

## DOMESTIC AIR TRANSPORT POLICY

➔	- <u>Introduction</u>
	- <u>Policy Guidelines for starting Scheduled/Non-Scheduled Air Transport Services</u>
	1. <u>Categories of Air Transport Services</u>
	2. <u>Foreign Equity Participation in Air Transport Services</u>
➔	3. <u>Procedure for starting Scheduled / Non-Scheduled Air Transport Policy</u>
	4. <u>Route Dispersal Guidelines</u>
	5. <u>Import of Aircraft for Private use</u>
	6. <u>Draft Policy Airlines Merger take over</u> <sup>NEW</sup>
➔	- Annexure:
➔	1. Route Dispersal Guidelines - <u>ANNEXURE- I</u>
➔	2. Application for Import of Aircraft for Private use - <u>ANNEXURE-II.</u>

## INTRODUCTION

[\[Back\]](#)

**On 28th May 1953 - with the enactment of the Air Corporations Act, 1953 - Government of India nationalised the airline industry. In accordance with this Act, two air corporations, viz. Indian Airlines Corporation and Air India International, were established and the assets of all the then existing air companies (nine) were transferred to the two new Corporations. The operation of scheduled air transport services was made a monopoly of these two Corporations and the Act prohibited any other person or their associates from operating any scheduled air transport services from/ to/ or across India.**

**However, on March 1, 1994 the Air Corporation Act, 1953 was repealed thereby ending the monopoly of the Corporations on scheduled air transport services. While the domestic air transport services were liberalised and private operators were permitted to provide scheduled air transport services, the Government has laid down a policy framework to ensure safety and security of operations as well as the orderly growth of air transport services keeping in view the infrastructure constraints at a number of airports.**

[\[Back\]](#)

## **POLICY GUIDELINES FOR STARTING SCHEDULED/ NON-SCHEDULED AIR TRANSPORT SERVICES**

[\[Back\]](#)

### **CATEGORIES OF AIR TRANSPORT SERVICES**

#### **Scheduled Air Transport Service:**

Scheduled Air Transport Service means an air transport service undertaken between the two or more places and operated according to a published time table or with flights so regular or frequent that they constitute a recognisably systematic series, each flight being open to use by members of the public.

[Detailed requirements are specified in Civil Aviation Requirements \(CAR\) Section 3 Air Transport Series 'C' Part II dated 1<sup>st</sup> March 1994. \(link to DGCA website\)](#)

#### **Non-Scheduled Services:**

Non-Scheduled Operation means an air transport service other than scheduled air transport service and that may be on charter basis and/or non-scheduled basis. The operator is not permitted to publish time schedule and issue tickets to passengers.

Detailed requirements are specified in Civil Aviation Requirements (CAR)

[Section 3 Air Transport Series 'C' Part III dated 8<sup>th</sup> October 1999 and](#)

[Part V dated 17<sup>th</sup> May 2000 for passenger and Charter operations, respectively. \(link to DGCA website\)](#)

#### **Air Cargo Services:**

An air cargo service means air transportation of cargo and mail. Passengers are not permitted to be on these operations. It may be on scheduled or non-scheduled basis. These operations are to destinations within India. For operations outside India, the operator has to take specific permission of DGCA demonstrating his capacity for conducting such operations.

[Detailed requirements are specified in Civil Aviation Requirements \(CAR\) Section 3 Air Transport Series 'C' Part IV dated 29<sup>th</sup> August 1997. \(Link to DGCA website\)](#)

[\[Back\]](#)

## FOREIGN EQUITY PARTICIPATION IN AIR TRANSPORT SERVICES

[\[Back\]](#)

- **Foreign equity up to 49% and NRI investment up to 100% is permissible in the domestic air transport services through the automatic route;**
- **Equity from foreign airlines is not allowed, directly or indirectly, in the domestic air transport services.**

