

PART IV

**RATIONALISATION
OF THE
FUNCTIONS, ACTIVITIES AND
STRUCTURE OF THE
MINISTRY OF CIVIL AVIATION**

**Rationalisation of the functions, activities and structure of
Ministry of Civil Aviation**

Table of Contents

Executive Summary	2
1. Introduction	4
2. Directorate General of Civil Aviation	7
3. Airport Authority of India.....	9
4. Subsidy for operation of Haj Charters.....	11
5. Indira Gandhi Rashtriya Uran Academy	13
6. Bureau Of Civil Aviation Security.....	14
7. Commission Of Railway Safety	17
8. The Secretariat	19
ANNEX I	21
ANNEX II	23
ANNEX III	24
ANNEX IV	25
ANNEX V	27
ANNEX VI	29
ANNEX VII.....	30
ANNEX VIII.....	31

Ministry of Civil Aviation

Executive Summary

1. The 1997 policy on Airport Infrastructure mentions interalia that the DGCA is to be converted into a Civil Aviation Authority with full powers and regulations over all aspects of aviation industry. This proposal needs to be processed and put in place early. Pending this, action could be initiated for matching recoveries to be raised for meeting the expenditure on DGCA.
2. The SIU had on the basis of a study in 1998 determined that 166 posts out of a total sanctioned strength of 696 posts in DGCA were surplus. These 166 posts should be abolished forthwith.
3. Considering the Airport Authority of India's comfortable resource position the feasibility of reducing further the draft on government budget support should be explored.
4. Considering the crucial importance of this sector to the growth of economic activity, all steps should be taken to ensure that plan allocations are fully utilised.
5. Following the recommendations of the Parliamentary Standing Committees the Ministry should take urgent action for phasing out the subsidy on operation of Haj charters. Pending finalisation of the modalities in this regard, action should be taken to freeze the subsidy at the present level.
6. The feasibility of suitable private parties participating in the management as well as financing of Indira Gandhi Rashtriya Uran Academy should be explored. If these efforts do not fructify say in the next one year or so, then this academy should be closed down w.e.f. 1.4.2003.
7. In the Bureau of Civil Aviation Security the 20 posts out of a total of 279 found surplus on the basis of a SIU study should be abolished straightaway.
8. This bureau is a regulatory authority and it should not be engaged in executive functions like bomb detection and disposal, dog squads, etc. These functions should be entrusted to suitable other agencies like CISF,

state police etc. and the positions created for this purpose in the BCAS should be abolished.

9. The question whether the Commission of Railway Safety should continue to function under the Civil Aviation Ministry or should be transferred to the Ministry of Railways should be settled early.
10. One post of Joint Secretary which was redeployed from the strength of Ministry of Tourism in 1995-96 and continued in the Civil Aviation Ministry since then should be abolished immediately.
11. The present arrangement of the Secretary of the ministry functioning as the Chairman of Air India for several years now and of the Joint Secretary functioning as the Chairman and Managing Director of Indian Airlines for over one year now should be terminated. These arrangements could lead to conflict of interest situations in the disinvestment process and in providing a level playing field.
12. Considering that the post of Chairman and Managing Director of the Indian Airlines is a full time one the present practice under which the Joint Secretary of the Ministry is also functioning as the CMD of the Indian Airlines clearly shows that the functions attached to this post of Joint Secretary are not onerous. This post of the Joint Secretary could therefore be abolished and the duties attached to this post be allocated to the other Joint Secretary of the Department.

Rationalisation of the functions, activities and structure of Ministry of Civil Aviation

1. Introduction

1.1 Flying activity within Indian airspace was controlled by the Department of Industries and Labour of the Government of India until 1927. The commencement of airline operations between London and Karachi, and their further expansion across India, as well as the setting up of flying clubs within the country in 1929 required more specific regulatory measures on flying club activity. The Government of India created a Directorate of Civil Aviation for this purpose in 1927. Both the number of aerodromes as well as the number of aircraft operations, was very limited at that time.

1.2 The construction of more than 80 aerodromes in different parts of the country during the Second World War, created the impetus for the growth of civil aviation. The post of Director General of Civil Aviation was created in the year 1945, and this was when the Civil Aviation Department took shape. Department of Civil Aviation was created in June 1964.

1.3 On the recommendations of the Tata Committee, the International Airports Authority Act was passed in 1971 and the four International Airports at Delhi, Bombay, Calcutta and Madras were entrusted to the International Airports Authority of India. (Trivandrum airport was also handed over to the Authority in 1991). The management and operation of the remaining (domestic) aerodromes was entrusted to the National Airports Authority created under the National Airports Authority Act, 1985. In addition, the Authority was made responsible for provision of Air Traffic Services and the communication facilities. However, the regulatory control of civil aviation activities in India continued to remain with the DGCA.

1.4 Ministry of Civil Aviation is responsible for the formulation and implementation of national policies and programmes in the civil aviation sector. The Ministry oversees the development and regulation of civil aviation in the country including inter-alia establishment of new aerodromes, maintenance and upgradation of the existing aerodromes, regulation of carriage of traffic by air and ensuring civil aviation security.

Railway Safety, including enquiries into serious railway accidents also constitutes one of the functions of the Ministry.

1.5 The list of functions of the Ministry of Civil Aviation, as embodied in the Allocation of Business Rules of the Government of India, is given in **Annex I**.

1.6 The Indian Civil Aviation sector has taken significant strides during the past 50 years. Two national air carriers – Indian Airlines Ltd. and Air India Ltd. – have helped in providing connectivity to the distant corners in and outside the country. It has been possible to develop and put in place a fairly advanced air navigation system and upgradation of a number of airports / aerodromes have taken place. Liberalisation of the air market has also taken place during the ninety's. The accent has now to be on the provision of increased services in the North-East region apart from enabling the sector to become a cost effective facilitator for sustainable development of trade and tourism.

