

policy on
AIRPORT
infrastructure

August 2011



I - Airport Infrastructure Policy 1997

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1. Preamble

In our journey towards the twenty-first century when the Indian economy is all set to integrate itself into the global economy, the up gradation and modernisation of infrastructure and its efficient use have assumed critical importance. It is now increasingly recognised that aviation, far from being a mere mode of transportation for an elite group, is crucial for sustainable development of trade and tourism. In this context, it is vital that airport infrastructure grows in anticipation of the escalating needs of the air transport industry. As this is a capital-intensive sector, there is an obvious need for perspective planning with a vision for the next twenty years and to muster the combined resources of the public and private sectors, both domestic and foreign.

2. Role of Airport of Infrastructure in National Economy

Airports being nuclei of economic activity assume a significant role in the national economy. The quality of airport infrastructure, which is a vital component of the overall transportation network, contributes directly to a country's international competitiveness and the flow of foreign investment. While cargo carried by air in India weighs less than

1% of the total cargo exported, it accounts for 35% of the total value of exports. Better cargo handling facilities lead to enhanced levels of importation, especially of capital goods and high-value items. Likewise, 97% of the country's foreign tourists arrive by air and tourism is the nation's second largest foreign exchange earner.

1. Airports also represent a country's window on the world. Passengers form their first impressions about a nation from the state of its airports. They can be effectively used as symbols of national pride, if we pay sufficient attention to their quality and maintenance.
2. In many remote, hilly and inaccessible areas of the country, air transport is the quickest and sometimes the only mode of travel available. This is especially true of sensitive regions on the borders with our neighbours in the west, north and north-east.
3. Airports need to be integrated with other modes of transport like Railways and Highways, enabling seamless transportation to all parts of the country.

3. Objectives of Policy

While the Government is separately developing a policy framework for the entire civil aviation sector, this policy relates to use and development of airport infrastructure. The Policy on Airport Infrastructure should always be read along with the National Policy on Civil Aviation.

The objectives of the policy are :

1. To provide a boost to international trade and tourism and enhance the country's image in the comity of nations;
2. To provide airport capacity ahead of demand, in order to handle an increasing volume of air traffic and to garner the maximum share of traffic in the region;
3. To enhance airport facilities to make the airport user friendly and achieve higher level of customer satisfaction.
4. To ensure total safety and security of aircraft operations by the introduction of state-of-art air traffic, security and related services;
5. To provide multi-modal linkages;
6. To provide a market orientation to the present structure, bridge the resource gap and encourage greater efficiency and enterprise in the operation of airports, through the introduction of private capital and management skills;
7. To foster the development of a strong airport infrastructure, maintaining a balance between the need for economic viability and the objective of equitable regional dispersal of infrastructural facilities;
8. In the achievement of the above objective, to lay special emphasis on the development of infrastructure for remote and inaccessible areas, especially the North East, the hilly and island regions; and
9. To encourage transparency and clarity in the decision-making processes of Government and its public sector units. Policy has necessarily to change in response to a rapidly transforming global scenario, although the process of transformation has to be progressive, orderly and safeguarded.

Looking at what has been achieved in other countries, there is a wide gap which needs to be bridged first.

4. Existing Position

1. There are 449 airports/airstrips in the country. Among these, the AAI owns and manages 92 airports and 28 civil enclaves at defence airfields and provides air traffic services over the entire Indian airspace and adjoining oceanic areas.
2. In 1996-97, these 120 airports/civil enclaves handled 3.96 lakh aircraft movements involving 243 lakh domestic and 122 lakh international passengers, and 2.0 lakh metric tonnes of domestic and 4.8 lakh metric tonnes of international cargo. 52% of traffic was handled at the international airports at Mumbai and Delhi. Presently, the various airlines are operating only through 61 airports. The remaining are lying unutilised, at best handling occasional aircraft operations.
3. Historically, air traffic at Indian airports has broadly followed a particular distribution pattern, except that some airports have changed their inter-se positions vis-à-vis volume of traffic. The airport-wise percentage share of total passenger traffic in the descending order of magnitude is currently as under¹:-

Sl. No.	Name of Operations	Type of Operation	%age of total traffic	Cumulative total percentage
1.	Mumbai	I	30.3	
2.	Delhi	I	21.8	
3.	Chennai	I	9.2	
4.	Calcutta	I	7.1	
5.	Bangalore	I	5.1	73.5
6.	Hyderabad	LI	3.55	
7.	Thiruvananthapuram	I	3.0	
8.	Ahmedabad	LI	2.1	
9.	Goa	LI	2.0	
10.	Calicut	LI	1.4	85.5
11.	Cochin	D	1.1	
12.	Guwahati	D	1.0	
13.	Coimbatore	D	0.8	
14.	Mangalore	D	0.6	
15.	Varanasi	LI	0.7	
16.	Pune	D	0.6	
17.	Vadodara	LI	0.6	
18.	Nagpur	D	0.6	
19.	Srinagar	D	0.5	92.8
20.	Lucknow	D	0.5	
21.	Jammu	D	0.5	
22.	Agartala	D	0.5	

1 Passenger Traffic at Indian Airports during 2010-11 is at Page -59

Sl. No.	Name of Operations	Type of Operation	%age of total traffic	Cumulative total percentage
23.	Udaipur	D	0.4	
24.	Juhu	D	0.4	
25.	Patna	LI	0.4	
26.	Indore	D	0.3	
27.	Bhubaneswar	D	0.3	
28.	Imphal	D	0.3	
29.	Aurangabad	D	0.3	96.6
30.	Bagdogra	D	0.3	
31.	Madurai	D	0.3	
32.	Visakhapatnam	D	0.2	
33.	Silchar	D	0.2	
34.	Rajkot	D	0.2	
35.	Dibrugarh	D	0.2	
36.	Bhavnagar	D	0.2	
37.	Khajuraho	D	0.2	
38.	Leh	D	0.2	
39.	Port Blair	D	0.2	
40.	Ranchi	D	0.2	
41.	Bhopal	D	0.2	
42.	Jodhpur	D	0.2	
43.	Bhuj	D	0.2	
44.	Agra	D	0.1	99.3
45.	Other		0.7	100.0

LI = Limited International D = Domestic Amritsar LI Tiruchirapall LI
I = International

The aircraft handling capabilities of the airports in terms of handling maximum size of aircraft, are as under² :

Type of Aircraft	No. of Airports Capable (120)	Being developed/ planned (22)
B-747	Calcutta, Chennai, Delhi, Mumbai, Thiruvanthapuram, Bangalore* (6)	Ahmedabad, Jaipur, Guwahati (3)
AB-300	Ahmedabad, Amritsar*, Goa (CE), Guwahati, Hyderabad, Nagpur*, Srinagar (CE) (7)	Aurangabad, Banaras, Bhubaneswar, Calicut, Cochin (New) (Pvt.), Coimbatore, Jaipur, Lucknow (8)

2 Present Capabilities of the Airports in terms of handling maximum size of aircraft as on July, 2011 is at Page - 61

Type of Aircraft	No. of Airports Capable (120)	Being developed/ planned (22)
AB-320	Agra (CE), Agartala*, Aurangabad, Bagdogra (CE), Bhubaneshwar, Bhuj (CE), Bhopal, Bhavnagar*, Calicut, Coimbatore, Chandigarh (CE), Dibrugarh*, Dimapur, Gwalior (CE), Imphal, Jaipur, Jamnagar (CE), Jorhat (CE), Lucknow, Patna*, Pune (CE), Raipur*, Ranchi, Trichi*, Tirupati, Tezpur (CE), Udaipur, Varanasi, Vadodara, Leh (CE) (30)	Indore, Jammu (CE), Lilabari, Mangalore, Madurai, Port Blair (CE) (6)
B-737	Allahabad (CE), Bikaner (CE), Cochin (CE), Gorakhpur (CE), Indore, Jaisalmer (CE), Jamnagar (CE), Jammu (CE), Jodhpur (CE), Kanpur (Chakeri) (CE), Khajuraho, Madurai, Mangalore, Port Blair (CE), Rajkot*, Salem, Silchar (CE), Vizag (CE) (18)	Jabalpur, Lengpui-New Airport Vijayawada (3)
F-27	Barapani, Belgaum, Gaya, Hubli, Jharsuguda, Jabalpur, Kamalpur, Kolhapur, Kandla, Lalitpur, Keshod, Lilabari, Ludhiana, Porbander, Pondicherry, Rajamundry, Rupsi, Sholapur, Tuticorin, Tezu, Vijayawada, Warangal (22)	
Dornier	Aizwal, Akola, Along (CE), Balurghat, Bilaspur, Cooch-Behar, Cuddapah, Debarizo (CE), Dehradun, Deesa, Gaggal, Jhansi, Kota, Kailashhar, Kanpur, Kulu, Malda, Muzzaffarpur, Mysore, Passighat, Pantnagar, Satna, Shimla, Zero (24)	Kargil, Tura-New Airport (2)
Pushpak Type	Behala, Juhu, Safdarjung, Nagigal, Donakonda (5)	
Not available for operation	Jogbani (DC-3), Khandwa (DC-3), Khowai (DC-3), Vellore (DC-3), Chakulai (F-27), Panna (DC-3), Raxaul (DC-3), Shella (DC-3), (8)	

[Legend : CE Indicates - Civil Enclave
* = Restricted/load penalty operation]

Airports are presently classified in the following manner^{5A}.

- 1. International Airports :** These are declared as international airports and are available for scheduled international operations by Indian and foreign carriers. Presently, Mumbai, Delhi, Chennai, Calcutta and Thiruvananthapuram are in this category.
- 2. Custom Airports :** These have customs and immigration facilities for limited international operations by national carriers and for foreign tourist and cargo charter flights. These include Bangalore, Hyderabad, Ahmedabad, Calicut, Goa, Varanasi, Patna, Agra, Jaipur, Amritsar and Tiruchirapally.
- 3. Model Airports :** These are domestic airports which have minimum runway length of 7500 feet and adequate terminal capacity to handle Airbus 320 type of aircraft. These can cater to limited international traffic, if required. These include Lucknow, Bhubaneshwar, Guwahati, Nagpur, Vadodara, Coimbatore, Imphal and Indore.
- 4. Other Domestic Airports :** All other airports are covered in this category.
- 5. Civil Enclaves in Defence Airport :** There are 28 civil enclaves in Defence airfields.

An analysis of the existing scenario brings forth the following problem areas^{5B}.

- 6.** There is need to declare some additional airports as international airports. These include Hyderabad, Ahmedabad, Guwahati, Bangalore and Amritsar. Consequently, the facilities have to be created and augmented^{5A}.
- 7.** There is congestion in the international airports at Mumbai, Delhi, Chennai and Thiruvananthapuram and also the domestic airports at Delhi, Chennai, Bangalore, Goa, Ahmedabad, Cochin and Mangalore. The reasons are limited terminal and apron capacity, bunching of flights, delay in passenger clearances, etc.^{5B}.
- 8.** At many airports, passenger amenities need to be upgraded for which steps are under way or have not yet been initiated due to resource constrains^{5B}.
- 9.** There are also deficiencies in respect of ground handling facilities, night landing systems, cargo handling, etc., at some airports^{5B}.

5A The present classification of Airport as on July, 2011 is at Page - 86

5B Development of 35 non-metro and 26 other airports as on July, 2011 is indicated at Page - 86

5. Future Trends

Considering the forecasts made by different organisation and taking a reasonably pragmatic view, the expected traffic scenario upto the year 2010-11 has been projected by the Foundation for Aviation and Sustainable Tourism. These projects have been extended upto the year 2016-17 by AAI.

Projected Domestic Traffic Upto 2016-2017*

	Domestic Passenger (in lakhs)	Percent increase	International Passengers (in lakhs)	Percent increase
1996-97 (Actual)	120.00	*10.5%	108.90	*7.0%
1997-1998	132.60		116.52	
1998-1999	146.52		124.68	
1999-2000	161.97		133.41	
2000-2001	175.67		141.41	
2001-2002	190.60	*8.5%	149.90	*6.0%
2002-2003	206.80		158.89	
2003-2004	224.38		168.42	
2004-2005	243.45		178.53	
2005-2006	250.50	*7.0%	188.35	*5.5%
2006-2007	278.73		198.71	
2007-2008	298.24		209.64	
2008-2009	319.12		221.64	
2009-2010	341.46		233.33	
2010-2011	365.36		246.16	
2011-2012	390.93		259.70	
2012-2013	414.39	*6.0%	272.43	**4.9%
2013-2014	439.25		285.78	
2014-2015	465.61		299.78	
2015-2016	493.54		314.47	
2016-2017	523.16		329.88	

- (Forecast upto 2010-11 based on study by "Foundation for Aviation and Sustainable Tourism - April 1996".)
- Forecast from 2012-2017 is taken at the rate of 6% based on a report of AAI.

NB*: Projections have been made on a liberal scale for the purpose of future planning of aircraft and airport infrastructure capacity in the country.

During the next twenty years, there is a quantum jump in the projected traffic - four times in passenger and six times in cargo traffic. It will, therefore, be necessary to

take a host of measures so that the ground infrastructure keeps pace with the growth of traffic.

ICAO forecasts predict worldwide growth in air traffic at 5% a year or doubling in the volume of traffic once in 14 years. The Asia Pacific region is set for higher than average growth. According to an AUTC study, it might account for more than 50% of the world air traffic by the year 2010. It is imperative that our procedures improve and facilities grow to match the increase in volume of traffic.

It is expected that adequate capacity will be deployed by the operators to meet the growth cargo traffic requirements in the years to come. Capacity induction in this sector is expected to be determined by market forces. The only aspect which needs to be planned and developed is the infrastructural facilities at the airports to handle various types of cargo traffic with efficiency and speed.