**Detailed guidelines are specified in AIC 9/2005 dated 27<sup>th</sup> July 2005 issued by the DGCA. ( link to DGCA website)**

**An Aircraft Acquisition Committee (AAC) considers proposals for grant of permission to operate scheduled/non-scheduled air transport services. The present composition of the Committee is:**

- 1. Joint Secretary, Ministry of Civil Aviation - Convenor**
- 2. Financial Advisor, Ministry of Civil Aviation - Member**
- 3. Chairman, Airports Authority India - Member**
- 4. Director General of Civil Aviation - Member**
- 5. Commissioner of Civil Aviation Security, Bureau of Civil Aviation Security - Member**

**The three-stage clearance procedure laid down for starting Air Transport Services is as under:**

- (1) Issue of NOC for Scheduled/ Non-Scheduled services - The competence and viability of the company to operate safe and reliable air transport service is considered at this stage.**
- (2) Import permission for aircraft - The details of specific types of aircraft, their airworthiness, seating capacity, mode of acquisition and arrangements of security programme, training facilities for crew and engineers, Operations Manual, maintenance facilities, etc. are looked into by the Committee.**
- (3) Issue of permit for Scheduled/Non-Scheduled air services - Permit is issued by DGCA after completion of all requirements laid down in the regulations/guidelines.**
  - Applications for NOC to operate scheduled/ non-scheduled air services as well as for import of aircraft (by all operators) are required to be submitted by applicants in the prescribed forms.**
  - On receipt, the applications are scrutinised in the DT (Domestic Transport) Section of the Ministry for any, prima-facie, deficiency.**
  - After the application is found complete in all respects, it is circulated to the Members of the Committee for comments.**
  - The applications are considered in the meeting of the Committee, which is usually held on a monthly basis.**
  - The Committee is empowered to decide all applications for issue of NOC for non-scheduled services and for import of aircraft by both scheduled/non-scheduled operators. In case of NOC for scheduled services, the recommendations of the Committee are submitted to the Secretary (Civil Aviation) for approval.**
  - The final decision is, thereafter, communicated to the applicant by the Ministry/ DGCA.**
  - NOC holder for Scheduled/Non-Scheduled Operations is given permit by DGCA after completion of all requirements laid down in the guidelines / instructions.**

## ROUTE DISPERSAL GUIDELINES

[\[Back\]](#)

- With a view to achieving better regulation of air transport services and taking into account the need for air transport services of different regions in the country, the Government vide order dated 1.3.94 have laid down Route Dispersal Guidelines.
- According to these guidelines, all scheduled operators are required to deploy in the North Eastern region, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshadweep (Category-II routes) at least 10% of their deployed capacity on trunk routes (Category-I routes). Further, at least 10% of the capacity thus required to be deployed on Category-II routes, is required to be deployed for connectivity exclusively within these regions.
- 50% of the capacity deployed on Category-I routes is to be deployed on routes other than Category-I and Category-II routes i.e. Category-III routes.
- All airlines are free to operate anywhere in the country subject to compliance with the Route Dispersal Guidelines.

The detailed Route Dispersal Guidelines are at [ANNEXURE- I](#)

## IMPORT OF AIRCRAFT FOR PRIVATE USE

The application for import/acquisition of aircraft for private use is required to be submitted to the Director General Civil Aviation in the prescribed performa ([ANNEXURE-II.](#)) giving details of applicant, details of existing as well as proposed aircraft its maintenance arrangement, details of crew/engineers etc. The applications are considered by the Aircraft Acquisition Committee (AAC) with safety and security point of view and thereafter recommended by Director General Civil Aviation for permission to DGFT.

