

**Bill No. 225 of 2015**

**THE CARRIAGE BY AIR (AMENDMENT) BILL, 2015**

A  
BILL

*further to amend the Carriage by Air Act, 1972*

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. This Act may be called the Carriage by Air (Amendment) Act, 2015.

Short title.

69 of 1972.

2. In the Carriage by Air Act, 1972 (hereinafter referred to as the principal Act), in section 4A, after sub-section (5), the following sub-section shall be inserted, namely:—

Amendment  
of section  
4A.

5

“(6) The Central Government may, having regard to the objects of the Act, and if it considers necessary or expedient so to do, by notification in the Official Gazette, give effect to the limits of liability, revised by the depository under rule 24 of Chapter III of the Third Schedule to this Act, for the purposes of determining the liabilities of the carriers and extent of compensation for damages under the said Chapter of that Schedule.”

10

Insertion of  
new section  
8A.

Power to make  
rules.

3. After section 8 of the principal Act, the following section shall be inserted, namely:—

"8A. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) Every rule made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or the notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification."

## STATEMENT OF OBJECTS AND REASONS

The liability limits of the air carriers for damages in international carriage established under the Warsaw Convention, 1929, the Warsaw Convention as amended by the Hague Protocol, 1955 and the Montreal Convention, 1999 have been adopted, acceded to, and given effect to, in India by the Carriage by Air Act, 1972 (herein referred to as the Carriage Act). The rules governing liability of the air carriers and extent of compensation for damages in international carriage are contained in the First Schedule, the Second Schedule and the Third Schedule to the Carriage Act.

2. The Montreal Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal, on the 28th May, 1999, was acceded to by India by submitting an instrument of accession on 1st May, 1999 and the Carriage Act has been amended in 2009 to incorporate provisions of Montreal Convention under the Third Schedule to the Act which came into force for India on the 30th June, 2009.

3. Article 24 of the Montreal Convention which corresponds to rule 24 of the Third Schedule to the Carriage Act provides for review of the limits of liability of the air carriers for damages in relation to the carriage of passengers, baggage and cargo, prescribed in rules 21, 22 and 23 of the Carriage Act which corresponds to Articles 21 to 23 of the Montreal Convention, at five years intervals.

4. As per tacit approval mechanism spelt out in Article 24, paragraph 2 of the Montreal Convention, the revisions shall become effective for all State Parties within six months following the notification, unless within three months after the notification, majority of State Parties have registered their disapproval with the International Civil Aviation Organisation (Depository) to the said revision. The Depository conducted first such review of the limits of liability under Article 24 of the Montreal Convention and issued a notification dated 30th June, 2009. In absence of notification of disapproval from the majority State Parties to the Montreal Convention within prescribed notice period, the revised limits of liability have become effective from the 30th December, 2009 for all State Parties to the Montreal Convention. The revised notified limits *vis-à-vis* old limits are as under :—

Sl. No.	Provision under Montreal Convention	Old limits of Special Drawing Rights (SDRs)	Revised limits of Special Drawing Rights (SDRs)
1.	Damage sustained in case of death or bodily injury for each person (Article 21, paragraph 1)	100000	113100
2.	Damage caused by delay in carriage for each person (Article 22, paragraph 1)	4150	4694
3.	Destruction, loss, damage or delay with respect to baggage for each person (Article 22, paragraph 2)	1000	1131
4.	Destruction, loss, damage or delay in relation to the carriage of cargo (Article 22, paragraph 3)	17	19

5. The relevant provisions of the Carriage Act are required to be amended to give effect to the revised limits.

6. In view of above, it is proposed to amend—

(a) section 4A of the Carriage Act by insertion of a new sub-section (6), so as to empower the Central Government to give effect to the revised limits of liability in pursuance to the review made under rule 24 of the Third Schedule to the Carriage Act as and when the revised limits are notified by the ICAO, once in five years, in terms of the Article 24 of Montreal Convention;

(b) the Carriage Act by insertion of a new section 8A to empower the Central Government to make rules for carrying out the provisions of the Act, which shall not be inconsistent with the provisions of the Act and the rules annexed as the First Schedule, the Second Schedule and the Third Schedule.

7. The Bill seeks to achieve the above objects.

NEW DELHI;  
*The 28th July, 2015.*

P. ASHOK GAJAPATHI RAJU

#### FINANCIAL MEMORANDUM

The object of the Bill is to amend the Carriage by Air Act, 1972 so as to empower the Central Government to give effect to the limits of liability as revised by the depository for the purpose of determining the liabilities of the carriers and extent of compensation for damages under Chapter III of the Third Schedule to the said Act and to make rules for carrying out the provision of the Act. As such, the Bill has no financial implications and does not involve any additional expenditure of recurring or non-recurring nature.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill seeks to insert a new sub-section (6) in section 4A of the Carriage by Air Act, 1972 which empowers the Central Government to issue notification to give effect to the limits of liability as revised by the Depository in accordance with the provisions of rule 24 of the Third Schedule to the said Act.

Clause 3 of the Bill seeks to insert a new section 8A so as to empower the Central Government to make rules for carrying out the provisions of this Act.

The matters in respect of which rules may be made under the aforesaid provisions are matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

LOK SABHA

---

A

BILL

further to amend the Carriage by Air Act, 1972

---

*(Shri P. Ashok Gajapathi Raju, Minister of Civil Aviation)*