6. Proposed Classification of Airports

1. To develop the capacity of airports in accordance with the future projections, it is proposed to reclassify the airports as follows :
 - a. **International Hubs:** This category will be that of 'International Hubs' which may cover airports currently classified at 'international airports' and those eminently qualified to be upgraded as such. These would at present cover Delhi, Mumbai, Chennai, Calcutta and Thiruvananthapuram. Airports at Bangalore, Hyderabad, Ahmedabad, Amritsar and Guwahati can be added to the list as and when the facilities are upgraded to the desired level. International hubs would be used for dispersal of international traffic to the hinterland. In these airports, the facilities shall be of world class standards, including convenient connections to international and domestic passengers, airport-related infrastructure like hotels, shopping areas, conferencing and entertainment facilities, aircraft-maintenance bases, etc.
 - b. **Regional Hubs:** Government is keen to encourage development of regional airlines based on small aircraft to provide air-linkages in the interior areas of the country. Regional hubs will have to act as operational bases for regional airlines and also have all the facilities currently postulated for model airports, including the capability to handle limited international traffic. The identification of Regional Hubs will be made on the basis of origin-destination surveys,

traffic demand and the requirements of the airlines. State Govt. will be closely associated as co-promoters of regional airlines.

- c. **Other operational airports:** These will be developed so as to be cost-effective on the basis of individual needs to meet the requirements of traffic handled by them. Airports serving State Capitals will be given priority.
2. The status of individual airports may be reviewed at five-yearly intervals, on the recommendation of a Committee of Experts. Grant of status as International hubs will be with prior Cabinet approval. It is clarified that international hubs shall have the status of 'international airport' for purposes of bilateral agreements.

7. Modernisation and Upgradation of Airport Infrastructure

1. In keeping with the ICAO standards and recommended practices and the requirements of upgrading airports to the level of international and regional hubs, detailed master plans for the development of all selected airports will be prepared or revised by the operating agency. Such master plans should be conceived of and executed by the best expert advice available and taking futuristic requirements into account. All future upgradation and modernisation will have to be normally done in accordance with the master plans. If there is a deviation from the master plan, it will be approved by the Board of Directors of the operating agency and the statutory Government agency designated for the purpose.
2. Priority will be accorded to safety, passenger facilities, aircraft and cargo handling, while deciding the allotment of funds among different upgradation and modernisation schemes.
3. Air transport serves a time-sensitive market. The surface access to airports should, therefore, be efficient and city planners should keep the airport-linked requirements constantly in view while designing surface transport development plans. There is a special need to emphasise the aspect of rail links with airports, in view of its near absence in India as contrasted with other countries.
4. The helicopter provides a direct and rapid means of transport over short-haul routes and is, therefore, particularly attractive for businessmen. There is also a great potential for helicopter operations in off-shore oil exploration and

production, movement of food grains and essential commodities in remote, hilly and inaccessible areas, traffic management in metropolitan cities and so on. A planned programme for building of heliports will be taken up to give a boost to the helicopter industry.

8. Greenfield Airports

1. In view of the fact that there are already a sufficient number of airports, many of which are not viable, greenfield airports will normally not be taken up either in the public or private sector without the prior approval of the Government. In the case of the Other Airport category run by private operators, the approval of the DGCA would suffice as at present.
2. A Greenfield airport may be permitted where an existing airport is unable to meet the projected requirements of traffic or a new focal point of traffic emerges with sufficient viability. It can be allowed both as a replacement for an existing airport or for simultaneous operation. This aspect will have to be clearly spelt out in the notice inviting tenders.
3. No Greenfield airport will normally be allowed within an aerial distance of 150 kilometers of an existing airport. Where it is allowed as a second airport in the same city or close vicinity, the parameters for distribution of traffic between the two airports will be clearly spelt out.
4. The Government may, while permitting a Greenfield airport, decide whether it will be in the public or private sectors or be taken up as a joint venture.
5. Where the Government decides to set up a Greenfield airport through the AAI on social considerations even though the same is not economically viable, suitable grant-in-aid will be provided to AAI to cover both the initial capital cost as well as the recurring losses.

9. Air Traffic Services

- 9.1. The AAI will provide the Air Traffic Services over the Indian airspace and adjoining oceanic areas in accordance with the ICAO Standards and Recommended Practices.
- 9.2. New CNS/ATM systems will be introduced on a priority basis in terms of the AAI's plan as well as the ICAO's Regional Plan. These will ensure a total coverage of the airspace in India.
- 9.3. There will be greater civil-military liaison for joint surveillance of Indian airspace. Integration of Civil/Military Air Traffic Services will be developed to ensure uniformity in air-traffic control services at civilian and Defence airports. To achieve air safety of the highest order, unidirectional air corridor concept shall be introduced, wherever traffic so justifies, in close liaison with the Defence authorities. Maximum use will be made of radars and other navigational aids available with civil and Defence airport authorities thus enhancing the overall route navigation and surveillance facilities.
- 9.4. A Central Control Unit will be established in order to monitor all flights in the country from the security point of view.
- 9.5. In airports now owned or operated by AAI, air traffic control equipment may be installed either by AAI or the concerned airport operator. Air traffic control services will normally be provided by AAI, except for approach and aerodrome control services, which may be provided by licensed ATCs engaged by the airport operators.

10. Ground Facilities

1. Speed is the essence of air transport. The AAI will set standards of performance in various areas of passenger and cargo handling, so that both ICAO standards as well as comparable standards at similar airports around the world, are achieved. For this purpose, procedures will be simplified, regulations which delay or restrict movement of traffic reviewed and efforts made to reduce ground delays to a minimum.
2. Dwell time of passengers and cargo will be drastically reduced, thus enhancing capacity at existing airports. The short-term objective will be to clear incoming international passengers within 45 minutes of arrival and clear departing passengers in 60 minutes including check-in-time. Similar targets of 30 and 45 minutes respectively, will be laid down for domestic flights.

3. Technological and other improvements will be made by introduction of automation and computerisation, mobile check-in counters, improvement in emigration/immigration and security checks, mechanisation of baggage and ground handling services, provision of aero-bridges, introduction of better systems of passenger transfer between terminals, improvement in cargo terminals, reduction in bunching of flights and contracting out of operating and maintenance facilities. New approaches in airport design will be required to accommodate technological innovations like the New Large Aircraft. Construction technology and architectural inputs will also need to be updated to standards applicable globally.
4. Efforts will be made to upgrade the facilities, manpower, equipment, etc., by concerned departments and institutions like customs, immigration, meteorology, oil companies, etc., so that these keep pace with the upgradation of airports, enabling the users to experience the optimum benefits of airports as 'cohesive' transit points.
5. Apart from the AAI and the national carriers, private agencies will also be encouraged for providing ground handling services.

11. Cargo Facilities

1. Special attention needs to be given to the speedy handling of cargo and reducing its dwell time. The objective will be to reduce dwell time of exports from the present level of 4 days to 12 hours, and of imports for the present level of 4 weeks to 24 hours to bring us in line with internationally achieved norms. Cargo clearance will be on 24-hour basis.³
2. Infrastructure relating to cargo handling like satellite freight cities with multi-modal transport, cargo terminals, cold storage, automatic storage and retrieval systems, mechanised transportation of cargo, computerisation and automation, etc., will be set up on top priority basis. Such facilities have to come up at smaller places too.
3. The Electronic Data Interchange systems will be developed and linked amongst all stake-holders in the trade.


³ The order for reduction in free period of Air Cargo, dated 23rd February, 2009 is at Page - 63

12. Commercial Activities

1. Across the world, the trend is towards a very high percentage, ranging from 60 to 70%, of the total revenue of airport operators being generated from non-aeronautical sources at major airports. In India, although these services are even now provided by private agencies, the comparable figure for AAI at international airports is just 22%. There will be a major thrust towards increasing the share of commercial revenue emerging from non-aeronautical sources. This will help in optimal exploitation of the full commercial potential of airports and make many airports not only viable but capable of generating surpluses for further expansion and development.
2. In order to maximize the revenue while at the same time maintain transparency, there will be a master plan for development of commercial activities and facilities, as part of the overall master plan approved by the management, for the airport as a whole. The space-use patterns will normally not be deviated from.
3. In the allocation of space among concessionaires, there will be a strict adherence to stipulated procedures, while maintaining sufficient flexibility in order to ensure quality products and services and attract the holders of reputed brand-names. For this purpose, innovative tendering procedures involving limited tenders, two-bid system, use of net present value of bids spread over several years, grant of management contracts, bunching of similar facilities etc. will be devised.
4. Except for user developmental fees, there will be total freedom for airport operators in the matter of raising revenue through non-aeronautical charges and there will not be any Government control over the same.

13. Airport Security

1. The objective of airport security will be to safeguard the passengers, crew, ground personnel, the general public and the airport infrastructure against unlawful acts as per ICAO Standards and Recommended Practices laid down in Annexure-17 to the Chicago Convention. The level of security will be calibrated by the BCAS according to the threat perception at any point of time. Security will have to be cost-effective when compared to internationally accepted norms. New staffing patterns, different from the normal police stations, will have to be innovated for airports. There will be greater accent on modern technology and mechanization, so as to reduce the need for manpower and increase the effectiveness of the force deployed.

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2. Airport security will be looked after by specialized police agencies, state police and airport security organizations, depending on the internal security conditions prevalent in a particular area. BCAS will continue to coordinate the working of the various agencies to ensure that all security norms are followed by them.
 3. Govt. recognises the urgent need to develop an airport security organization, in order to have a quietly efficient, specialized, commercially conscious, passenger-friendly force, at the international airports to begin with. Private security agencies will also be allowed at certain airports, if the threat assessment so permits.
 4. There will be constant training of security personnel posted at airports in order to improve their effectiveness and passenger-friendliness. The present training centre at BCAS Headquarters will be upgraded and strengthened for this purpose.

14. Financing of Airport Infrastructure

1. It has to be appreciated at the outset that financing of airport infrastructure has some inherent problems. These projects have a large element of sunk cost, a very long gestation period and highly uncertain returns on investment based on several assumptions of traffic growth that may fail to materialize.
2. The current pattern of financing is predominantly based on internally generated resources of the AAI. Funding through external assistance, external commercial borrowings, loans and equity has been negligible. The allocation of budgetary grants is limited to certain airports in remote and inaccessible areas. Considering the astronomical sums which seem to be required for modernization and upgradation of existing airports and for the new airports at Mumbai (Rs.10, 000 crores), Bangalore (Rs.1,600 crores) etc., there has to be a clear privatisation of projects so as to utilize state resources in the most optimal manner. Further, the financing strategies will have to be looked at from a thoroughly novel standpoint.

3. Taking the internal resources first, the following steps will be initiated:
 - a) Optimization of revenue from aeronautical charges, through negotiation with IATA and keeping Government approvals in view.
 - b) A revolutionary thrust towards raising of revenue from non-aeronautical commercial sources.
 - c) Rationalisation and optimisation of various charges like passenger service fee, user development charges, aerobridge charges, etc. and imposition of new levies like security charges, fuel throughput charges etc.
 - d) Massive economy in expenditure by manpower optimization, cost reduction, elimination of duplication, increased productivity, contracting out of services, etc.
 - e) Greater resource to additional sources like external assistance, public bonds, external commercial borrowings, public issues, loans from Government/financial institutions etc.
4. Currently, the revenue from the taxes imposed in the aviation sector in the shape of IATT and FTT is credited to the Consolidated Fund of India, with only 10% of FTT being given to the AAI. Even this 10% IS NOW SOUGHT TO BE TAKEN BACK. Taking into account the vast sums required for infrastructural development, there is a strong case for conversion of these taxes into a common Civil Aviation Cess, the proceeds of which should be credited to a National Civil Aviation Fund to be operated by the Ministry of Civil Aviation.
5. There has to be a general appreciation about the needs of the airport infrastructure sector and the plan allocations to the AAI need a hefty increase.
6. There is, at present, some money flowing to the AAI for construction of airports in remote and inaccessible areas. This money, which was available, till recently as grant, is now sought to be converted into a loan. It should continue to be given as grant-in-aid.
7. A general policy decision needs to be taken that the AAI will only invest in projects with demonstrated economic viability and positive rate of return. Wherever Government compels AAI to invest in non-viable projects for the fulfillment of social objectives, the initial capital cost of the project and the recurring annual loss sustained by the AAI on this account will be reimbursed.

8. There will also be need for commercialization of marginal or loss-making airports by transferring them to private companies, State Governments, urban local bodies etc. for operation and management under negotiated terms and conditions. Some of the guidelines may need to be modified in order to make the operations cost-effective. Facilities could be allowed to be commercially exploited even outside operational hours, meeting minimum security requirements.
9. In the final analysis, looking at the quantum of investment required, the answer to all the problems lies in the infusion of private (including foreign), investment in this sector. This needs to be encouraged by adopting a flexible and positive attitude towards such proposed ventures. The possibility of international aid and cooperation for building of new airports or for modernization and upgradation of existing ones will be seriously explored.
10. The truth of the matter is that public funds for development of airports are getting more and more scarce and private sector involvement has, therefore, got to grow. There is a definite worldwide movement from monopoly state ownership of airports to corporatization, in the first phase, with the final aim of privatization of ownership and management. India has to be a part of this global transition.