1.7 The civil aviation sector is monitored and regulated by two separate organisations under the Ministry of Civil Aviation i.e. the Directorate General of Civil Aviation and the Bureau of Civil Aviation Security. The Chief Commissioner of Railway Safety and the organisation under him take care of the functions pertaining to Railway Safety. The Ministry has the following Public Sector Undertakings / Companies / Autonomous Bodies under its administrative control :-

- (i) Air India Limited and its wholly owned subsidiaries viz. Hotel Corporation of India Limited and Air India Charters Limited.
- (ii) Indian Airlines Limited and its wholly owned subsidiary viz. Airlines Allied Services Limited.
- (iii) Airports Authority of India.
- (iv) Pawan Hans Helicopters Limited.
- (v) Indira Gandhi Rashtriya Uran Akademi.

1.8 **Annex II** gives the organisation-wise break up of the planned and non-plan provisions for the last three years. The position is summarised as below:-

(Rs. In crores)

Actual 1999-2000	Budget Estimates 2000- 2001	Revised Estimates 2000-2001	Budget Estimates 2001- 2002
195.79	222.04	238.36	277.97

The provisions in the Ministry's budget are substantially for Non-Plan. The budget support for the Plan component is relatively small – actual outgo in 1999-2000 was Rs.36 crores, and the provision in B.E. 2001-02 is Rs.63 crores. The Plan outlay of the Ministry is, however, very much larger and is financed mostly by Internal and Extra Budgetary Resources (IEBR). Thus the total Plan outlay for 2001-02 of the Ministry is Rs.1641 crores, financed by IEBR of Rs.1578 crores, and budgetary support of Rs.63 crores.

1.9 The organisation-wise details of the approved Plan outlays for the current year and the financing pattern thereof are as under:-

Year 2001-02 (Rs. In crores)

S.No.	Organisation	Approved Outlay	Budgetary Support	IEBR
1.	Air India	445.44	---	445.44
2.	Indian Airlines	460.00	---	460.00
3.	Airports Authority of India	573.71	50.85*	522.87
4.	Pawan Hans Helicopter	127.00	---	127.00
5.	Hotel Corporation of India	23.00	---	23.00
6.	Indira Gandhi Rashtriya Uran Academy	1.25	1.25	---
7.	Director General of Civil Aviation	5.50	5.50	---
8.	Bureau of Civil Aviation Security	5.41	5.41	---
	TOTAL	1641.31	63.01	1578.31

· Includes Rs.39.15 crores for projects in North-Eastern regions, Sikkim and other priority areas; Rs.10.79 crores for Amritsar Airport and Rs.0.90 crores as assistance from OECF for Aurangabad Airport.

1.10 Under Non-Plan the major expenditure is payment to Air India Ltd. for operation of Haj Charters, the provision in B.E. 2001-02 being Rs.154.50 crores.

2. Directorate General of Civil Aviation

2.1 The Directorate General of Civil Aviation (DGCA) is the principal regulatory body in the field of Civil Aviation. It is responsible for regulation of air transport services to / from / within India and for formulation and enforcement of civil air regulations, air safety and airworthiness standards. It also co-ordinates all regulatory functions with International Civil Aviation Organisation.

2.2 The DGCA, headed by the Director General of Civil Aviation with headquarters in New Delhi, has the following Directorates under it:-

- i) Directorate of Regulations and Information
- ii) Directorate of Air Transport
- iii) Directorate of Airworthiness
- iv) Directorate of Air Safety
- v) Directorate of Training and Licensing
- vi) Directorate of Aerodrome Standards
- vii) Directorate of Flying Training
- viii) Directorate of Flight Inspection
- ix) Directorate of Research & Development
- x) Directorate of Administration

2.3 The functions of the DGCA are set out in **Annex III**.

2.4 The expenditure on the DGCA as projected in the RE for 2000-01 was Rs.20.19 crores (Plan – Rs.4.80 crores and Non-Plan – Rs.15.39 crores). The provision for the current year is Rs.22.76 crores (Plan – Rs.5.4 crores and Non-Plan – Rs.17.36 crores).

2.5 Apart from private sector airlines being allowed to operate, Government have already announced that steps will be taken to encourage participation of private parties (including foreign ones) even in ownership/management of Air Ports. The Policy on Airport Infrastructure, announced by the Government in December 1997 *inter alia* states:-

"What is needed now, in view of the worldwide thrust towards corporatisation and privatisation 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 Government, 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”.

2.6 The 1997 Policy also mentions that there will be “a legislation for conversion of the DGCA into a Civil Aviation Authority with full powers and regulations over all aspects of the aviation industry”. The setting up of this Authority needs to be expedited. Moreover, when the Authority is set up, it will be expected to raise adequate resources for its activities. There is as yet no clear indication as to when the Authority will be actually set up. Steps could, therefore, be initiated straightaway for ensuring that while for the present the expenditure on DGCA continues to be met from the budget, there should be matching recoveries. Towards this end, the feasibility of suitably increasing the Passenger Service Fee (PSF) etc. and earmarking a certain proportion of it towards covering the expenditure on DGCA could be explored. The modalities of such a mechanism should be finalised in time so as to be fully reflected in the Budget for the year 2002-03. Such a policy for meeting the expenditure on DGCA will be in the nature of an extension of the policy introduced in 1996-97 with regard to payments towards expenditure for security measures at airports. More recently, pursuant to the decision of the Government to induct CISF for undertaking the security work in the airports, Government have notified upward revision of PSF for the domestic passengers and also imposition of PSF on international passengers, with effect from 1.4.2001 to enable AAI to meet this additional expenditure.

2.7 The Staff Inspection Unit (SIU) of the Ministry of Finance had undertaken a study of the DGCA's offices in 1998, except for the Research & Development Directorate which was accepted as a scientific organisation. The SIU study had determined that of the total of 696 posts, 166 posts, including 82 posts in the non-technical categories viz. Section Officer and below as well as Group D could be abolished. The office wise

break up of this number is at **Annex-IV**. Action should be taken immediately to abolish all the 166 posts found surplus by the SIU.

