taken by the government to boost the MRO sector, fostering innovation and efficiency and creating a robust and efficient aviation sector. Further, as per the Union Budget 2024-25, the period for export of goods imported for repairs has been extended from six months to one year. Additionally, the time-limit for re-import of goods for repairs under warranty has been extended from three to five years.

Route Dispersal Guidelines implemented for better connectivity

In order to achieve better connectivity of air transport services of different regions of the country, the government implemented the Route Dispersal Guidelines (RDGs) in <u>August</u> <u>2024</u>. According to this guideline, the routes have been classified into several categories, namely, Category- I, II, II-A and III.

Government releases Guidelines for Seaplane Operations in India

The Ministry of Civil Aviation launched the Guidelines for Seaplane Operations in India on <u>August 2024</u> to integrate seaplane operations into India's aviation landscape.

Directorate General of Civil Aviation ("DGCA") issued advisory circular for Vertiports

DGCA issued an advisory circular, on 5th <u>September 2024</u>, with the aim to provide comprehensive designs and operational guidance for vertiports, ensuring safe as well as efficient integration of unconventional VTOL / STOL aircraft in urban and rural environments.

Air India Express Merger

Directorate General of Civil Aviation, in <u>October 2024</u>, announced the completion of the merger process of AIX Connect and Air India Express. AIX Connect, formerly known as AirAsia India, merged into Air India Express, marking the formation of a single low-cost airline subsidiary of Air India.

Amendment to 'Passenger Name Record Information Regulations, 2022'

The Central Board of Indirect Taxes and Customs amended the Passenger Name Record Information Regulations, 2022 on <u>22nd October 2024</u>, and implemented new rules for aircraft



Update



operators, mandating the submission of passenger data 24 hours prior to departure as well as at the time the aircraft leaves the ground.

Amendment to 'Framework for Aircraft Lease' applicable to aircraft lease transactions taking place from International Financial Services Centre (Gift City) with regard to transactions with person(s) resident in India

The amendment to the 'Framework for Aircraft Lease' dated <u>30th October 2024</u>, applicable to all Finance Companies / Finance Units registered in the International Financial Services Centres (IFSCs), restricts individuals or entities in India from selling, transferring, leasing, or disposing of certain assets to a Finance Company involved in aircraft leasing if, after the disposal, the assets will be used or operated exclusively by residents of India or to provide services to them.

India set to invest Rs. 92,000 crore for expansion of the airports

In <u>October 2024</u>, the Civil Aviation Minister, Shri Ram Mohan Naidu, announced the goal of having 200 operational airports by the year 2025 and additional 200 airports are expected in next two decades. To achieve this goal, government has planned to invest over Rs. 92,000 crore for construction of new airports as well as expansion and modification of existing airports.

Liquidation of Jet Airways dated 7th November 2024

In a historic decision, the Hon'ble Supreme Court of India ordered the liquidation of Jet Airways (India) Ltd., marking the conclusion of a five-year-long saga involving one of India's most prominent airlines. The verdict in State Bank of India & Ors. v The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch & Anr, [2024 SCC OnLine SC 3187], underscores the critical importance of strict adherence to provisions of the Insolvency and Bankruptcy Code (IBC), 2016, and the timely implementation of resolution plans.

Vistara and Air India Merger

The Vistara and Air India merger came into effect on the <u>12th</u> <u>November 2024</u>. To this effect, Singapore International Airlines also undertook to invest Rs. 2,059 crore in Air India.

Aviation Working Group Increased India's Score

On <u>25th November 2024</u>, the Aviation Working Group (AWG) released its semi-annual update of the Cape Town Compliance Index for 2024. In this update, India has been removed from the Cape Town Convention (CTC) compliance watchlist and has been classified under the "Medium" category, reflecting a moderate likelihood of compliance. India's overall compliance score was updated to 61. Additionally, India's scores for the CTC's key variables saw updates: the Variable A score, which assesses the legal implementation of the CTC in terms of primacy and completeness, increased from 2 to 3; while the Variable B score, which evaluates CTC compliance precedents, including judicial or administrative precedents and practical experience, also rose from 2 to 3.

Bharatiya Vayuyan Vidheyak Bill, 2024

The Bharatiya Vayuyan Vidheyak, 2024 ("**BVV**") was approved by the Lok Sabha on <u>9th August 2024</u> and by the Rajya Sabha on <u>5th December 2024</u>. The new legislation replaces the Aircraft Act, 1934, retaining most of its provisions while introducing several important updates. The BVV aims to regulate and control various aspects of aviation, including the design, manufacture, maintenance, possession, use, operation, sale, export, and import of aircraft, along with related activities. It also introduces new offenses and penalties, as well as a second appeal mechanism.

Please feel free to address any further questions or request for advice to:

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