15. Ownership and Management


1. The Constitution of India refers to civil aviation as a subject in the Central List. Resultantly, the subject falls within the legislative competence of Parliament. The Aircraft Rules, 1937 permit airports other than Government airports to be owned by citizens of India or companies or corporations registered and having their principal place of business in India. Thus the legislative framework for privatization of airports already exists. In fact, some airports are already owned by State Governments, private companies and even individuals.
2. What is needed now, in view of the worldwide thrust towards corporatization and privatization of airports, is a strategy that permits utmost latitude in the patterns of ownership and management of airports in the country. Thus, airports may be owned by the Central Government, PSUs, State Governments, Urban local bodies, private companies and individuals, as also

by joint ventures involving one or more of the above. Similarly, it would be best to keep all the options open in respect of the management of airports or parts of airports. These could be on Build-Own-Transfer (BOT), Build-Own-Lease-Transfer (BOLT), Build-Own-Operate (BOO), Lease-Develop-Operate (LDO), Joint venture, Management Contract or Wrap-around Addition basis. In each individual case, the exact pattern could be negotiated, depending on the circumstances.

3. In the case of high-cost projects involving international hubs, Government may seek international or bilateral cooperation with countries having the requisite expertise and financial strength. The actual implementation of the projects would be entrusted to consortia interested in turnkey execution on a joint venture basis.
4. Foreign equity participation in such ventures may be permitted upto 74% with automatic approvals, and upto 100% with special permission. Such participation could also be by foreign airport authorities.
5. It may be clarified that the normal procedures of licensing of airports by the DGCA would continue to apply in accordance with the laid down regulations.

16. Private Sector participation

1. Both the reasons of bridging the yawning gap in resources as also to bring in greater efficiency in management of airports, the participation of private parties (including foreign ones) is a must. Government will take all possible steps to encourage such participation.
2. An Airport Restructuring Committee in the Ministry of Civil Aviation will identify existing airports, in respect of which private sector involvement for development and upgradation of infrastructure is desired. It will also prepare a shelf of projects in respect of Greenfield airports. The pre-feasibility reports will be made available to private investors.
3. The AAI will create separate profit centers for all individual airports and hive them off as subsidiary companies on a case to case basis, for the purpose of entering into commercial arrangements or joint ventures with private parties.

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4. Where airport operators desire private participation in their existing airports, all patterns of ownership and management would be open to them as elucidated in the preceding section. No Government approval would, however, be required.
 5. In case of Greenfield projects, the Central Government, the AAI, a State Government private company or a group of individuals can act as the promoter. The promoter will be required to prepare a pre-feasibility study and submit the formal proposal to the concerned State Government. The State Government will add its comments to the proposal in respect of acquisition of land, supply of water and power, construction of access roads, etc. and forward the proposal to the Central Government.
 6. The Central Government will set up an independent statutory body called the **Airport Approval Commission**, having adequate technical and financial expertise to examine such proposals quickly and submit its recommendations on three aspects:
 - a) Whether there is need for a Greenfield airport at the suggested place, taking into account the existing airports in the vicinity and projected increase in traffic;
 - b) Which is the best site, which is technically feasible and economically viable;
 - c) In case there is need for a Greenfield airport and it is found to be prima facie, feasible and viable, whether it should be executed in the public or private sector or be taken up as a joint venture.
 7. On the receipt of the report of the Airport Approval Commission, the matter will be examined by the Central Government at the appropriate level for a decision. A decision once taken will normally not be subject to modification at a later stage.
 8. Once the Central Government has cleared the project, the promoter, if it is a Government body, will follow the prescribed procedure for floating global tenders in order to select the best party capable of executing the project as also to obtain the best possible terms. The tendering procedure will be transparent. The selected party would then prepare a detailed feasibility report, which would be sent to the Central Government for final acceptance. Approvals once accorded would not normally be revoked.

9. Fiscal incentives would be provided to those involved in infrastructure projects, as maybe decided by Government for time-to-time. Currently, the following incentives are available:
 - a) Hundred per cent deduction in profits for purposes of Income Tax for the first five years.
 - b) Thirty per cent deduction in profits for the same purpose for the next five years.
 - c) Full deduction to run for continuous ten out of twenty fiscal years of the assessee's choice.
 - d) Forty per cent of the profit from infrastructure is also deductible for financial institutions providing long-term finance for infrastructure projects.
10. Such incentives should be made available not only to new companies investing in airport infrastructure but also to AAI and the existing agencies investing in upgradation of existing airport infrastructure.
11. AAI may provide air traffic control services in private airports on terms and conditions mutually agreed upon. Alternatively, it may provide ATC staff on deputation and give advice on the specifications of the equipment to be compulsorily installed for communication, navigation and surveillance.

17. Role of the Central and State Governments

1. The role and functions of the Central Government as contained in the various statutes and the preceding sections extend to the following matters;
 - a. investment in airport infrastructure
 - b. Clearance of Greenfield airport projects
 - c. Airspace management, safety and security of airports
 - d. Bilateral air services agreements, including those involving international cooperation for modernisation and upgradation of airports
 - e. Licensing of airports and ATC personnel
 - f. Environmental aspects and removal of obstructions around airports
 - g. Approval of aeronautical charges
2. The Ministry of Civil Aviation will try to facilitate the speedy clearance of projects from different Ministries.

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3. The State Governments will deal with the following aspects:
 - a) acquisition of private land and allotment of government land
 - b) supply of water and power, and provision of sanitation and sewage services
 - c) provision of surface access through multi-modal linkages
 - d) prevention of environmental pollution
 - e) maintenance of law and order
 - f) protection of airports from encroachments and vandalism.
 4. In case Government land is allotted by a State Government for an airport owned by a private party, it may be made available at the same rate as is charged from other industrial ventures in the State.
 5. Government will ensure that legislative and administrative mechanisms for speedy acquisition of land are devised.
 6. The Ministry of Civil Aviation will liaise with the State Governments in order to ensure provision of all these essential services and basic facilities. The State Civil Aviation Secretaries will act as coordinating officers for single-point liaison with all the State-level departments and authorities.

18. Civil-Military Cooperation

1. There are numerous areas of interaction between the civilian departments and the Defence authorities. Action is required as under to sort out the various issues:
 - a. In order to meet the expanding requirements of civil air traffic there is an urgent need to widen the existing air corridors, provide them Uni-directional air corridors, to provide smooth flow of air traffic and thus enhance air safety.
 - b. We have to optimise the utilisation of restricted air space, by networking of radar and data systems, which should be acquired on the basis of mutual compatibility.
 - c. Additional land is to be provided at civilian enclaves in military airports. Revenue from aeronautical charges at these airports deserves to be shared with the AAI, in order to compensate it for the capital investment it has made.
 - d. Additional slots should be made available for civilian flights at military airports.

2. In order to ensure civil-military cooperation, coordination committee at the level of respective Ministries as well as at operational level will be energised.

19. Human Resource Development

1. Airport management, air safety, airport security, navigation and communication and fire prevention are critical areas of human resource development, especially in the context of privatisation of these functions. Stress needs to be laid on developing an overall environment of courteous behaviour by all associated with airport operations besides inculcating safety and security as a habit. It is thus of utmost importance that private institutions are set up for training of airport managers, air traffic controllers, navigation and communication engineers, airport security and fire-fighting personnel and they are licensed by the Government. Appropriate syllabi and course contents should be laid down and there should be legal provision for licensing of these personnel.
2. Simultaneously, the training facilities in the public sector have to be upgraded and refurbished so as to cater to the growing demands for trained personnel as also to counter the phenomenon of technological obsolescence.
3. The National Institute of Aviation Management and Research should be strengthened so as to act as the lead institution for human resource development. It should develop academic linkages with ICAO, IIT, IIMs and Universities. Chairs on Civil Aviation research will be created in the institutions of learning.
4. In certain areas of human resources, there may be need for introduction of innovative systems of deployment like the flexible complementing scheme prevalent in the scientific community, so that the benefits of specialization are not frittered away at the time of promotion.
5. Contingency and back-up plans will be drawn up to meet emergencies arising out of industrial unrest among airport staff.
6. Airport management needs expertise in diverse fields and cannot survive except by sub-contracting of specialised activities to a host of private organisations. Legal hurdles to engagement of contract labour or contractual agencies will have to be dismantled through legislative intervention.

20. Environmental issues

1. The operation of airports has to be in full accord with the provisions relating to prevention of air, water and noise pollution. All effluents would require to be treated before these are allowed to leave the airports. There will be close liaison with state governments and municipal authorities to maintain cleanliness and remove encroachments in airports and surrounding areas, so as to obviate the menace of bird hits. Large scale plantations and other eco-friendly activities like construction of golf courses would be encouraged around airports, both for environmental purposes as also to provide relaxation to transit passengers. Such environmental issues would need close interaction with regional planning bodies.
2. The airports would be set up after the requisite environmental clearances and a time-frame of 90 days would be prescribed by Ministry of Environment and Forests for completing the processing of applications for such clearances.
3. Improved connectivity between airports and adjacent population centers should form an integral part of each airport infrastructure development projects and not be left to evolve by itself.

21. Regulatory Mechanisms

1. In the context of a multiplicity of operators (including private areas) and the possibility of oligo-polistic practices, there is a need for an appellate authority which could look into grievances with regard to fixation of tariff rates, allotment of slots, working of air traffic controllers, allocation of space in the airports etc. To this end, Government will create a fair and independent Airport Regulatory Board comprising representatives of the Ministry of Civil Aviation, DGCA, airport and airline operators' etc. This grievance re-dressal mechanism would help in speedy and effective resolution of disputes among the various stakeholders.⁴
2. There will also be a legislation for conversion of the DGCA into a Civil Aviation Authority with full powers of regulation overall aspects of the aviation industry.

⁴ The Airports Economic Regulatory Authority of India (AERA) has come into being. The AERA Act, 2008 is at Page - 64

22. User and Community Participation

An airport is a living entity and it should co-exist with all members of the community, especially the users of its various facilities. The Airport Advisory Committees should be more broad-based and meet frequently so as to serve as an effective means for grievance redressal and achieving better facilitation for airport users. Special representation should be given to associations of passengers and cargo handling agents.

23. Legal Framework

1. All changes necessitated by this policy in the existing Acts, Rules, Regulations and other provisions should be carried out expeditiously, so as to facilitate its implementation.
2. Presently property tax is being levied on the properties of AAI, thus putting a further strain on the viability of the airports. This anomaly needs to be rectified, because airport land is owned by the Central Government and AAI is only a trustee.

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II - Guidelines and Policy for
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Greenfield Airports - 2008

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Guidelines and Policy for setting of Greenfield Airports - 2008

1. Introduction

- 1.1 The Central Government has notified the Policy for Greenfield Airports. A copy of the Policy is at **Annex-I**. A Steering Committee has also been constituted to coordinate and monitor the various clearances required for setting up of Greenfield airports. A copy of the notification constituting the Steering Committee is enclosed at **Annex-II**.
- 1.2 These guidelines are being issued pursuant to the above Policy and details the procedure to be followed for submission, appraisal and approval of proposals received for setting up of an airport.

2. Institutional Structure

- 2.1 All proposals for setting up of airports in whichever category would be routed through the Steering Committee. The applicant would be required to apply for clearances from various Departments/Ministries of Government of India but all proposals would be submitted to the Steering Committee. Ministry of Civil Aviation would serve as the secretariat of the Steering Committee and would be responsible for processing proposals received by the Steering Committee, convening the meetings of the Steering and coordinating with various stakeholders.

3. Applicability

- 3.1 These guidelines will apply to the setting up of all airports, heliports and upgradation of airfields. However, airports set up for private use, i.e. use of the aerodrome for non-commercial purposes shall not be subjected to these guidelines.

4. Site Clearance by the Steering Committee

- 4.1 The applicant proposing to set up an airport would make an application to the Steering Committee in the format enclosed at **Annex-III** for site clearance.
- 4.2 The proposal received would be forwarded to the AAI/DGCA for their comments. AAI/DGCA would undertake site visit based on which they would submit their report to the Steering Committee. Site Clearance would be granted by the Ministry of Civil Aviation based on the report submitted by the AAI/DGCA.

- 4.3 In case the proposed project is located within the Restricted Air Space (Air Space under the jurisdiction of Ministry of Defence) the approval of Ministry of Defence would also be solicited while granting site clearance.
- 4.4 The Steering Committee would convey its recommendations regarding the Site Clearance within three months of the application being made to the Steering Committee.

5. Appraisal and 'in principle' approval by the Steering Committee

- 5.1 After obtaining the Site Clearance the applicant would make an application to the Steering Committee in the format enclosed at **Annex-IV**.
- 5.2 Applications for seeking clearances from Ministry of Defence, Ministry of Home Affairs and Ministry of Finance would be submitted in the prescribed format directly to these organizations under intimation to the Secretariat of the Steering Committee.

6. Guidelines

- 6.1 Guidelines for the purpose of granting approval would be issued by the various agencies. These guidelines shall be modified from time to time if the need arises.
- 6.2 Ministry of Defence has issued these guidelines for seeking clearance of Ministry of Defence for setting up of Greenfield airports. These guidelines are enclosed at **Annex-V**.
- 6.3 The applicant would submit the application seeking NOC from Ministry of Defence as per the format placed at **Annex-VI**.
- 6.4 The applicant would submit the application seeking security clearance in respect of board of directors from MHA as per format placed at **Annex-VII**.

7. Grant of License by DGCA

- 7.1 After obtaining the "in principle" approval of the Steering Committee the applicant would make an application to the DGCA in the prescribed format for the grant of Aerodrome License.

8. Time Line for the approval and appraisal process

8.1 It would be the endeavour of the Central Government to ensure that all approvals and clearances are given in a timely manner. Pending occurrence of any specific issue, it would be the endeavour of the Steering Committee to adhere to the following time schedule:

- (a) Site Clearance : within 3 months of date of application

- (b) "in principle" approval : within 3 months of date of application

8.2 Proposals which need to be referred to the Ministry of Civil Aviation or the Central Government would require time beyond the above time limit.