3. Airport Authority of India

3.1 As mentioned earlier, International Airports Authority of India (IAAI) was set up in 1971 under the International Airports Authority Act, 1971 and the National Airports Authority (NAA) was set up in 1985 under the National Airports Authority Act, 1985. In order to achieve better administration and cohesive management of airports and aeronautical communication stations, IAAI and NAA were merged into the Airports Authority of India (AAI) by an Act of Parliament – Airports Authority of India Act, 1994.

3.2 The functions of AAI, as enunciated in the AAI Act, 1994, are given in **Annex-V** for ready reference. AAI has declared that its Mission is to achieve progress through excellence and customer satisfaction with world class airport and air traffic services, fostering economic development.

3.3 AAI manages 5 International Airports, 87 Domestic Airports and 28 Civil Air Terminals at Defence Airfields. It controls and manages the entire Indian airspace extending even beyond the territorial limits of the country.

3.4 In terms of the 1994 Act, AAI charges, with the prior approval of the Central Government, fees or rent

- a) for the landing, housing / parking of aircraft and other services offered in connection with aircraft operations at any airport. (In this context “aircraft” does not include aircraft belonging to armed forces of the Central Government and “aircraft operations” does not include operations of any aircraft belonging to the said forces);
- b) for providing air traffic services, ground safety services, aeronautical communications and navigational aids and meteorological services at the airports and at aeronautical communication stations;
- c) for the amenities given to the passengers and visitors at any airport;
- d) for the use and employment by persons of facilities and other services provided by the Authority at any airport.

The Authority also charges fees or rent from persons who are given facilities by the Authority for carrying out trade or business at the airports.

3.5 AAI has been taking action to increase the airport charges from time to time, in consultation with the Users Charges Panel of International Airports Transport Association (IATA) and with the approval of Government of India. Upward revision of some or all the items of charges – Route Navigation Facility Charges (RNFC) and Terminal Navigation Landing Charges (TNLC), landing, housing and parking charges etc. at domestic / international airports – are also effected from time to time.

3.6 The following Table summarises the data on revenue – Traffic and Non-Traffic – as also expenditure, profits and other aspects of the working of AAI during the five years of its existence :-

(Rs. in crores)

	1995-96	1996-97	1997-98	1998-99	1999-2000
Traffic Revenue	608.57	717.29	736.72	851.65	942.52
Non-Traffic Revenue	394.76	424.83	542.92	739.62	748.76
Total Revenue	1003.33	1142.12	1279.64	1591.27	1691.28
Total Expenditure of which:	727.28	896.43	963.45	1255.49	1346.55
i) Pay & Allowances	195.52	237.22	280.24	425.62	450.73
ii) Depreciation	112.39	117.26	170.21	212.90	244.27
Net profit before Tax (NPBT)	276.05	245.70	316.19	335.78	344.73
Less Provision for Tax	130.89	113.61	120.05	127.37	133.35
No. of employees	18778	18251	20708	20813	20614
Annual Plan					
Plan Outlay	515.16	501.89	455.50	538.12	625.04
Actual Expenditure	362.44	312.24	338.54	319.87	360.63
Financed as under:					
Internal Resources Utilised	228.52	222.93	264.49	278.62	313.13

North East Council Grant	9.97	10.96	17.00	---	15.00
Budgetary Support from Govt.	39.60	18.06	10.00	25.00	25.00
Other Resources (includes loan from Malabar International Development Society and AP Govt. for development of airports)	84.35	60.29	47.05	16.25	7.50
Dividend for the year	29.03	26.42	39.23	41.68	42.28

The overall financial picture is a healthy one, with a major portion of the plan outlay being financed by internal resources. However, two points merit attention. First, given its overall comfortable resources picture, AAI could explore the feasibility of reducing further the draft on government budget support. Even if some new, not financially viable activity has to be undertaken due to certain larger considerations, AAI could afford to finance it through cross subsidization. Second, there are large shortfalls in utilisation of plan allocations, as 40% in 1998-99 and 1999-2000. Considering the crucial importance of this sector to the growth of economic activity and also given the comfortable resources position, all steps should be taken to step up expenditures to the levels planned.

4. Subsidy for operation of Haj Charters

4.1 An item which accounts for a major portion of the non-plan budget of the Ministry of Civil Aviation is payment to Air India for the operation of Haj Charters. Over the years, the requirement of funds under this item has been increasing, as may be seen from the following data:-

(Rs. in crore)

<u>YEAR</u>	<u>AMOUNT</u>
1996-97	37.38
1997-98	76.66
1998-99	122.58
1999-2000	112.00
2000-2001(R.E.)	137.00
2001-2002 (B.E.)	154.50

The sharp increase in this subsidy is due to increase in the number of pilgrims as well as the increase in the charter flight rates.

4.2 In this context, the following are relevant:-

- (i) The Parliamentary Standing Committee on External Affairs had gone into the issue in detail some time back and recommended in its 1st Report presented to the Parliament April 1993, had recommended that the Government should progressively reduce and eventually eliminate the element of subsidy on the transportation of Haj pilgrims to and from India.
- (ii) The Parliamentary Standing Committee of the Ministry of Civil Aviation in its 9th Report for Grants for 1994-95 had recommended that the amount in this regard should be withdrawn in phases.
- (iii) The Committee in the 32nd Report on Demands for Grants for 1998-99 noted that the Ministry of Civil Aviation in their reply to the aforesaid recommendation had informed that 'a beginning has already been made in 1994 to reduce the subsidy element. This effort will be continued.' The Committee went on to observe as under in the said 32nd Report:-
"The Committee notes that the amount of subsidy has increased from Rs.42 crores to Rs.76.66 crores in 1997-98, which has further increased to Rs.122.58 crores in the year 1998-99, despite the Committee's recommendations to phase out the subsidy element. In the light of the earlier recommendations, the Committee is of the opinion that the entire mechanism of subsidy should be reviewed to ensure that the amount of subsidy is not inflated due to mismanagement of the chartering of flights for the purpose and in the meanwhile the concession of subsidy be extended to the other communities on the comparable basis."

Allowing this subsidy amount to rise sharply from year to year is bound to lead to requests for similar subsidies from other communities. As such, and also considering that Parliamentary Committees themselves have recommended phasing out of this subsidy, the Ministry should initiate urgent action in this regard. Pending finalisation of

the modalities of phasing out this subsidy, action could be taken to freeze the subsidy at the present level, by limiting the number of persons to be covered as also the subsidy on the charter fares at the present level.

