



Regulatory Compliance and Board Responsibility in Aviation Operations – LESSONS FROM INDIGO FIASCO

Introduction

The Directorate General of Civil Aviation (DGCA), by notification issued in January 2024, introduced revised “Flight Duty Time Limitations (FDTL)” regulations. These stipulate maximum daily flying hours, limits on night landings, and mandatory rest periods for pilots and crew. These requirements were communicated well in advance to all aircraft transport operators, including IndiGo.

Alignment with International Standards

The DGCA’s revised Flight Duty Time Limitations (FDTL) regulations are broadly consistent with the “International Civil Aviation Organization (ICAO) Standards and Recommended Practices (SARPs)”. ICAO requires contracting States to establish duty-time limitations and rest requirements to mitigate fatigue risks among flight crew. India’s adoption of maximum daily flying hours, restrictions on night landings, and mandatory rest periods reflects these ICAO principles.

Similarly, the “European Union Aviation Safety Agency (EASA)” has implemented similar rules under its Flight Time Limitations (FTL) framework, applicable across EU Member States. EASA regulations prescribe maximum daily flight duty periods, cumulative limits over 7/14/28 days, and mandatory rest periods, with stricter controls on night duties.

The DGCA’s FDTL rules are on par with these European standards, ensuring that Indian operators are aligned with global best practices in fatigue risk management. This harmonization underscores that Indian aviation governance is not operating in isolation but is part of a broader international consensus on safety and crew welfare.

Adequate Notice and Opportunity

The DGCA provided sufficient lead time for operators to reorganize their schedules and manpower planning. The advance notice was intended to ensure that companies could align their affairs with regulatory requirements before the deadline. Compliance with FDTL limits is therefore not merely regulatory but operationally indispensable. Any failure to comply, despite sufficient advance notice, cannot be excused as sudden or unforeseen. It reflects a lapse in planning and governance.

Operational Context

Unlike railways, where delays may be absorbed without cascading effects, aviation operations are inherently interlinked. Each aircraft is scheduled to fly multiple sectors in a single day. A disruption in one sector necessarily impacts subsequent flights.

Collective Responsibility of the Board

As the undersigned had articulated in the third edition of his book on duties and liabilities of directors, which was published by LexisNexis recently, the Board of Directors owe a collective responsibility to ensure that the interests of all stakeholders are protected. It is the collective responsibility of the Board of Directors to anticipate risks and ensure compliance with regulatory timelines.

The Companies Act, 2013 as well as Regulations contained in the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations 2015 (LODR) requires Boards to establish a



risk management policy. The Board of directors ought to have anticipated and evaluated risks that are likely to occur if there is any reason to believe that complete compliance to these regulations prior to stipulated deadline is not possible. In such a case, the Board ought to have made an advance representation to the regulator seeking further time or at least cut down flights to manage the operations without any contravention. In the absence of any such evaluation at the board level, it would not be an exaggeration if it is said that a collective has occurred breach, warranting inward introspection.

Conclusion

The DGCA's FDTL framework underscores that compliance is inseparable from operational viability. The regulator afforded sufficient time for operators to adjust, and the Board of Directors, as custodian of governance, must have ensured that there is no room for any lapses to occur. Failure to act within the given window not only jeopardizes immediate operations but erodes long-term sustainability.

Shareholders are not precluded from bringing forward resolutions to prevail upon the Board to take necessary steps, and to communicate how deficiencies in governance design will be addressed. Ideally, the Board ought to comprise not less than two industry veterans as independent directors and at least one expert each in legal, financial, and strategic management functions. It is time to review the robustness and dynamism of the composition of board of directors.

Regulators too, may have to introspect whether operators should be required to demonstrate how they have reorganized their affairs to meet regulatory requirements. Such a measure would only strengthen compliance assurance and reinforce the integrity of aviation governance. After all, it is a matter of number of aircraft, routes, pilots, flying crew and maintenance engineers, ground assets, parking bays and slots, and standby requirements.

"Compliance delayed is compliance denied; and complications multiplied".

Note: Prepared by Dr. K. S. Ravichandran, KSR & Co Company Secretaries LLP, ably supported with comparative notes on ICAO and EASA by Microsoft Copilot.