9. Monitoring

9.1 The Steering Committee would monitor the progress of proposals granted "in principle" approval. If no significant progress is made in achieving specified milestones within a stipulated time period the Steering Committee may take the view to revoke the approval granted to the project.

1. Introduction / Context

- 1.1 India is presently on a high economic growth trajectory with GDP growth reaching 9% since 2005-06. This is also manifested in a phenomenal growth in air traffic that has been enabled by liberalized policies. Since 2002 the growth rate of passenger traffic has steadily increased crossing 20% in 2004-05. Expansion of air services in a competitive environment has brought it within the reach of large numbers that were hitherto not using air travel as their preferred mode of travel. This rapid growth in passenger traffic has put enormous pressure on airport infrastructure causing severe congestion at major airports. Airport services at non-metro airports are also not geared for handling this increased flow of traffic
- 1.2 In the past, government policy relating to greenfield airports was restrictive and aimed at protecting the financial viability of the existing airports. However, the spurt in traffic suggests a liberalized approach towards setting up of greenfield airports with a view to bridging the growing deficit in airport infrastructure. The anticipated investment in airport development during the Eleventh Plan is over Rs 40,000 crores, both from public and private sources, including for greenfield airports. It is, therefore, necessary to lay down the policy guidelines that would govern proposals for setting up greenfield airports, other than defense airports.

2. Legal framework

- 2.1 The Constitution includes aerodromes in item 29 of the Union List, which implies that the Central Government alone has the legislative and executive powers relating to airports. The primary responsibility for development of airports rests with the Central Government. The Union alone has competence to legislate in respect of:
“Airways, aircraft and air navigation; provision of aerodromes; regulation and organization of air traffic and of aerodromes; provision for aeronautical education and training and regulation of such education and training provided by States and other agencies”
- 2.2 The Aircraft Act, 1934 (the “Aircraft Act”) and the Rules made thereunder by the Central Government govern the development, maintenance and operation of all airports, including greenfield airports. Under the Act, Central Government has the sole right to grant a license for setting an airport, and the operations of the airport would be subject to its licensing conditions (Rule 78 of the Aircraft Rules).

- 2.3 Airports Authority Act (the "AAI Act") was enacted by the Central Government in 1994, which stated that all government airports are to be developed, financed, operated and maintained by Airport Authority of India ("AAI"). However, the AAI Act enables AAI to grant a concession to a private entity for financing, development, operation and maintenance of an airport being managed by AAI. As such, greenfield airports to be developed by the Central Government could adopt the concession route if private participation is envisaged.
- 2.4 Airports other than those managed by AAI are governed by the provisions of the Aircraft Act and the Rules made thereunder. An entity other than AAI (hereinafter referred to as an "Airport Company") can set up an airport. The Airport Company must function under a license from DGCA to be issued under the Aircraft Act. Such a license can be granted only to the following (Rule 79 of the Aircraft Rules):
- (a) A citizen of India; or
 - (b) A Company or a body corporate either in the Central sector, State sector or the private sector registered under the Companies Act, 1956 subject to the following conditions:
 - (i) it is registered and having its principal place of business in India
 - (ii) it meets the equity holding criteria specified by the Central Government from time to time; or
 - (c) the Central Government or a State government or any company or any corporation owned or controlled by either of the said Governments; or
 - (d) a Society registered under the Societies Registration Act, 1860
- 2.5 Thus an airport can be developed and operated either by AAI or by an Airport Company that has been given a license by DGCA as per its license conditions. The Rules also allow the Central Government or a State Government to obtain a license.

3. Operations of airports

- 3.1 Airports managed by AAI must be operated according to the provisions of the AAI Act as well as the Aircraft Act. All other airports would have to be operated under the provisions of the Aircraft Act and the conditions of license.

4. Regulation of Airports

4.1 Safety Regulation

- (a) The process to regulate the technical and safety standards of all airports are vested in DGCA under the provisions of the Aircraft Act. AAI airport as well as those owned by Airport Companies must, therefore, conform to the technical and safety standards laid down by DGCA under the Aircraft Act.

4.2 Economic Regulation

- (a) Economic Regulation of all airports would be governed by the proposed Airport Economic Regulatory Authority (AERA) as and when enacted.

5. Development and Financing of Greenfield Airports

5.1 AAI Airports

- (a) Greenfield airports to be set up by AAI would be preferably constructed through Public Private Partnership (PPP) and such airports would be financed substantially through PPP concessions. However, land for such airports would have to be provided by AAI. Further, financing gaps, if any, can be bridged through the Viability Gap Funding scheme, which provides for a capital grant of upto 20% of the project cost. The concessions for development of greenfield airports would be awarded through open competitive bidding based on model bidding documents. In the north eastern areas where it may not be feasible to follow the PPP route, AAI could set up greenfield airports by itself, as may be approved by the Government on a case to case basis.

5.2 Other Airports

- (a) Financing and development of any other airport would be the responsibility of the Airport Company seeking the license. Land for this purpose may be acquired by the Airport Company either through direct purchase or through acquisition by the State Government as per extant policy.

5.3 In case a State Government wishes to promote the setting up of airports in the State, it could either:

- (a) apply to DGCA for a license itself, in which event the State Government would be responsible for development and operation of the airport; or
- (b) an entity of the State Government could apply for a license to DGCA, in which event such entity would be responsible for development and operation of the airport; or
- (c) the State Government or its corporation may select a private entity and form a Joint Venture Company (JVC) in the private sector and in such an event, the JVC would be responsible for development and operation of the airport under a license from DGCA; or
- (d) Allot land to a private Airport Company for development and operation of an airport under a license from DGCA.

5.4 In case a State Government wishes to facilitate setting up of the airport, it could provide the following incentives to an Airport Company:

- (a) land, concessional or otherwise;
- (b) real estate development rights in and around the airports;
- (c) airport connectivity; rail, road;
- (d) fiscal incentives by way of exemptions from State taxes; and
- (e) any other assistance that the State Government deem fit.

5.5 State Governments may evolve their respective policies for providing any or all of the aforesaid incentives to an Airport Company. If the selection of a private entity or JVC partner is to be made by the State Government or its entity it shall be done through open competitive bidding. While granting land and other benefits, the State Government may, if it deems fit, stipulate the rights and obligations of the Airport Company as conditions of such grant.

5.6 State Governments cannot enter into any concession agreement with the Airport Company as they do not have the powers to grant airport

concessions under the Constitution. As noted above, the powers to grant a license for operating an airport rests solely with the Central Government under the provisions of the Aircraft Act, 1934. However, the State Governments can provide any or all of the incentives/assistance stated in para 5.4 above.

- 5.7 State Governments can also provide land to AAI for development of greenfield airports through concessions to be granted to private entities in accordance with the provisions of the AAI Act. States may also provide any of the above concessions to AAI for facilitating the development of airports in their respective States. All such airports would be developed as PPP projects.

6. Reserved activities

- 6.1 On any greenfield airport to be developed under these Policy Guidelines, activities relating to Air Traffic Services (ATS), security, customs and immigration would be reserved for central government agencies. Provision of these services would be governed by the policy to be laid down by the Central Government from time to time. Prior to grant of license, an applicant for license shall procure the following clearances:
- (a) Defence clearance: An applicant seeking a license would need prior clearance from the Ministry of Defence. Guidelines for this purpose would be issued by the Ministry of Defence from time to time.
 - (b) Air Traffic Services (ATS): Functions related to ATS are being discharged by AAI. The applicant will have to enter into a CNS/ATM Agreement with AAI for the provision of ATS services at the proposed airport. ATS would be provided on a cost recovery basis and AAI would publish a standard agreement for this purpose. The Airport Company would also provide the required infrastructure to AAI free of cost for provision of ATS.
 - (c) Security: The applicant will have to enter into an agreement for provision of security by the concerned authority. The cost of providing security will have to be borne by the Airport Company. Guidelines for this purpose would be issued by the Ministry of Civil Aviation from time to time.
 - (d) Customs: In case of an international airport, the applicant will obtain clearance from the Department of Revenue for provision of Custom services. The cost of providing these services will have to be borne by the Airport Company. Ministry of Finance would issue the necessary guidelines from time to time.

- (e) MHA Clearance: The applicant seeking a license would need prior clearance from the Ministry of Home Affairs regarding location of the airport, acquisition and installation of security equipment and verification of credentials of the developers.
- (f) Immigration: In case of an international airport, the applicant will procure clearance from the Ministry of Home Affairs for provision of immigration services. The cost of providing these services will have to be borne by the Airport Company. Ministry of Home Affairs would issue the necessary guidelines from time to time.
- (g) BCAS Clearance: The applicant seeking a license would need prior clearance from BCAS regarding location of the airport and acquisition and installation of security equipment.
- (h) Airport Meteorological Services: The applicant will have to enter into a CNS/ATN agreement with IMD for provision of meteorological services at the proposed airport to be provided by India Meteorological Department (IMD). The meteorological services would be provided on a cost recovery basis and IMD would publish a standard agreement for this purpose. The airport company would also provide the required infrastructure to IMD free of cost for provision of meteorological services.

6.2 A memorandum of understanding would be entered into between the Airport Company and each GOI agency/department providing the following Reserved Activities, setting out the terms and conditions on which the said services shall be provided by the relevant GOI agencies/departments:

- (i) Customs Control;
- (ii) Immigration Services;
- (iii) Health Services;
- (iv) Plant Quarantine Services; and
- (v) Animal Quarantine Services

6.3 The memorandum of understanding would be issued and revised from time to time by the Ministry of Civil Aviation.

7. Conditions of license

7.1 As a condition of license, the licensee would be required to:

- (a) make available its airport services, free of charge and to the extent necessary, for meeting exigencies such as war, natural disaster/calamities, internal disturbances etc. in accordance with the provisions of the Union War Book;
- (b) provide uninterrupted landing and parking facilities for defence and other para-military aircrafts, free of landing and parking charges, and also provide the infrastructure facilities and equipment required for defence operations;
- (c) make available to the security agencies access to the airport for periodic and surprise inspections;
- (d) obtain approval of the relevant agencies for hiring of foreign nationals for senior decision making positions in the management of the private airports;
- (e) adhere to the security measures laid down by the BCAS and DGCA;
- (f) obtain prior verification of the credentials of foreign firms to be engaged for construction, ground handling or other important activities at the airport;
- (g) obtain clearance relating to the FDI limits in the construction/development of private airports from relevant authorities. Any change in the control or ownership shall be subject to security clearance from national security angle;
- (h) ensure the requisite infrastructure for handling international passengers and crew who must pass through immigration and customs; and
- (i) ensure appropriate arrangements for health services and plant quarantine at international airports.

- 7.2 The authorities noted above shall, on a best endeavour basis, provide their response to the applications within 60 days.

8. Guidelines of Central Government to DGCA

- 8.1 The Central Government may from, time to time, notify guidelines to be followed by DGCA for grant of license to operate a greenfield airport. While granting a license, DGCA would keep these guidelines in view. For the present, the following conditions shall be kept in view by DGCA while granting a license.
- (a) No greenfield airport would be allowed within an aerial distance of 150 Km of an existing civilian airport.
 - (b) In case a greenfield airport is proposed to be set up within 150 Km of an existing civilian airport, the impact on the existing airport would be examined. Such cases would be decided by the Government on a case to case basis.

9. Procedure for Approval of a Greenfield Airport

- 9.1 A greenfield airport to be set up by AAI or an Airport Company ["Airport Company" would have the meaning as given in Para 2.4] that is in compliance of the above guidelines and is beyond 150 km of an existing civilian airport would not require prior approval of the Central Government. DGCA would be competent to grant license for operation as per the extant Rules and Notifications.
- 9.2 A greenfield airport to be set up by AAI or an Airport Company that is beyond 150 km of an existing civilian airport but seeks exemption/relaxation from any of the other guidelines or extant Rules and Policies, would be considered by the Steering Committee constituted under paragraph 10. The Committee's recommendations would be forwarded to the Ministry of Civil Aviation. If the Steering Committee is unable to reach a consensus, the proposal would be placed before the competent authority (Union Cabinet) for a decision. DGCA would consider such proposals for grant of license only after the approval of the Central Government is conveyed.

- 9.3 In case of an application by the AAI or an Airport Company to set up an airport within 150 km of an existing civilian airport, the application shall be considered first by the Steering Committee. The Steering Committee shall consider all relevant facts and circumstances including contractual liabilities, if any. The Steering Committee shall also take into account whether the applicant has obtained the approvals required under the applicable laws from the authorities concerned. After considering the application, the Steering Committee shall make a suitable recommendation to the Central Government (Ministry of Civil Aviation). The Central Government (Ministry of Civil Aviation) shall consider the recommendation and decide whether approval for the airport project should be granted or not. DGCA shall consider a proposal for grant of a license to the applicant only after approval has been granted by the Central Government (Ministry of Civil Aviation).
- 9.4 Where an application to set up a greenfield airport attracts paragraph 8.1(b) (within 150 kms) and also seeks exemption/relaxation from any extant Rules and Policies, the application shall be considered first by the Steering Committee. The Steering Committee shall consider all relevant facts and circumstances including contractual liabilities, if any. The Steering Committee shall also take into account whether the applicant has obtained the approvals required under the applicable laws from the authorities concerned. After considering the application, the Steering Committee shall make a suitable recommendation to the Central Government (Ministry of Civil Aviation). The Ministry of Civil Aviation shall place the matter before Union Cabinet for its consideration. DGCA would consider such proposals for grant of license only after the approval of the Central Government is conveyed
- 9.5 Airports for cargo and/or non-scheduled flights and for heliports need not be submitted for approval of the Ministry of Civil Aviation and these cases may be considered and decided at the level of DGCA, subject to applicable laws.