5. Indira Gandhi Rashtriya Uran Academy

5.1 The Indira Gandhi Rashtriya Uran Academy (IGURA) was set up with the avowed objective of bringing about a quantum improvement in the standards of flying and ground training of commercial pilots in the country.

5.2 Last year the Ministry released to IGRUA, grants totaling Rs.9.56 crores (Plan - Rs.6.41 crores and Non-Plan - Rs.3.15 crores). The provision on this account for 2001-02 is Rs.4.75 crores (Plan – Rs.1.25 crores and Non-Plan - Rs.3.5 crores).

5.3 Capital grant, totalling about Rs.13 crores required for setting up IGRUA was provided by Government of India during 1985-86 – 1988-89. The revenue expenditure was being met by Air India and Indian Airlines, upto 1993-94. From 1994-95 onwards, as the financial liability on this account could not be fully met by these two organisations, Govt. of India have also been giving revenue grant. Beginning from 1997-98, Government of India have resumed release of Capital grant also, the amount released being Rs.27 crores during the three years 1997-98 to 1999-2000.

5.4 IGRUA has been continuously incurring revenue deficit. The following Table summarises the year-wise position of revenue grants received by, and expenditure of IGRUA, during the five years ending March 2000:-

(Rs. In Lakh)

Year	Revenue Grants received from			Expenditure
	Govt.	Others (Air India / Indian Airlines)	Total	
1995-96	100.00	155.00	255.00	299.20
1996-97	100.00	50.00	150.00	329.31
1997-98	120.00	150.00	270.00	447.00
1998-99	323.00	200.00	523.00	506.90
1999-2000	270.00	150.00	420.00	752.48

5.5 The cost of training of one pilot in the Academy, including direct and indirect expenses, is estimated at about Rs.15 lakh if 40 trainees are inducted per annum. The

number of pilots already trained during the last 15 years has, however, been much less – less than 25 in the earlier years, and 10 or less in the last few years, reflecting the slump in the demand for commercial pilots for some years now. In all in the last 15 years of its existence, IGRUA has completed the training of about 350 pilots, including about a dozen foreign nationals, apart from providing refresher training for about 100 pilots.

5.6 In these circumstances there is no soft option available for dealing with the future of IGRUA. Government of India have already injected capital funds of the order of Rs.40 crores in it, apart from grants on revenue account, totalling Rs.10.31 crores. At the present level of operations IGRUA's demands on government for non-plan support can only increase. It is, therefore, recommended that the Ministry should explore with the different Airlines and those in the industry, the feasibility of suitable private sector parties participating in the management as well as financing of IGRUA. The modalities to be worked out could *inter-alia* provide that the capital assets created with Government funding would be maintained in good order and any change in the manner of utilisation thereof would require prior Government approval. If such efforts do not fructify, say, in the next one year or so, there will be no option but to close down IGRUA with effect from 1.4.2003.

6. Bureau Of Civil Aviation Security

6.1 The Civil Aviation Security set up in the Ministry of Civil Aviation came into being in 1978-79, pursuant to the recommendations of a Committee set up to examine all aspects of the hijacking of the Indian Airlines plane to Lahore in September 1976. Prior to 1978-79, the Ministry of Home Affairs, which was responsible for internal security in the country, was responsible for security of airports as well.

6.2 The Directorate of Civil Aviation Security (DCAS) was set up initially as a small cell under the DGCA. Subsequent to the crash of Air India's KANISHKA in June 1985, and a review of the methods for increasing security – in air as well as on ground – it was decided to strengthen the DCAS, to enable it to monitor effectively and frequently whether the minimum security instructions were being followed or not. The need to have Senior Officers, in the Civil Aviation Security set up, who can be sent out to carry

formal and surprise inspections of the security arrangements at the airports was also accepted. Further it was decided that there was need to have a small cell in the above set up to coordinate the Intelligence reports which may be received from various agencies and disseminate the same by the quickest possible means. Accordingly the Cell, which was under DGCA, was made independent as a separate body named as Bureau of Civil Aviation Security (BCAS), and the post of Director of Civil Aviation Security was redesignated as Commissioner of Civil Aviation Security.

6.3 BCAS is an attached office of the Ministry. It has four Regional Offices in Delhi, Kolkata, Mumbai and Chennai. The Bureau has established Bomb Detection and Disposal Squads (BDDS) equipped with sophisticated equipment at the four international airports at Mumbai, Kolkata, Chennai and Delhi, and also at Srinagar, to detect explosive devices / materials at the airports. The Bureau has provided electronic aids for pre-embarkation checks. BCAS is also in the process of procuring Real Time X-Ray System, Bomb Suits, Electronic Stethoscope and Hook & Line Sets. BCAS has a budget provision of Rs.10.41 crore in the current year

6.4 The Bureau is responsible for laying down the standards of pre-embarkation security and anti-sabotage measures in respect of civil lights in India. The Bureau keeps a constant vigil and monitors the enforcement of the security measures. Actual enforcement on the ground is entrusted to the respective State / UT Police and CISF. The Bureau also issues airport entry passes and photo identification cards to officers and staff of various organisations who have their offices in the vicinity of airports.

6.5 There is scope for a clear demarcation of the role of BCAS vis-à-vis AAI in this area. Thus while BCAS was intended to be a body for ensuring that proper security arrangements in respect of the airports, passengers and cargo – checked in and registered – are in place, and its role was to be a surveillance agency, in practice it seems to have assumed the role of an implementing agency as well. This aspect has also been referred to in the 38th Report on Demands for Grants (1999-2000) of the Parliamentary Standing Committee of the Ministry of Civil Aviation, as may be seen from the following extract of the Report :-

“The Bureau of Civil Aviation Security looks after Civil Aviation Security and Airport Security in all aspects. The bureau issues from time to time instruction and guidelines to State / Union Territory Police, airport authorities and air carriers about measures to be enforced to prevent hijacking and other terrorist activities and for ensuring security at airports.