[\[Back\]](#)

## ANNEXURE-I

### ROUTE DISPERSAL GUIDELINES

#### PROVISION OF SERVICE IN DIFFERENT CATEGORIES OF ROUTES

##### CATEGORY-I

Routes connecting directly

MUMBAI-BANGALORE	CALCUTTA-DELHI
MUMBAI-CALCUTTA	CALCUTTA-BANGALORE
MUMBAI-DELHI	CALCUTTA-CHENNAI
MUMBAI-HYDERABAD	DELHI-BANGALORE
MUMBAI-MADRAS	DELHI-HYDERABAD
MUMBAI-TRIVANDRUM	DELHI-CHENNAI

##### CATEGORY-II

Routes connecting stations in North Eastern region, Jammu & Kashmir, Andaman & Nicobar and Lakshadweep.

##### CATEGORY-III

Routes other than those in Category-I and Category-II

Any one who operates schedule air transport service on one or more of the routes under Category-I, shall be required to provide such service in Categories-II & III as indicated below:

The operator will deploy on routes in Category-II at least 10% of the capacity he deploys on routes in Category-I and of the capacity thus required to be deployed on Category-II routes, at least 10% would be deployed on service or segments thereof operated exclusively within the North-Eastern region, Jammu & Kashmir, Andaman & Nicobar and Lakshadweep.

The operator will deploy on routes in Category-III, at least 50% of the capacity he deploys on routes in Category-I.

**Note 1:** A service operated on a Category-I route as a part of international air service will not be reckoned for the above purpose.

**Note 2:** Capacity deployed will be reckoned in Available Seat Kilometres (ASKM).

**Note 3:** On multiple sector routes like Delhi-Calcutta-Guwahati-Imphal, the capacity provided on Delhi-Calcutta sector will count towards Category-I that provided on Calcutta-Guwahati sector will count towards Category-II and the capacity on Guwahati-Imphal sector will count towards service exclusively within Category-II.

**Note 4:** In addition to the routes identified as Category IIA in the aforesaid Ministry of Civil Aviation Order, the operations on Cochin-Agatti-Cochin route shall also be counted within the classification of Category IIA routes.



## ANNEXURE-II

### APPLICATION FOR IMPORT/ACQUISITION OF AIRCRAFT FOR PRIVATE USE

[\[Back\]](#)

#### Part I general Information

1. Name and address of the Applicant
2. Name(s) of Directors of the firm/Company
3. Existing fleet strength, type-wise and their seating capacity
4. (a) Aircraft type, number configuration and other technical details in respect of the aircraft proposed to be imported/acquired (Details of the aircraft proposed to be imported/acquired to be furnished as per format given below in part II)  
  
(b) Maintenance and operational base of the proposed aircraft.
5. Source of crew and their names
  - (a) for existing fleet
  - (b) for proposed fleet
6. Arrangement for training of crew
7. Source of engineers/technical staff and their names
  - (a) for existing fleet
  - (b) for proposed fleet
8. Arrangement/level of readiness for maintenance of aircraft

## **Part II Details of the Aircraft**

- a) Type and Make of the aircraft:
- b) Nationality and Registration of the aircraft:
- c) Year of manufacture of the aircraft:
- d) Name of manufacturer of the aircraft:
- e) Serial number of the aircraft:
- f) No. of passenger seats/weight of cargo permissible as per type certificate of the aircraft/helicopter
- g) Maximum certified take off mass:
- h) Engine type mounted on aircraft:
- i) Number of hours flown since new:
- j) Number of landing since new:
- k) Number of pressurisation cycles since new:
- l) Last major check done and number of hours since flown:
- m) Next major check due:
- n) Name of the company from which the aircraft/helicopter is being taken on lease:
- o) Previous history of aircraft with details of any incident/accident involving structural damage:
- p) Name of the Authority and country which issued the last Certificate of Airworthiness:

### **UNDERTAKING**

It is confirmed that the aircraft after registration in India shall be maintained, operated and de-registered (if required) in accordance with the Indian rules, regulations, procedures and any condition specified by DGCA, India and there is no binding or limitation of any kind in this regard in the lease agreement for the acquisition of the aircraft.

(Signature of the Applicant/Authorised Signatory)