5. Future Trends

- 10.1 Since the grant of a license for a greenfield airport involves several agencies, a Steering Committee would be set up under the chairmanship of Secretary (Civil Aviation) to coordinate and monitor the various clearances required for setting up of an airport. The Committee would consist of the following:
- (a) Secretary, Civil Aviation - Chairman
 - (b) Secretary, Ministry of Home Affairs, or his representative not below the rank of Additional Secretary;
 - (c) Secretary, Ministry of Defence, or his representative not below the rank of Additional Secretary;
 - (d) Secretary, Department of Economic Affairs, or his representative not below the rank of Additional Secretary;
 - (e) Secretary, Department of Revenue, or his representative not below the rank of Additional Secretary;
 - (f) Secretary, Planning Commission, or his representative not below the rank of Additional Secretary;
 - (g) Director General, India Meteorological Department;
 - (h) Chairman, Airports Authority of India;
 - (i) Director General of Civil Aviation; and
 - (j) Joint Secretary, Ministry of Civil Aviation - Convener
- 10.2 Ministry of Civil Aviation would convene a meeting of the Committee once every 3 months in case applications for grant of clearances/licenses are pending.

F. No. AV19032/003/2007-AAI

Government of India
Ministry of Civil Aviation
AD Section

New Delhi, the 16th May 2008

Notification

Sub: Constitution of Steering Committee for setting up of new Greenfield Airports.

Cabinet in its meeting held on 24th April 2008 approved the Policy for Greenfield airports. In pursuance of the decision of the Cabinet and with reference to the Clause 10 of the said policy, a Steering Committee is being constituted to coordinate and monitor the various clearances required for setting up of a Greenfield airport:

2. The Composition of Steering Committee will be as follows:

- (i) Secretary, Ministry of Civil Aviation-Chairman;
- (ii) Secretary, Ministry of Home Affairs, or his representative not below the rank of Additional Secretary;
- (iii) Secretary, Ministry of Defence, or his representative not below the rank of Additional Secretary;
- (iv) Secretary, Department of Economic Affairs, or his representative not below the rank of Additional Secretary;
- (v) Secretary, Department of Revenue, or his representative not below the rank of Additional Secretary;
- (vi) Secretary, Planning Commission, or his representative not below the rank of Additional Secretary;
- (vii) Director General, India Meteorological Department;
- (viii) Chairman, Airports Authority of India;
- (ix) Director General of Civil Aviation; and
- (x) Joint Secretary, Ministry of Civil Aviation- Convener

sd/
(R.K. Singh)
Joint Secretary
Tele - 24610386

**MEMORANDUM FOR STREERING COMMITTEE FOR
GRANT OF SITE CLEARANCE**

Name of Project

Approval sought: Site Clearance

DETAILS OF APPLICATION			
1.1	Details of the Applicant Name and address of the applicant in full (Block Letters)	Full Address(Regd Office (in case of limited Companies) & Head Office for others)	
		Tel. No. Fax No.	
		Permanent E-Mail Address	
		Name and address of each of the Directors/Partners/Promoters, as the case may be	
		Nature of the applicant Firm or Company, whether Public Limited Company; Private Limited Company; Proprietorship; Partnership or specify any other. (Note: Copy of certificate of incorporation along with Article of Association and Memorandum in case of companies and partnership deed in case of partnership firms may please be attached.)	
1.2	Where the applicant would not implement the project, whether the implementing agency has been identified. If yes, the above details sought for the applicant may be given for the implementing agency.		

1.3	Location of Aerodrome (Please enclose the topographical map of Survey of India, 1 : 50000 scale, showing the terrain and contour within 30 Km radius of proposed site)	Site	
		District	
		State	
1.4	Nearest civilian airport and civil enclave	Name of nearest civilian airport	
		Distance from proposed airport	
		Name of nearest civil enclave	
		Distance from proposed airport	

DETAIL OF LAND

2.1	Total Land area identified			
2.2	Ownership of Land (indicate total area)	Government	Agriculture	
			Non-Agriculture	
		Private	Agriculture	
			Non-Agriculture	
2.3	Agricultural Land, if any	Irrigated		
		Non-irrigated		
2.4	In the case of lease hold land, name of the lessor and lease conditions			
2.5	Forest land, if any that needs to be diverted for non forestry purposes			
2.6	If the land is not in ownership or possession, steps being taken/proposed to be taken for acquisition of land			
2.7	Likely displacement of population, if any			
2.8	Approval, if any required from local authorities or other agencies regarding use of land for the proposed project			

ENVIRONMENT CLEARANCES		
3.1	Status of Forest (Conservation) Act, 1980, if required	
3.2	Status of Clearance under EMP Notification, if required	
3.3	Status of Clearance under CRZ Notification, if required	
3.4	Status of Clearance under Wildlife Act, 1972, if required	
AERODROME ACTIVITIES PROPOSED		
4.1	Category of aerodrome proposed	Public or Private airport
		International or Domestic
		Public or Private use
		Exclusive cargo airport
		For only non scheduled flights

Authorised Signatory of the Applicant

**MEMORANDUM FOR STREERING COMMITTEE
FOR GRANT OF "IN-PRINCIPLE" APPROVAL FOR PROJECT**

Name of Project:		
Approval sought: "In principle" approval		
Whether project located within 150 Km of an existing civilian airport		Yes/No
Whether exemption from any conditions is sought		Yes/No
PURPOSE FOR APPROACHING SCREENING COMMITTEE		
Allowing a greenfield airport within 150 Km of existing civilian airport		Yes/No Give details
Exemptions being sought form conditionalities imposed by any of the Central Agencies		Yes/No Give details
Facilitation in obtaining approval/clearance from a Central Agency		Yes/No Give details
DETAILS OF APPLICATION		
1.1	Name of Applicant	Site
1.2	L o c a t i o n o f Aerodrome(Please enclose the topographical map of Survey of India, 1 : 50000 scale, showing the terrain and contour within 30 Km radius of proposed site)	District
		State
1.3	Nearest civilian airport	Name of nearest civilian airport
		Distance from proposed airport
		Name of nearest civil enclave
		Distance from proposed airport
1.4	Implementing Agency	

1.5	Whether Techno-Economic Feasibility Report (TEFR) has been submitted by the Applicant	
1.6	Estimated Total Project Cost (please indicate the main components)	
1.7	Date of issue of Site Clearance by Steering Committee	
1.8	Conditions of Site Clearance, if any and how these have been addressed	
1.9	If any foreign participation is envisaged. If yes from which countries	

STATUS OF PERMISSIONS AND APPROVALS REQUIRED

2.1 Ministry of Defence	Approval granted	Yes/No
	Comments given	Yes/No
	Response to comments	Annex details, if required
2.2 Ministry of Home Affairs	Approval granted	Yes/No
	Comments given	Yes/No
	Response to comments	Annex details, if required
2.3 CBEC	Approval granted	Yes/No
	Comments given	Yes/No
	Response to comments	Annex details, if required
2.4 Ministry of Home Affairs, Bureau of Immigration	Approval granted	Yes/No
	Comments given	Yes/No
	Response to comments	Annex details, if required
2.5 Any other approvals required from State Government, Local authorities etc. and their status		

STATUS OF AGREEMENTS TO BE ENTERED WITH AGENCIES		
3.1	AAI for ATC	
3.2	IMD	
3.3	Any other Agency pursuant to the Policy	
DETAIL OF LAND		
4.1	Total Land area identified	
4.2	Ownership of Land	
4.3	Approval, if any required	
4.4	Status of acquisition, if any	
PROJECT DETAILS		
5.1	Category of aerodrome proposed	Public or Private airport
		Public or Private use
		Exclusive cargo airport
		For only non scheduled flights
5.2	Capacity proposed	Passenger
		Cargo
5.3	Project specifications	Number and length of Runway
		Taxiways
		Area of Passenger
		Area of Cargo Terminal
5.4	Area earmarked for city side development	
5.5	Passenger related	
CONNECTIVITY TO THE AIRPORT		
6.1	Accessibility to site	
6.2	Proposed projects to provide connectivity	

**GUIDELINES FOR CONSIDERATION OF PROJECT PROPOSALS
FOR SETTING UP OF AIRPORTS FOR GRANT OF NOC
BY MINISTRY OF DEFENCE**

- (a) An application for setting up of Greenfield Airport would be processed based on the following considerations:
- (i) The location of the proposed site;
 - (ii) Is the site within the Restricted Airspace (Airspace under the jurisdiction of IAF);
 - (iii) The envisaged type of operation from/to the proposed airport, e.g. commercial operations, cargo traffic or private use etc. As also IFR/VFR operations;
 - (iv) The likely impact of such operations on military aviation;
 - (v) Security and Intelligence implications.
- (b) Apart from the above mentioned guidelines, site (place and region) specific issues would be taken into consideration while the case is processed. These considerations will vary from place to place depending on IAF's strategic and tactical roles in a given region.
- (c) The applicant is required to furnish information in **four copies** as per annexure. The applications should be forwarded to the Dte. Of Operations (ATS), Air Hqrs., Vayu Bhawan, New Delhi. The applicant may also contact Air HQ on the telephone No. 23010231/7215 for any information/clarification.
- (d) The clearance will be issued by MoD based on Service HQ's comments on a case to case basis.

**MEMORANDUM TO MINISTRY OF DEFENCE
FOR AERODROME APPROVAL**

(In four copies)

01. Name and Address of the Applicant Telephone Number(s) Telex Number, if any Fax Number	:	
02. Nationality of the Applicant	:	
03. (a) Location of the proposed aerodrome/helipad site with reference to the nearest IAF aerodrome; (b) Latitude and Longitude of the place in six digits © State/District in which proposed location is situated	:	
04. Place name by which aerodrome is to be known in all future references	:	
05. The site marked on a Survey of India map or a map with latitude and longitude downloaded from a website (Google, Wikipedia etc) duly countersigned by an accredited architect	:	
06. Type/category of aerodrome proposed to be constructed (ICAO Aerodrome Reference Code)	:	
07. Type of aircraft intended to use the aerodrome	:	
08. Elevation of the site	:	
09. Purpose of operation of airfield i.e. private/commercial.	:	
10. Type of Air Traffic Services and watch hours.	:	
11. Details of communication facilities, including VHF-RT, and lines, fax etc., planned.	:	



12. Type of aircraft likely to operate.	:	
13. Type of flight operations i.e. VFR/IFR and associated airspace requirements	:	
14. Proposed navigational aids and other facilities.	:	
15. Length of runway and its surface. (Paved/unpaved)	:	
16. Proposed runway orientation.	:	
17. Fire fighting and Rescue services to be made available in terms of Airport Category.	:	
18. Availability of Medical facilities.	:	
19. Details of the Foreign nationals employed/will be employed for construction of the project.	:	

SIGNATURE OF APPLICANT

Date :

MEMORANDUM FOR CLEARANCE OF MINISTRY OF HOME AFFAIRS

Name of Project

DETAILS OF APPLICATION		
1.1	<p>Details of the Applicant Name and address of the applicant in full (Block Letters)</p>	<p>Name of the Applicant</p> <p>Full address alongwith Tel. No. Fax No. email</p> <p>(a) Regd. Office (b) Corporate Office</p> <p>Details of each of the Directors/Partners/Promoters, as the case may be as per proforma enclosed (I)</p> <p>Nature of the applicant Firm or Company, whether Public Limited Company, Private Limited Company, Proprietorship, Partnership or specify any other.</p> <p>(Note: Copy of certificate of incorporation along with Article of Association and Memorandum in case of companies and partnership deed in case of partnership firms may please be attached.</p>
1.2	<p>Details of foreign company participation, if any, including full address, telephone/fax and email numbers of the foreign companies associated with the applicant.</p>	
1.3	<p>Details of Directors of the foreign company as per proforma enclosed (II).</p>	
1.4	<p>Details of source of foreign funding, if any</p>	

Authorised Signatory of the Applicant

The above application would be addressed to the Joint Secretary (Internal Security), Ministry of Home Affairs, South Block, New Delhi. The relevant proformas are as follows:

PROFORMA - I

DETAILS ABOUT DIRECTOR OF INDIAN COMPANY		
Sl.No.	Particulars of Board of Directors	Details
i)	Name in full	
ii)	Qualification	
iii)	Date & place of Birth	
iv)	Father's Name in full	
v)	Nationality	
vi)	Office address	
vii)	Permanent address	
viii)	Present address in India	
ix)	Passport No. and place of Issue	
x)	Present occupation	
xi)	Banker	
xii)	Any other information	

PROFORMA - II

DETAILS ABOUT DIRECTOR OF FOREIGN COMPANY		
Sl.No.	Particulars of Board of Directors	Details
i)	Name in full	
ii)	Address	
iii)	Date & place of Birth	
iv)	Passport No.	
v)	Nationality	

III - List of Appendices

1. Passenger Traffic at Indian Airports during 2010-11
2. Capabilities of the Airports in terms of handling maximum size of aircraft, as on July 2011
3. Order for reduction in free period for Air Cargo, dated 23.02.2009
4. The Airports Economic Regulatory Authority of India Act, 2008