During deliberations the Committee was informed that there is duplicity^{*} between BCAS and AAI at the airports such as procuring of baggage X-ray machines and other security related equipments and their operationalisation, maintenance and over all control. The Committee feels that there is an overlapping of the functions between AAI and BCAS. The Committee, therefore, recommends that the role and functions of BCAS may be reviewed and only one agency, may be entrusted with the work relating to the management of airports in all respects.”

6.6 The draft Civil Aviation Policy, which is being finalised, also *inter-alia* recognises that while BCAS will be responsible for effective civil aviation security, the same will be ensured through suitable agencies, and that strict security standards / security programme will be set by BCAS as per ICAO Standards and recommended practices and also enforced by BCAS through regular security audit of various agencies involved. It also accepts that the cost of security will be met by AAI with suitable modalities.

6.7 A SIU study of BCAS conducted last year has brought out the following points:

- i) The 279 sanctioned posts include 55 non-technical posts. The posts on the technical side include 23 Dog Handlers, 28 Bomb Technicians and 28 Asstt. Bomb Technicians.
- ii) Twenty posts, out of the total of 279 have been found to be surplus. The category wise break up of the sanctioned strength and assessed strength is given in **Annex – VI**.
- iii) BCAS, though a regulatory authority, is at present engaged in executing some of the functions that are to be regulated. Reference has been made in this context to the Bomb Detection & Disposal Squad / Dog Squad,

^{*} * This is how it figures in the report.

which are functioning in the BCAS. Such executive functions should be entrusted to other agencies (like CISF, State Police, etc.).

- 6.8 In the light of these findings urgent action is therefore required in the Ministry for:
- (i) Abolition of the 20 posts found surplus by the SIU in the Head Office and Regional offices;
 - (ii) Ensuring that appropriate agencies do take up the executive functions in areas like Bomb Detection and Disposal Squad, Dog Squad etc., so that BCAS as a regulatory Body is not required to take up such functions;
 - (iii) Abolishing the posts already sanctioned in BCAS for such executive functions and;
 - (iv) Exploring the feasibility of meeting the expenditure on BCAS through appropriate levies, so that there is no draft on Budget.

7. Commission Of Railway Safety

7.1 The Commission of Railway Safety deals with matters pertaining to safety in rail travel and operations and performs certain statutory functions specified in the Indian Railway Act and the Rules framed thereunder. The Commission, was earlier functioning as an Inspectorate under the control of the Railway Board. With a view to ensure its independence from the Railways, this Inspectorate was placed under the administrative control of the Communications Department in May 1941. On the bifurcation of the Communications Department, the Inspectorate was placed under the Department of Posts & Air. The administrative control over the Railway Inspectorate, which was redesignated as a Commission of Railway Safety in November 1961, is exercised by the Ministry of Civil Aviation since May 1967.

7.2 While the Railway Board is responsible for laying down and enforcing safety standards for the Indian Railways, the main task of the Commission is to direct, advise and caution the railway executives through its regulations / inspection / audit and investigative / advisory functions and thereby assist them in ensuring that all stipulated measures are taken in regard to the soundness of rail construction and safety in train operation. The Commission is headed by the Chief Commissioner of Railway Safety,

who is also the Principal Technical Adviser to the Government of India in all matters concerning the Commission. The headquarters of the Commission is at Lucknow.

7.3 The Chief Commissioner submits an annual report on the working of the Commission, which is laid on the Table of both the Houses of Parliament.

7.4 The total strength of the organisation is 162 – 17 technical and 145 non technical and support officials. The number of non technical officials is excessive and needs to be brought down by at least 50% i.e. to about 70 only. The expenditure on account of the Commission in the current year is placed at Rs.2.53 crores, with a nominal recovery of only 0.04 crore.

7.5 Though this organisation is under the Ministry of Civil Aviation, the technical posts of Dy. Commissioner of Railway Safety, Commissioner of Railway Safety etc. are invariably manned by officers on deputation from the Railways, who, after the stint in the Commission, revert to the Railways. Thus, the present arrangement of placement of this organisation under another Ministry, namely Civil Aviation, does not necessarily ensure the organisation's functional independence from the Railways. There is therefore a case for re-examining the basic question as to whether the Commission should be under the administrative control of Ministry of Civil Aviation or could well be brought under the Ministry of Railways. An allied issue is the appropriateness of this expenditure, which pertains exclusively to Railways, being borne by the Ministry of Civil Aviation.

7.6 This issue was gone into by the Standing Parliamentary Committee of the Ministry of Civil Aviation and their recommendations, as set out in the 38th report of the committee are extracted below :-

“The Committee in its 9th and 15th reports had recommended that since the Commission discharges its functions entirely for rail travel, the expenditure being incurred on it should be reimbursed by the Ministry of Railways. The Committee in the action taken replies furnished by the Ministry of Civil Aviation was informed that the Ministry of Railways did not agree to the proposal on the ground that in order to retain its independence in investigations, the Commission should not be dependent on Railways finances.

The Ministry of Civil Aviation had not accepted the views of the Ministry of Railways and the matter was being further pursued.

In response to the Committee's recommendation on the matter made in its 24th report the Ministry of Civil Aviation informed that the Ministry of Railways was being requested again to reconsider the matter.

The Committee is dissatisfied in the manner in which the whole matter is being taken for the last so many years and no final decision is coming out. The Committee strongly recommends that the expenditure booked under the head other expenses on Commission of Railway Safety should not be a part of the Civil Aviation Budget and the Ministry of Railways should make their own independent body to look into the cases of accidents and other related functions and the budget provisions for the purpose should be made by the Ministry of Railways in their own budget."

7.7 In these circumstances, it is necessary that an early decision is taken as to in which Ministry this Commission should be located.

8. The Secretariat

8.1 The organisational chart of the Ministry, showing also the distribution of work, is at **Annex VII**. The Ministry has a total staff strength of 235. The total strength at the different levels is indicated in the table given at **Annex VIII**. The budget provision for the secretariat in the current year is Rs.5.85 crores.