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PASSENGER TRAFFIC AT INDIAN AIRPORTS DURING 2010-11

Sl.No.	AIRPORT	Passengers (In Million)		
		INTL	DOM	Total
1	CHENNAI	4.25	7.80	12.05
2	KOLKATA	1.43	8.20	9.63
3	AHMEDABAD	0.83	3.22	4.04
4	GOA	0.58	2.50	3.08
5	TRIVANDRUM	1.84	0.68	2.53
6	CALICUT	1.83	0.23	2.06
7	GUWAHATI	0.01	1.92	1.93
8	JAIPUR	0.25	1.41	1.66
9	SRINAGAR	0.00	1.04	1.04
10	AMRITSAR	0.47	0.30	0.77
11	PORTBLAIR	0.00	0.58	0.58
11.1	TOTAL	11.48	27.89	39.37
11.2	6 JV INTERNATIONAL AIRPORTS			
12	DELHI (DIAL)	9.28	20.67	29.94
13	MUMBAI (MIAL)	9.08	20.00	29.07
14	BANGALORE (BIAL)	2.22	9.37	11.59
15	HYDERABAD (GHIAL)	1.89	5.71	7.60
16	COCHIN (CIAL)	2.36	1.98	4.34
17	NAGPUR (MIPL)	0.04	1.20	1.24
17.1	TOTAL	24.86	58.93	83.79
17.2	9 CUSTOM APTS.			
18	PUNE	0.06	2.75	2.81
19	LUCKNOW	0.34	1.24	1.58
20	COIMBATORE	0.10	1.14	1.24
21	MANGALORE	0.25	0.59	0.85
22	TRICHY	0.67	0.09	0.76
23	PATNA	0.00	0.84	0.84
24	BAGDOGRA	0.02	0.65	0.67
25	VARANASI	0.06	0.50	0.56
26	GAYA	0.05	0.00	0.05
26.1	TOTAL	1.55	7.80	9.35
26.2	20 DOMESTIC APTS.			
27	BHUBANESWAR	0.00	1.04	1.04
28	INDORE	0.00	0.88	0.88

Sl.No.	AIRPORT	Passengers (In Million)		
		INTL	DOM	Total
29	VISAKHAPATNAM	0.00	0.71	0.71
30	JAMMU	0.00	0.69	0.69
31	VADODARA	0.00	0.60	0.60
32	AGARTALA	0.00	0.75	0.75
33	CHANDIGARH	0.00	0.65	0.65
34	RAIPUR	0.00	0.53	0.53
35	IMPHAL	0.00	0.56	0.56
36	MADURAI	0.00	0.39	0.39
37	UDAIPUR	0.00	0.37	0.37
38	RANCHI	0.01	0.36	0.36
39	BHOPAL	0.00	0.32	0.32
40	LEH	0.00	0.26	0.26
41	AURANGABAD	0.01	0.27	0.27
42	RAJKOT	0.00	0.23	0.23
43	DIBRUGARH	0.00	0.23	0.23
44	TIRUPATI	0.00	0.17	0.17
45	SILCHAR	0.00	0.16	0.16
46	JUHU	0.00	0.13	0.13
46.1	TOTAL (27-46 APTS.)	0.02	9.30	9.32
TOTAL OF OTHER AIRPORTS		0.00	1.60	1.60
GRAND TOTAL		37.91	105.52	143.43

**CAPABILITIES OF THE AIRPORTS IN TERMS OF HANDLING
MAXIMUM SIZE OF AIRCRAFT - AS ON JULY, 2011**

S. No.	Type of aircraft	No. of Airports capable	Planned/Being developed
1.	A380 Cat F 2 Airports	IGI Airport Delhi, Rajiv Gandhi International Airport Hyderabad.	SVBPI Airport Ahmedabad
2.	B747 Cat E 10 Airports	SVBPI Airport Ahmedabad, GRDJI Int. Airport Amritsar, , Bangalore Int. Airport, NSCBI Kolkata, Chennai Intl. Airport, Cochin Intl. Airport, , Goa (CE), Hyderabad (Begumpet), CSI Airport Mumbai (MIAL), Thiruvanthapuram,	Guwahati,
3.	A-300/ B767-200 Cat D 10 Airports	Aurangabad, Raja Bhoj Airport Bhopal Calicut Intl, Guwahati, Indore, Jaipur International Airport, , Lucknow, Nagpur , Srinagar(CE), Varanasi,	Imphal,
4.	AB-321 Cat C 33 Airports	Agra (CE), Agartala, Bagdogra(CE) Bhubaneshwar, Coimbatore, Chandigarh (CE), Dehradun, Dimapur, Gwalior(CE), Gondia, Gaya, Imphal, Jamnagar(CE), Jodhpur (CE), Jorhat(CE), Jaisalmer (CE), Khajuraho, Leh (CE), Lilabari, Mangalore, Madurai, Mysore, Port Blair(CE), Pune(CE), Raipur, Ranchi, Surat, Silchar (CE), Trichy, Tirupati, Tezpur(CE), Udaipur, Vadodara	Barapani/ (Shillong), Dibrugarh,

**CAPABILITIES OF THE AIRPORTS IN TERMS OF HANDLING
MAXIMUM SIZE OF AIRCRAFT**

S. No.	Type of aircraft	No. of Airports capable	Planned/Being developed
5.	B737-200/ A319 Cat C 19 Airports	Allahabad(CE), Bhavnagar, Bhuj (CE), **Bikaner(CE), Cochin (CE), Dibrugarh,**Gorakhpur (CE), Jaisalmer (CE), Jabalpur, Jammu (CE), Kanpur (Chakeri) (CE), Latur, Nanded, Patna, Port Blair (CE), Salem, Vizag (CE), Rajkot, Vijayawada.	Jalgaon,
6.	ATR72/ ATR42 Cat C/B 28 Airports	Agatti, , Akola, Barapani, Belgaum, Bikaner (CE) , Cooch-Behar, Gaya, Gaggal (Kangra), Gorakhpur (CE), Hubli, Jharsuguda, Kolhapur, Kandla, Kargil , Keshod, Kullu, Lalitpur, Ludhiana, Pathankot (CE), Porbandar, Pondicherry, Pantnagar, Rajahmundry, Shimla, Salem, Sholapur , Tuticorin, Warangal,	Pakyong, *Passighat Tezu, Kota, Cuddapah, Rupsi
7.	Dornier (D-228) Cat B 5 Airports	Jhansi(Under control of Army) , Juhu, Safdarjung, Kanpur, Tura	*Ziro, *Along, Daparizo
8.	Unfit for Fixed Wing operations 28 Airports	Aizawl, Balurghat, Bilaspur (Transferred to Army), C u d d a p a h , D e e s a , Kota,Kailashahar,Kamalpur, Muzaffarpur, Passighat, Satna, Ziro, Jalgaon, Jogbani , Asansol, Rupsi,Chakulia,Donakonda, Malda,Jharsuguda, Khandwa, Khowai,Panna,Raxaul,Behala, Shella, Vellore, Tezu	

Total no. of Airports: 135

* Being developed by Ministry of Defence, CE>Civil Enclave

** Civil Apron is suitable for ATR only.

No.AV.16026/006/2006-AAI

Government of India
Ministry of Civil Aviation
AD Section

'B' Block, Rajiv Gandhi Bhavan
Safdarjung Airport
New Delhi, dated 23rd February, 2009

ORDER

Subject : Reduction in free period of Air Cargo

In pursuance of the recommendations of Inter Ministerial group (IMG) on simplification of customs procedure relating to air cargo and subsequent deliberations in the Government of India, it has been decided that the free period applicable for air cargo at all Indian airports will be as follows:-

- (a) Free period for imports and exports would be calculated in terms of hours and not in days.
 - (b) For import cargo, the free period would be 72 hours (i.e 3 working days);
 - (c) For export cargo, free period for airlines would be 48 hours and free period of exporters would be 24 hours. Thus, the total free period available for export cargo would be 72 hours (i.e. 3 working days). In case of public holidays on any two or more consecutive days, free period would be further increased by an additional 12 hours.
 - (d) if the cargo operations at an airport take place round the clock, the counting for holidays would be considered for the purpose of reckoning of free period.
2. This issues with the approval of Minister of State for Civil Aviation (I/C) and would come into effect from the date of issue of this order.

Sd/-
Director

**Ministry of Law and Justice
(Legislative Department)**

New Delhi, the 5th December 2008/Agrahayana 14, 1930 (Saka)

The following Act of Parliament received the assent of the President on the 5th December, 2001, and is hereby published for general information:-

**THE AIRPORTS ECONOMIC REGULATORY AUTHORITY OF INDIA ACT, 2008
No. 27 of 2008**

[5th December, 2008.]

An act to provide for the establishment of an Airports Economic Regulatory Authority to regulate tariff and other charges for the aeronautical services rendered at airports and to monitor performance standards of airports and also to establish Appellate Tribunal to adjudicate disputes or incidental thereto:

Be it enacted by Parliament in the Fifty-ninth Year of the Republic of India as follows:-6

**Chapter I
Preliminary**

1. (1) This Act may be called the Airports Economic Regulatory Authority of India Act, 2008
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
- (3) It applies to—
 - (a) all airports whereat air transport services are operated or are intended to be operated, other than airports and airfields belonging to or subject to the control of the Armed Forces or paramilitary Forces of the Union;
 - (b) all private airports and leased airports;
 - (c) all civil enclaves;
 - (d) all major airports.
2. In this Act, unless the context otherwise requires,-
 - (a) "aeronautical service" means service provided-
 - (i) for navigation, surveillance and supportive communication thereto for air traffic management;
 - (ii) for the landing, housing or parking of an aircraft or any other ground facility offered in connection with aircraft operations at an airport;
 - (iii) for ground safety services at an airport;

- (iv) for ground handling services relating to an aircraft' passenger and cargo at an airport;
 - (v) for cargo facility at an airport;
 - (vi) for supplying fuel to an aircraft at an airport; and
 - (vii) for a stake-holder at an airport, for which the charges, in the opinion of the Central Government for the reasons to be recorded in writing, may be determined by the Authority;
- (b) "airport' means a landing and taking off area for aircrafts, usually with runways and aircraft maintenance and passenger facilities and includes and aerodrome as defined in clause (2) of section 2 of the Aircraft Act, 1934;
 - (c) "airport user" means any person availing of passenger or cargo facilities at an airport;
 - (d) "Appellate Tribunal" means the Airports Economic Regulatory Authority Appellate Tribunal established under section 17;
 - (e) "Authority" means the Airports Economic Regulatory Authority established under sub-section (1) of section 3;
 - (f) "civil enclave" means an area, if any, allotted at an airport belonging to any armed forces of the Union, for use by persons availing of any air transport services from such airport or for the handling of baggage or cargo by such service, and includes land comprising of any building and structure on such area;
 - (g) "Chairperson" means the Chairperson of the Authority appointed under sub-section(2) of section 4;
 - (h) "leased airport' means an airport in respect of which a lease has been made under section 12A of the Airports Authority of India Act, 1944;
 - (i) "major airport" means any airport which has, or is designated to have, annual passenger throughput in excess of one and a half million or any other airport as the Central Government may, by notification, specify as such;
 - (j) "Member" means a Member of the Authority and includes the Chairperson;
 - (k) "prescribed" means prescribed by rules made under this Act;
 - (l) "private airport" has the same meaning as assigned to it in clause(nn) of section 2 of the Airports Authority of India Act, 1994;
 - (m) "regulations" means regulations made by the Authority under this Act;

- (n) "service provider" means any person who provides aeronautical services and is eligible to levy and charge user development fees from the embarking passengers at any airport and includes the authority which manages the airport;
- (o) "stake-holder" includes a licensee of an airport, airlines operating thereat, a person who provides aeronautical services, and any association of individuals, which in the opinion of the Authority, represents the passenger or cargo facility users;
- (p) words and expressions used but not defined in this Act and defined in the Airports Authority of India Act, 1994 shall have the same meanings respectively assigned to them in that Act.

Chapter II

THE AIRPORTS ECONOMIC REGULATORY AUTHORITY

3. (1) The Central Government shall, within three months from the date of commencement of this Act, by notification in the Official Gazette, establish an Authority, to be known as the Airports Economic Regulatory Authority, to exercise the powers conferred on, and the functions assigned to it, by or under this Act.
- (2) The Authority shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued.
- (3) The head office of the Authority shall be at such places as the Central Government may, by notification in the Official Gazette, specify.
4. (1) The Authority shall consist of a Chairperson and two other Members to be appointed by the Central Government:

Provided that whenever the Authority is deciding a matter involving a civil enclave in a defence airfield, there shall be an additional Member, not below the rank of Additional Secretary to the Government of India, to be nominated by the Ministry of Defence.

- (2) The Chairperson and Member of the Authority shall be appointed by the Central Government from amongst persons of ability and integrity having adequate knowledge of, and professional experience in, aviation, economics, law, commerce or consumer affairs:

Provided that a person who is or has been in the service of Government shall not be appointed as a member unless such person has held the post of Secretary or Additional Secretary to the Government of India or any equivalent post in the Central or State Government for a total period of not less than three years.

- (3) The Chairperson and other Members shall be whole-time members.
 - (4) The Chairperson or other Members shall not hold any other office.
 - (5) The Chairperson shall be the Chief Executive of the Authority.
 - (6) The Chairperson and other Members of the Authority shall be appointed by the Central Government on the recommendation of Selection Committee referred to in section 5.
5. (1) The Central Government shall, for the purpose of sub-section (6) of section 4 constitute a Selection Committee consisting of the following, namely:-
- (a) Cabinet secretary
 - (b) Secretary, in the Ministry of Civil Aviation.
 - (c) Secretary, Department of Legal Affairs in the Ministry of Law and justice
 - (d) Secretary, in the Ministry of Defence
 - (e) One expert to nominated by the Ministry of Civil Aviation
- (2) The central Government shall within one month from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or a Member and six months before the superannuation or end of tenure of the Chairperson or any Member, make a reference to the Selection Committee for filling up of the vacancy.
- (3) The Selection Committee shall finalise the selection of the Chairperson and Members within one month from the date on which the reference is made to it.
- (4) The selection Committee shall recommended a panel of two names for every vacancy referred to it.
- (5) Before recommending any person for appointment as a Chairperson or other Member of the Authority, the Selection Committee shall satisfy itself that such person does not have any financial or other interest which is likely to affect prejudicially his functions as a Member.
- (6) No appointment of the Chairman or other Member shall be invalid mere reason of any vacancy in the Selection Committee.
6. (1) The Chairperson and other Members, shall hold office, as such, for a terms five years from the date on which he enters upon his office, but shall not be eligible re-appointment:

Provided that no Chairperson or other member shall hold office, as such, after attains-

- (a) In the case of the Chairperson, the age of sixty-five years; and
- (b) In the case of any other Member, the age of sixty-two years.