8.2 The Government have decided to bring down the equity of the Government of India in Air India Limited to 40%, through a process of disinvestment by sale of 40% of equity to a strategic partner, and the balance to employees and financial institutions and / or share market. In the case of Indian Airlines, the decision of the Government is that 51% of the equity in the company will be disinvested, of which 26% will be to a strategic partner and the balance to employees, financial institutions and public. Further Government have decided that there should be total disinvestment of the equity held by Air India in Hotel Corporation of India, through the mode of sale. The process of disinvestment in these cases has commenced, and made varying degrees of progress. There is need to expedite and complete the disinvestment process early.

8.3 Once the disinvestment process is completed as mentioned, the role of the Ministry of Civil Aviation will get considerably reduced, and the size of the Ministry would need to be pruned accordingly. However, action needs to be taken to abolish one post of Joint Secretary immediately. This post of Joint Secretary, was redeployed in 1995-96 from the sanctioned strength of Ministry of Tourism, when both were departments under the same Ministry and has been continued in this Ministry, without the final clearance of the Finance Ministry for such redeployment. This post should be surrendered straightaway.

8.4 For some years now the Secretary of the Ministry has also been functioning as the Chairman of Air India and for over one year, the Joint Secretary has been functioning as the Chairman and Managing Director of Indian Airlines. With the decision already taken to open up this activity to the private sector also, it is necessary to ensure that the regulatory functions are kept separate from the management responsibilities of the public sector undertaking in that area. Ideally, the two should be in two separate Ministries. When this is not possible, then at least the officials dealing with the two sets of functions should be separate. Action should, therefore, be taken to discontinue immediately the arrangement of the Secretary functioning as the Chairman of Air India and of the Joint Secretary functioning as the Chairman and Managing Director of Indian Airlines. The direct involvement of these senior officials in the management of the public sector Airlines could lead to conflict of interest situations in the disinvestment process and in providing a level playing field.

8.5 Lastly, the position of the Chairman and Managing Director of Indian Airlines is a full time job. As such, if the Joint Secretary of the Ministry has been able to function also as the CMD of Indian Airlines, this can only mean that the workload attached to the post of Joint Secretary is quite negligible. This post of the Joint Secretary could therefore be abolished and the work of this division allocated to the other Joint Secretary in the department.

**MINISTRY OF CIVIL AVIATION
(NAGAR VIMANAN MANTRALAYA)**

DEPARTMENT OF CIVIL AVIATION

1. Aircraft and air navigation; provision of aerodromes; regulation and organisation of air traffic and of aerodromes excepting sanitized control of air navigation.
2. Provision of navigational and other aids relating to air navigation.
3. Carriage of passengers and goods by air.
4. International Civil Aviation Organisation (ICAO).
5. International Air Transport Association (IATA).
6. Commonwealth Air Transport Council (CATC).
7. Commonwealth Advisory Aeronautical Research Council (CAARC).
8. Air India Limited and its subsidiaries.
9. Indian Airlines Limited and its subsidiaries.
10. Hotel Corporation of India and its subsidiaries.
11. Commissioners of Railway Safety.
12. Airports Authority of India (AAI).
13. Pawan Hans Helicopters Limited and its subsidiaries.
14. Agricultural Aviation.
15. Directorate General of Civil Aviation.
16. Indira Gandhi Rashtriya Uran Akademi.
17. Vayudoot Limited.
18. Bureau of Civil Aviation Security.
19. Administration of the aircraft Act, 1934 (22 of 1934),

20. Production of aircraft and aircraft components for civil use.
21. Issuing of technical licences / certificates / approval for the use of civil aircraft.
22. Private Air Transport (including Cargo) Industry.
23. Offences against laws with respect to any of the matters specified in this list.
24. Inquiries and statistics for the purpose of any of the matters specified in this list.
25. Fees in respect of any of the matters specified in this list but not including fees taken in any court.
26. Implementation of treaties and agreements relating to any of the matters specified in this list.

ANNEX II

MINISTRY OF CIVIL AVIATION – BUDGET ALLOCATIONS

(Rs. in Crores)													
S. No.	Programme / Sub-Programme	Actuals 1999-2000			Budget Estimates 2000-01			Revised Estimates 2000-01			Budget Estimates 2001-02		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
		1	2	3	4	5	6	7	8	9	10	11	12
1.	Ministry of Civil Aviation (Secretariat)	---	4.72	4.72	---	5.30	5.30	---	5.14	5.14	---	5.85	5.85
2.	Directorate General of Civil Aviation	3.21	12.93	16.14	4.80	15.92	20.72	4.80	15.39	20.19	5.40	17.36	22.76
3.	Grants-in-aid to State Governments	---	0.06	0.06	---	0.15	0.15	---	0.12	0.12	---	0.05	0.05
4.	Departmental Canteen	---	0.15	0.15	---	0.17	0.17	---	0.16	0.16	---	0.17	0.17
5.	Investments in AAI (Capital)	12.50	---	12.50	15.62	---	15.62	17.48	---	17.48	19.57	---	19.57
6.	Loans to AAI	12.50	---	12.50	16.41	---	16.41	10.14	---	10.14	24.97	---	24.97
7.	Provision for Projects / Schemes for the benefit of N.E. region and Sikkim (Capital)	---	---	---	5.50	---	5.50	4.74	---	4.74	6.30	---	6.30
8.	International Cooperation	0.26	0.85	1.11	0.20	0.91	1.11	0.20	0.91	1.11	0.10	1.00	1.10
9.	Payment to AAI (Share of TT)	---	20.27	20.27	---	22.30	22.30	---	22.30	22.30	---	25.00	25.00
10.	Payments to: i) State Governments in lieu of sales tax as Aviation Turbine Fuel sold to international airlines. ii) IGRUA	---	---	---	---	0.01	0.01	---	0.01	0.01	---	0.01	0.01
		6.00	2.70	8.70	6.75	3.50	10.25	6.41	3.15	9.56	1.25	3.50	4.75
11.	Payment to Air India Ltd. for operation of Haj Charters	--	112.00	112.00	---	112.00	112.00	---	137.00	137.00	---	154.50	154.50
12.	Bureau of Civil Aviation	---	4.15	4.15	---	4.43	4.43	---	4.45	4.45	---	5.00	5.00
	Revenue	---	---	---	---	---	---	---	---	---	---	---	---
	Capital	1.37	---	1.37	5.72	---	5.72	3.59	---	3.59	5.41	---	5.41
13.	Commission of Railway Safety (Net)	---	2.13	2.13	---	2.31	2.31	---	2.33	2.33	---	2.49	2.49
Grand Total		35.84	159.96	195.80	55.00	167.00	222.00	47.36	190.06	238.32	63.00	214.93	277.93