Explanation – For the purpose of this sub-section, a member may be appoints Chairperson of the Authority, but a person who has been the Chairperson shall not eligible for appointment as a Member.


- (2) The salary and allowances payable to, and the other terms and condition service of, the Chairperson and other Members shall be such as may be prescribed.
- (3) The salary, allowances and other conditions of service of the Chairperson other members shall not be varied to their disadvantage after their appointment.
- (4) Notwithstanding anything contained in sub-section (1) the Chairperson of member may,-
 - (a) relinquish his office by giving, in writing to the Central government, a no of not less than three months; or
 - (b) be removed from his office in accordance with the provision of section
- (5) The Chairperson or any Member ceasing to hold office, as such, shall-
 - (a) be ineligible for further employment under the Central Government of State Government for period of two years from the date he ceases to hold such of .
 - (b) not accept any commercial employment including private for a period of two years from the date he ceases to hold such office; or
 - (c) not represent any person before the Authority in any other manner.

Explanation- For the purpose of this sub-section,-

- (a) "employment under the Central Government or State Government" the employment under any local or other authority within the territory of India or the control of the Central Government of State Government or under any corporate or society owned or controlled by the Government.
- (b) "commercial employment" means employment in any

capacity under agency of, a person engaged in trading, commercial, industrial or financial business any field and includes also a director of a company or partner of a firm and it includes setting up practice either independently or as partner of a firm or as an ad or a consultant.

7. The Chairperson shall have powers of general superintendence and direction the conduct of the affairs of the Authority and he shall, in addition to presiding over meetings of the Authority, exercise and discharge such powers and functions of the Authority and shall discharge such other powers and functions as may be prescribed.
8. (1) The central Government may, by order, remove from office the Chairperson other member, if the Chairperson or such other member, as the case may be,-
 - (a) has been adjudged an insolvent; or
 - (b) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or
 - (c) has become physically or mentally incapable of acting as a Member; or
 - (d) has acquired such financial or other interest, as is likely to affect prejudice his functions as a Member; or
 - (e) has so abused his position, as to render his continuance in office prejudicial to the public interest, or
 - (f) has engaged at any time during his term of office in any other employment.
- (2) The chairperson or any other Member shall not be removed from his office except by an order of the Central Government on the ground of his provide misbehavior or incapacity after the Central Government, has, on an inquiry, held in accordance with the procedure prescribed in this behalf by the Central Government, come to the conclusion that the Member ought on any such ground to be removed.
- (3) The Central Government may suspend any Member in respect of whom an inquiry under sub-section (2) is being initiated or pending until the Central Government has passed an order on receipt of the report of the inquiry.
9. (1) The Central Government may appoint a Secretary to discharge his functions under this Act.

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- (2) The Authority may appoint such officers and other employees as it considers necessary for the efficient discharge of its functions under this Act.
 - (3) The salaries and allowances payable to and other terms and conditions of service of the Secretary and officers and other employees of the Authority and the number of such officers and other employees shall be such as may be prescribed.
 - (4) The Authority may engage, in accordance with the procedure specified by regulations such number of experts and professionals of integrity and outstanding ability, who have special knowledge of, and experience in, economics, law, business or such other disciplines related to aviation as it deems necessary to assist the Authority in the discharge of its functions under this Act.
10. (1) The Authority shall meet at such places and times and shall observe such rules of procedure in regard to the transaction of business as its meetings (including the quorum at its meetings), as may be determined by regulations.
 - (2) The Chairpersons shall preside at the meeting of the Authority and if any reason the Chairperson is unable to attend a meeting of the Authority, any other Member chosen by the members present from amongst themselves at the meeting shall preside at the meeting.
 - (3) All questions which come up before any meeting of the Authority shall be decided by a majority of votes of the Members present and voting and, in the event of an equality of votes, the Chairperson or the Member presiding shall have the right to exercise a second or casting vote.
 - (4) Save as otherwise provided in sub-section (i), every Member shall have one vote.
 11. All orders and decisions of the Authority shall be authenticated by signatures of the Secretary or any other officer of the Authority, duly authorized by the Authority in this behalf.
 12. No act or proceedings of the Authority shall be invalid merely by reason of-
 - (a) any vacancy in, or any defect in, the constitution of the Authority, or
 - (b) any defect in the appointment of a person acting as a Member of the Authority, or
 - (c) any irregularity in the procedure of the Authority not affecting the merits of the case.

CHAPTER III

POWERS AND FUNCTIONS OF THE AUTHORITY

13. (1) The Authority shall perform the following functions in respect of major airports, namely :-

- (a) to determine the tariff for the aeronautical services taking into consideration -
- (i) the capital expenditure incurred and timely investment in improvement of airport facilities;
 - (ii) the services provided, its quality and other relevant factors;
 - (iii) the cost of improving efficiency;
 - (iv) economic and viable operation of major airports;
 - (v) revenue received from services other than the aeronautical services;
 - (vi) the concession offered by the Central Government in any agreement or memorandum of understanding or otherwise;
 - (vii) any other factor which may be relevant for the purpose of this Act.

Provided that different tariff structures may be determined for different airports having regard to all or any or any of the above considerations specified at sub-classes (i) to (vii);

- (b) to determine the amount of the development fees in respect of major airports;
- (c) to determine the amount of the passenger service fee levied under rules 88 of the Aircraft Rules, 1937 made under the Aircraft Act, 1934;
- (d) to monitor the set performances standards relating to quality, continuity and reliability of service as may be specified by the Central Government or any authority authorised by it in this behalf;
- (e) to call for such information as may be necessary to determine the tariff under clause (a);
- (f) to perform such other functions relating to tariff, as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act.
- (2) The Authority shall determine the tariff once in five years and may if so considered appropriate and in public interest, amend, from time to time during the said period of five years, the tariff so determined.
- (3) While discharging its functions under sub-section (1) the Authority shall not act against the interest of the sovereignty and integrity of

- India, the security of this State, friendly relations with foreign States, public order, decency or morality.
- (4) The Authority shall ensure transparency while exercising its powers and discharging its functions, inter alia, -
- (a) by holding the consultations with all stake-holders with the airport;
 - (b) by allowing all stake-holders to make their submissions to the authority; and
 - (c) by making all decisions of the authority fully documented and explained.
14. (1) Where as the Authority considers it expedient so to do, it may by order in writing -
- (a) call upon any service provider at any time to furnish in writing such information or explanation relating to its functions as the Authority may require to access the performance of the service provider; or
 - (b) appoint one or more persons to make an inquiry in relation to the affairs of any service provider; and
 - (c) direct any of his officers or employees to inspect the books of account or other documents of any service provider.
- (2) Where any inquiry in relation to the affairs of a service provider has been undertaken under sub-section (1) -
- (a) every office of the Government department, if such service provider is a department of the Government; or
 - (b) every director, manager, secretary or other officer, if such service provider is a company; or
 - (c) every partner, manager, secretary or other officer, if such service provider is a firm; or
 - (d) every other person or body of persons who has had dealings in the course of business with any of the persons mentioned in clauses (b) or (c);
- shall be bound to produce before the Authority making the inquiry, all such books of account or other documents in this custody or power relating to, or having a bearing on the subject-matter of such inquiry and also to furnish to the Authority with any such statement or information relating thereto, as the case may be, required of him, within such time as may be specified.
- (3) Every service provider shall maintain such books of account or other documents as may be prescribed.

- (4) The Authority shall have the power to issue such directions to monitor the performance of the service providers as it may consider necessary for proper functioning by service providers.
15. The Authority may, for the purpose of discharge of its functions under this Act, issue, from time to time to the service providers, such directions, as it may consider necessary.
16. The Authority or may other officer specially authorised by it in this behalf may enter any building or place where the Authority has reason to believe that any document relating to the subject matter of the inquiry may be found, and may seize any such document or late extract or copies therefrom subject to the provisions of section 100 of the Code of Criminal Procedure, 1973 in so far as they may be applicable.

CHAPTER IV APPELLATE TRIBUNAL

17. The Central Government shall, by notification in the Official Gazette, establish an Appellate Tribunal to be known as the Airports Economic Regulatory Authority, Appellate Tribunal to-

- (a) adjudicated any dispute -
 - (i) between two or more service providers;
 - (ii) between a service provider and a group of consumer;

Provided that the Appellate Tribunal may, if considers appropriate, obtain the opinion of the Authority on any matter relating to such dispute;

Provided further that nothing in this clause shall apply in respect matters-

- (i) relating to the monopolistic trade practice, restrictive trade practice and unfair trade practice which are subject to the jurisdiction of the Monopolies and Restrictive Trade Practise Commission established under sub-section (1) of section 5 of the Monopolies and Restrictive Trade Practices Act, 1969;
 - (ii) relating to the complaint of an individual consumer maintainable before a Consumer Disputes Redressal Forum or a Consumer Disputes Redressal Commission or the National Consumer Redressal Commission established under section 9 of the Consumer Protection Act, 1986;
 - (iii) which are within the purview of the Competition Act, 2002;
 - (iv) relating to an order of ejection which is appealable under section 28K of the Airports Authority of India Act, 1994.
- (b) hear and dispose of appeal against any direction, decision or order of the Authority under this Act.

18. (1) The Central Government or a State Government or a local authority or any person may make an application to the Appellate Tribunal for adjudication of any dispute as referred to in clause (a) of section 17.

(2) The Central Government or a State Government or a local authority or any person aggrieved by any direction, decision or order made by the Authority may prefer an appeal to the Appellate Tribunal.

(3) Every appeal under sub-section (2) shall be preferred within a period of thirty days from the date on which a copy of the direction or order or decision made by the Authority is received by Central Government or the State Government or the local authority or the aggrieved person and it shall be in such form, verified in such manner and be accompanied by such fee as may be prescribed.

Provided that the Appellate Tribunal may entertain any appeal under sub-section (2), the Appellate Tribunal may, after giving the parties to the dispute or the appeal an opportunity of being heard, pass such orders thereon as it thinks fit.

(5) The Appellate Tribunal shall send a copy of every order made by it to the parties to the dispute or the appeal and to the Authority, as the case may be.

(6) The application made under sub-section (1) or the appeal preferred under sub-section (2) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the application or appeal finally within ninety days from the date of receipt of application or appeal, as the case may be :

Provided that where any such application or appeal could not be disposed of within the said period of ninety days, the Appellate Tribunal shall record its reasons in writing for not disposing of the application or appeal within that period.

(7) The Appellate Tribunal may, for the purpose of examining the legality or propriety or corrections, of any dispute made in any application under sub-section (1), or of any direction or order or decision of the Authority referred to in the appeal preferred under sub-section (2), on its own motion or otherwise, call for the records relevant to disposing of such application or appeal and make such orders as it thinks fit.

19 (1) The Appellate Tribunal shall consist of a Chairperson and not more than two Members to be appointed, by notification in the Official Gazette, by the Central Government.

Provided that the Chairperson or a Member holding a post as such in any other Tribunal, established under any law for the time being in force, in

addition to his being the Chairperson or a Member of that Tribunal, may be appointed as the Chairperson or a Member, as the case may be, of the Appellate Tribunal under this Act.

- (2) The section of Chairperson and Member of the Appellate Tribunal shall be made by the Central Government in consultation with the Chief Justice of India or its nominee.
20. A person shall not be qualified for appointment as the Chairperson or a Member of the Appellate Tribunal unless he-
 - (a) in the case of Chairperson, is, or has been, a Judge of the Supreme Court or the Chief Justice of a High Court;
 - (b) in the case of a Member, has held the post of Secretary to the Government of India or any equivalent post in the Central Government or the State Government for a total period of not less than two years in the Ministers or Departments dealing with aviation or economics or law or a person who is well-versed in the field of aviation or economics or law.
21. The Chairperson and every other Member of the Appellate Tribunal shall hold office as such for a term not exceeding three years from the date on which enters upon his office;

Provided that no Chairperson or other Member shall hold office as such after he had attained,-

- (a) in the case of Chairperson, the age of seventy years;
 - (b) in the case of any other Member, the age of sixty-five years.
22. The salary and allowances payable to and the other terms and conditions of service of the Chairperson and other Members of the Appellate Tribunal shall be such as may be prescribed;

Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairperson or a Member of the Appellate Tribunal shall be varied to this disadvantage after appointment.

23. If, for reason other than temporary absence, any vacancy occurs in the office of the Chairperson or a Member of the Appellate Tribunal, the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Appellate Tribunal from the stage at which the vacancy is filled.
- 24(1) The Central Government may remove from office, the Chairpersons or any Member of the Appellate Tribunal, who-
 - (a) has been adjudged an insolvent; or
 - (b) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or

- (c) has become physically or mentally incapable of acting as the Chairperson or a Member; or
 - (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as the Chairperson or a Member, or
 - (e) has so abused his position as to render his continuance in office prejudicial to the public interest.
- (2) Notwithstanding anything contained in sub-section (1), the Chairperson or a Member of the Appellate Tribunal shall not be removed from his office on the ground specified in clause (d) or clause (e) of that sub-section unless the Supreme Court on a reference being made to it in this behalf by the Central Government, has, on an enquiry, held by it in accordance with such procedure as it may specify, in this behalf, report that the Chairperson or a Member ought, on such grounds, to be removed.
- (3) The Central Government may suspend from office, the Chairperson or a Member of the Appellate Tribunal in respect of whom a reference has been made to the Supreme Court under sub-section (2), until the Central Government has passed an order on reject of the report of the Supreme Court on such reference.
25. (1) The Central Government shall provide the Appellate Tribunal with such officers and employees as it may deem fit.
- (2) The officers and employees of the Appellate Tribunal shall discharge their functions under the general superintendence of its Chairperson.
- (3) The salaries and allowances and other conditions of service of such officers and employees of the Appellate Tribunal shall be such as may be prescribed.
26. If the Chairperson and other Members differ in opinion on any matter, such matter shall be decided according to the opinion of the majority.
27. The Chairperson, Members and other officers and employees of the Appellate Tribunal shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.
28. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.
29. (1) The Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act, the Appellate Tribunal shall have powers to regulate its own procedure.

- (2) The Appellate Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely-
- (a) summoning and enforcing the attendance of any persons and examining him on oath;
 - (b) requiring the discovery and production of documents;
 - (c) receiving evidence on affidavit;
 - (d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitions any public record or document or a copy of such record or document, from any office;
 - (e) issuing commissions for the examination of witnesses or documents;
 - (f) reviewing its decisions;
 - (g) dismissing an application for default or deciding it, *ex parte*;
 - (h) setting aside any order of dismissal of any application for default or any order passed by it, *ex parte*; and
 - (i) any other matter which may be prescribed.
- (3) Every proceeding before the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal Code and the Appellate Tribunal shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.
30. The applicant or appellant may either appear in person or authorises one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal.

Explanation - For the purposes of this section, -

- (a) "chartered accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- (b) "company secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 and who has obtained a certificate of practice under sub-section (1) of section of that Act;

- (c) "cost accountant" means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959, and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- (d) "Legal practitioner" means an advocate, vakil or any attorney of any High Court, and includes a pleader in practice.
31. (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 or in any other law, an appeal shall lie against any order, not being an interlocutory order of the Appellate Tribunal to the Supreme Court on one or more of the grounds specified in section 100 of the Code.
- (2) No appeal shall lie against any decision or order made by the Appellate Tribunal with the consent of the parties.
- (3) Every appeal under this section shall be preferred within a period of ninety days from the date of the decision or order appealed against :
- Provided that the Supreme Court may entertain the appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.
32. (1) An order passed by the Appellate Tribunal under this Act shall be executable by the Appellate Tribunal as a decree of civil court, and for this purpose, the Appellate Tribunal shall have all the powers of a civil court.
- (2) Notwithstanding anything contained in sub-section (1), the Appellate Tribunal may transit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as it is were a decree made by the court.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

33. The Authority shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Authority and forward the same to the Central Government, for information.
34. The Central Government may, after due appropriation made by Parliament by law in this behalf, made to the Authority grants of such sums of money as are required to be paid for the salaries and allowances payable to the Chairperson and other Members and the administrative expenses, including the salaries and allowances and pension payable to or in respect of officers and other employees of the Authority.

35. (1) The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.
 - (2) The accounts of the Authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.
 - (3) The Comptroller and Auditor-General of India or any person appointed by him in connection with the audit of the accounts of the Authority under this Act shall have the same rights, privileges and authority in connection with such audit, as the Comptroller and Auditor-General of India generally has, in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Authority.
 - (4) The accounts of the Authority, as certified by Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report thereon, shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before such House of Parliament.
- 36(1) The Authority shall furnish to the Central Government, at such time and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to any matter under the jurisdiction of the Authority, as the Central Government may, from time to time, require.
- (2) The Authority shall papers, once every year, in such form and at such time as may be prescribed, an annual report, giving a summary of its activities during the previous year and copies of the report shall be forwarded to the Central Government.
 - (3) A copy of the report received under sub-section (2) shall be laid by the Central Government, as soon as may be after it is received, before each House of Parliament.

CHAPTER VI

OFFENCES AND PENALTIES

37. If any person wilfully fails to comply with the order of the Appellate Tribunal, he shall be punishable with fine which may extend to one lakh rupees and in case of continuing contravention with additional fine which may extend to two lakh rupees for every day during which such default continues.

38. Whoever fails to comply with any order or direction given under this Act, or contravenes, or attempts to contravenes or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder shall be punishable with fine which may extend to one lakh rupees and in the case of a second or subsequent offence with fine which may extend to two lakh rupees and in the case of a continuing contravention with an additional fine which may extend to four thousand rupees for every day during which the default continues.
39. If any person wilfully fails to comply with an order of the Authority or of the Appellate Tribunal, passed under Chapter IV, he shall be punishable with fine which may extend to one lakh rupees and, in the case of a second or subsequent offence, with fine which may extend to two lakh rupees and in the case of a continuing failure, with an additional fine which may extend to four thousand rupees for every day during which such failure continuous.
40. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of, the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :
- Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.
- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company, and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary, or other officer of the company, any director, manager secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Explanation - For the purposes of this section -

- (a) "company" means any body corporate and includes a firm or other association of individuals; and
- (b) "director" means a whole-time director in the company and in relation to a firm, means a partner in the firm.
41. (1) Where an offence under this Act has been committed by any Department of Government or any of its undertakings, the Head of

the Department or its undertakings shall be deemed to be guilty of an offence and shall be liable to be proceeded against and punished accordingly unless he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

- (2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by any Department of Government or its undertakings and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any officer, other than the Head of the Department or its undertakings, such officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

CHAPTER VII MISCELLANEOUS

42. (1) The Central Government may, from time to time, issue to the Authority such directions as it may think necessary in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states, public order, decency or morality.
- (2) Without prejudices to the foregoing provisions, the Authority shall, in exercise of its powers or the performances of its functions, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time :

Provided that the Authority shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

- (3) The decision of the Central Government whether a question is one of policy or not shall be final.
43. The Chairperson, Member, officers, and other employees of the Authority shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.
44. No civil court shall have jurisdiction in respect of any matter which the Authority is empowered by or under this Act to determine.
45. No suit, prosecution or other legal proceedings shall lie against the Central Government or the Authority or any Member, officer or other employees thereof for anything which is in good faith done or intended to be done under this Act or the rules and regulations made there under.

46. Notwithstanding anything contained in the Wealth-tax Act, 1957, the Income-Tax Act, 1961, or any other enactment for the time being in force relating to tax on wealth, income, profits or gains, the Authority shall not be liable to pay wealth-tax, income-tax or any other tax in respect of their wealth, income, profits or gains derived.
49. (1) It, at any time, the Central Government is of opinion-
- (a) that on account of a grave emergency, the Authority is unable to discharge the functions and duties imposed on it by or under the provisions of this Act, or
 - (b) that the Authority has persistently made default in complying with any direction issued by the Central Government under this Act or in the discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of which default, the financial position of the Authority or the administration of any airport, heliport, airstrip, civil enclave or aeronautical communication station has deteriorated; or
 - (c) that circumstances exist which render it necessary in the public interest so to do, the Central Government may, by notification in the Official Gazette, supersede the Authority for such period, not exceeding six months, as may be specified in the notification;

Provided that before issuing a notification under this sub-section for the reasons mentioned in clause (b), the Central Government shall give a reasonable opportunity to the Authority to show cause as to why it should not be superseded and shall consider the explanations and objections, if any, of the Authority.

- (2) Upon the publication of a notification under sub-section (1) superseding the Authority -
- (a) all the Members shall, as from the date of supersession, vacate their offices as such;
 - (b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Authority, shall until the Authority is re-constituted under sub-section (3) be exercised and discharged by such person or persons as the Central Government may direct;
 - (c) all property owned or controlled by the Authority shall, until the Authority is re-constituted under sub-section (3), vest in the Central Government.
- (3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may,-

- (a) extend the period of supersession for such further term not exceeding six months, as it may consider necessary; or
- (b) re-constitute the Authority by fresh appointment and in such case the Members who vacated their offices under clause (a) of sub-section (2) shall not be deemed disqualified for appointment.

Provided that the Central Government may, at any time before the expiration of the period of supersession, whether as originally specified under sub-section (1) or as extended under this sub-section, take action under clause (b) of this sub-section.

- (4) The Central Government shall cause a notification issued under sub-section(1) and a full report of any action taken under this section and the circumstance leading to such action to be laid before such Houses of Parliament at the earliest opportunity.
50. The provision of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.
51. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-
 - (a) the salary and allowances payable to, and the other conditions of service of, the Chairperson and other Member under sub-section (2) of section 6;
 - (b) the form and manner in which and the Authority before whom the oath of office and secrecy shall be made and subscribed under sub-section (4) of section 6;
 - (c) the powers and functions to be exercised or discharged by the Chairperson under section 7;
 - (d) the procedure for conducting any inquiry made under sub-section (2) of section 8;
 - (e) the salaries and allowances payable to, and the other terms and conditions of service of the Secretary, officers and other employees of the Authority under sub-section (3) of section 9;
 - (f) the performance standards relating to the quality, continuity and reliability of service to be monitored under clause (d) of sub-section (1) of section 13;
 - (g) the books of account or other documents which are required to be maintained by the service provider under sub-section (3) of section 14;

- (h) the form and manner in which the form shall be verified and fee to be accompanied by the form under sub-section (3) of section 18;
 - (i) the salary and allowances payable to, and the other terms and conditions of service of, the Chairperson and other Members of the Appellate Tribunal under section 22;
 - (j) the salaries and allowances and other conditions of service of such officers and employees of the Appellate Tribunal under sub-section (3) of section 25;
 - (k) the matters in respect of which the Authority will have the powers of a civil court under clause (a) of sub-section (2) of section 29;
 - (l) the form in which the Authority shall prepare, and at such time in each financial year, its budget and the time at which such budget shall be prepared under section 33;
 - (m) the form in which proper accounts and other relevant records shall be maintained and the annual statement of accounts shall be prepared by the Authority under sub-section (1) of section 55;
 - (n) the form, manner and the time in which the returns and statements shall be furnished by the Authority under sub-section (1) of section 36;
 - (o) the form and time at which the annual report shall be prepared by the Authority under sub-section (2) of section 36;
 - (p) any other matter which is to be, or may be prescribed, or in respect of which provision is to be made by rules.
52. (1) The Authority may, by notification in the Official Gazette, and with the previous approval of the Central Government, make regulations, not inconsistent with the Act, and the rules made thereunder, to carry out the purposes of the Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:-
- (a) the procedure in accordance with which the experts and professionals may be engaged under sub-section (4) of section 9;
 - (b) the places and time of meetings of the Authority and the procedure to be followed at such meetings, (including the quorum at its meetings) under sub-section (1) of section 10;
 - (c) any other matter which is required to be, or may be specified by regulations.
53. Every rule made by the Central Government, and every regulation made by the Authority, under this Act shall be laid, as soon as may be

after it is made, before such 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 regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation 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 the rule or regulation.

54. The enactment specified in the Schedule to this Act shall be amended in the manner specified therein and such amendments shall take effect on the date of establishment of the Authority.
55. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty :

Provided that no order shall be made under this section after the expiry of two years from the date of commencement of this Act.

- (2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Airports are classified as follows:-

1. **International Airports:** - These are declared as international airports and are available for scheduled international operations by Indian and foreign carriers. As on July 2011, the International Airports are: Ahmedabad • Amritsar • Calicut • Chennai • Goa (CE) • Guwahati • Jaipur • Kolkata • Portblair (CE) • Srinagar (CE) • Thiruvananthapuram • Bangalore (BIAL) • Cochin (CIAL) • Delhi (DIAL) • Hyderabad (GHIAL) • Mumbai (MIAL) • Nagpur (MIPL)
2. **Custom Airports:** - These have Customs and Immigration facilities for limited international operations by national carries and for foreign tourist and cargo charter flights. As on July 2011, The Custom Airports are: Bagdogra (CE) • Coimbatore • Gaya • Lucknow • Madurai • Mangalore • Patna • Pune(CE) • Trichy • Varanasi
3. **Model Airports:** - 12 Model Airports were taken up by AAI to handle Jet Operations, i.e. runway length Of 7500 feet and improvement to terminal building infrastructure.
4. **Other Domestic Airports:** - All other Airports in the country are covered in the category of Domestic Airports.
5. **Civil Enclaves (CE) in Defence Airports :** Civil enclaves are the portion of the defence airfields where civil operations are handled by AAI. As on July 2011, the Civil Enclaves are: Agra • Allahabad • Bangalore (HAL) • Bhuj • Chandigarh • Gorakhpur • Gwalior • Jaisalmer • Jammu • Jamnagar • Jodhpur • Jorhat • Kanpur (Chakeri) • Leh • Pathankot • Silchar • Tezpur • Vishakhapatnam.

APPENDIX 5-B

Development of Airport Infrastructure:

1. Restructuring of Delhi & Mumbai airports has been undertaken through Joint Venture mode.
2. Development of Greenfield airports at Bangalore & Hyderabad has been accomplished under PPP mode.
3. Development of Kolkata & Chennai Airports has been undertaken by AAI through its internal resources.
4. Development of a Greenfield airport at Pakyong (Sikkim) has been taken up by AAI.
5. New Greenfield airports are envisaged and in principle approval has been granted in respect of 15 airports.
6. Development of 35 Non-Metro Airports and 26 other Airports has been taken up by AAI.