Source : Demands for Grants 2001-02 and Performance Budget

FUNCTIONS OF THE DIRECTORATE GENERAL OF CIVIL AVIATION:

- i) Laying down rules and regulation for implementation of ICAO Standards and Recommended Practices;
- ii) Regulation of air transport services to / from / within India;
- iii) Regulation of civil aircraft in India;
- iv) Formulation of standards of airworthiness for civil aircraft registered in India and grant of Certificate of Airworthiness to such aircraft;
- v) Licensing of pilots, aircraft maintenance engineers and flight engineers;
- vi) Licensing of aerodrome in India;
- vii) Investigation into air accidents and incidents;
- viii) Implementation of bilateral air services agreements with foreign countries;
- ix) Rendering advice on matters pertaining to air transport;
- x) Processing of aviation registration;
- xi) Supervision of the training activities of the Flying / Gliding Clubs in India;
- xii) Development of light aircraft, gliders and winches; and

DIERECTORATE GENERAL OF CIVIL AVIATION

ASSESSMENT OF STAFF

Sl. No.	HEADQUARTERS	Sanctioned Strength	Assessed Strength
I.	Group 'A', 'B' & 'C' staff (Excluding Research & Development Directorate)		
	A. Directorate of Information & Regulation	39	25
	Directorate of Airworthiness	21	13
	Directorate of Air Transport	10	7
	Directorate of Air Safety	17	10
	Directorate of Flying & Training and Licensing	36	29
	Central Examination Organisation	29	17
	Directorate of Administration	50	44
	Tariff Examination Cell / Aerodrome Licensing	6	1
II.	Private Secretary / P.A. / Stenographic staff (excluding R&D Directorate)	34	32
III.	Group 'D' staff (excluding R&D Directorate and Canteen Staff)	82	60
IV.	Research & Development Dte. Secretariat Staff only.	6	4
V.	Canteen Staff	23	10
	Total for Headquarters	353	252

//2//

Sl. No.	REGIONAL OFFICES	Sanctioned Strength	Assessed Strength
I.	REGIONAL OFFICES OF AIRWORTHINESS		
	Regional Office of Airworthiness, Delhi	87	68
	Regional Office of Airworthiness, Mumbai	56	50
	Regional Office of Airworthiness, Calcutta	55	43
	Regional Office of Airworthiness, Hyderabad / Chennai	60	40
	TOTAL (I)	258	201
II.	REGIONAL OFFICE OF AIR SAFETY		
	Regional Office of Air Safety, Delhi	9	10
	(b) Regional Office of Air Safety, Mumbai	12	12
	(c) Regional Office of Air Safety, Calcutta	10	10
	(d) Regional Office of Air Safety, Hyderabad / Chennai	14	11
	TOTAL (II)	45	43
III.	Gliding Centre, Pune	40	34
	TOTAL REGIONAL OFFICES (I) + (II) + (III)	343	278
	GRAND TOTAL (HEADQUARTERS + REGIONAL OFFICES)	696	530

ANNEX V

FUNCTIONS OF THE AIRPORT AUTHORITY OF INDIA

12. (1) Subject to the rules, if any, made by the Central Government in this behalf, it shall be the function of the Authority to manage the airports, the civil enclaves and the aeronautical communication stations efficiently.
- (2) It shall be the duty of the Authority to provide air traffic service and air transport service at any airport and civil enclaves.
- (3) Without prejudice to the generality of the provisions contained in sub-sections (1) and (2), the Authority may –
 - (a) plan, develop, construct and maintain runways, taxiways, aprons and terminals and ancillary buildings at the airports and civil enclaves;
 - (b) plan, procure, instal and maintain navigational aids, communication equipment, beacons and ground aids at the airports and at such locations as may be considered necessary for safe navigation and operation of aircrafts;
 - (c) provide air safety services and search and rescue facilities in coordination with other agencies;
 - (d) establish schools or institutions or centres for the training of its officers and employees in regard to any matter connected with the purposes of this Act;
 - (e) construct residential buildings for its employees;
 - (f) establish and maintain hotels, restaurants and restrooms at or near the airports;
 - (g) establish warehouses and cargo complexes at the airports for the storage or processing of goods;
 - (h) arrange for postal, money exchange, insurance and telephone facilities for the use of passengers and other persons at the airports and civil enclaves;

- (i) make appropriate arrangements for watch and ward at the airports and civil enclaves;
 - (j) regulate and control the plying of vehicles, and the entry and exit of passengers and visitors, in the airports and civil enclaves with due regard to the security and protocol functions of the Government of India;
 - (k) develop and provide consultancy, construction or management services, and undertake operations in India and abroad in relation to airports, air -navigation services, ground aids and safety services or any facilities thereof;
 - (l) establish and manage heliports and airstrips;
 - (m) provide such transport facility as are, in the opinion of the Authority, necessary to the passengers travelling by air;
 - (n) form one or more companies under the Companies Act, 1956 or under any other law relating to companies to further the efficient discharge of the functions imposed on it by this Act;
 - (o) take all such steps as may be necessary or convenient for, or may be incidental to, the exercise of any power or the discharge of any function conferred on or imposed on it by this Act;
 - (p) perform any other function considered necessary or desirable by the Central Government for ensuring the safe and efficient operation of aircraft to, from and across the air space of India;
 - (q) establish training institutes and workshops;
 - (r) any other activity at the airports and the civil enclaves in the best commercial interests of the Authority including cargo handling, setting up of joint ventures for the discharge of any function assigned to the Authority.
- (4) In the discharge of its functions under this section, the Authority shall have due regard to the development of air transport service and to the efficiency, economy and safety of such service.

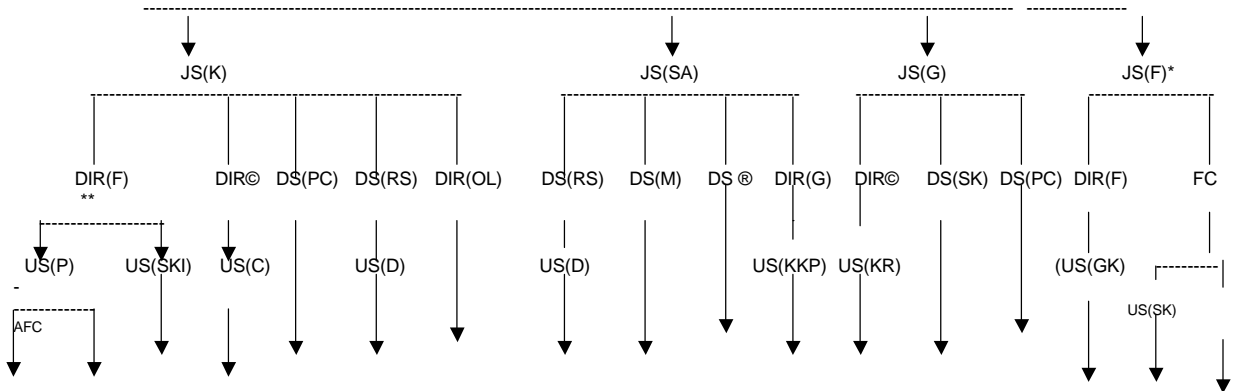
**BUREAU OF CIVIL AVIATION SECURITY
ASSESSMENT OF STAFF**

Sl.No.	Name of Post	Sanctioned Strength	Assessed Strength
1.	Commissioner	1	1
2.	Addl. Commissioner	3	1
3.	DCOS/OSD/AD(T)	10	9
4.	ACS	18	13
5.	Section Officer	6	6
6.	Sub Inspector	8	5
7.	Asst. Sub Inspector	4	0
8.	H. Constable	4	4
9.	H. Sec. Guard	3	3
10.	M.T. Driver	10	8
11.	Security Guard	16	17
12.	Daftry	1	1
13.	Senior Peon	1	1
14.	Director	0	0
15.	Dy. Director	1	1
16.	Section Officer	2	2
17.	Private Secretary	3	2
18.	Personal Assistant	1	0
19.	Steno Gr. D	7	9
20.	Assistant	7	4
21.	UDC	3	3
22.	LDC	2	3
23.	Asst. Dir(OL)	1	1
24.	Jr. Hindi Translator	1	1
25.	Despatch Rider	11	7
26.	Jr. Accountant	1	1
27.	Sr. Clerk	4	4
28.	Jr. Clerk	8	12
29.	Peon	0	4
30.	Dy. Commissioner (BDDS)	4	4
31.	Controller of Explosives	4	4
32.	Team Leader	16	16
33.	Technical Assistant	4	4
34.	Bomb Technician	28	28
35.	Asstt. Bomb Technician	28	28
36.	Driver	13	13
37.	Barrack Sweeper	4	4
38.	Aerodrome Attendant	4	0
39.	Sub Inspector (DS)	5	5
40.	Dog Handler	23	23
41.	Record Keeper	2	0
42.	Kennelman	7	7
Total		279	259

ANNEX VII

Ministry of Civil Aviation – Existing Distribution of Work (Organisation Chart)

MINISTER
MINISTER OF STATE
SECRETARY



Admn	AI	C&G	A	PU	C&W	HINDI	IA	DT	VE	O&M (VIG)	AAI	SS	RS	FIN-I	IWSU/O&M	PAO
Estt. Matters Cadre Management of Secretariat posts.	AI, HCl air Charters air Cargo Haj matters	Drawal & Disbursement & House keeping	Air Agreements Aircraft Act Import Export Concessional & free air passage	Parliament work	Coordination, Public Grievances Welfare of SC/ST of Ex-Service-men	Official Language	IA, Vayudoot, Alliance Air Purchase leasing of Aircraft & Agriculture Aviation	Domestic Air Transport industry, Manufacture of Aircraft Components & Estt. Of maintenance facilities, aviation & allied industrial development	DGCA, Flying / Gliding Clubs IGRUA, Pawan Hans Ltd.	Vigilance maintenance of ACRs of Public Sector Executives and Board level Officers	AAI, Civil Aviation Training Centre	Aviation Safety, airport security, BCAS	Railway safety	Financial matters Civil Aviation including all PSUs	Internal work Study and Organisation & Method	Payment Accounting Internal Audit

* Apart from his charge as JS & FA (Civil Aviation), JS(F) has also been allocated the finance advice work of Deptt. of Tourism & Deptt. Of Culture.

** FC is also looking after the finance advice work of Department of Tourism

MINISTRY OF CIVIL AVIATION

CATEGORY-WISE TOTAL SANCTIONED STRENGTH AND POSTS
LYING VACANT AS ON 01.06.2001

S.No.	NAME OF THE POST	NO. OF SANCTIONED POSTS	NO. OF POSTS LYING VACANT
1.	Secretary	1	---
2.	Joint Secretary	4	---
3.	Director / Deputy Secretary	4	---
4.	Director (OL)	1	---
5.	Financial Controller	1	---
6.	Under Secretary	7	---
7.	Principal Private Secretary	1	---
8.	Section Officer	12	---
9.	Finance Officer	2	---
10.	Private Secretary	8	---
11.	Junior Analyst	2	---
12.	Assitt. Director (OL)	1	---
13.	Assistant	48	---
14.	Research Assistant	5	---
15.	Personal Assistant	6	---
16.	Accountant	2	---
17.	Sr. Hindi Translator	2	1
18.	Jr. Hindi Translator	2	---
19.	UDC	26	3
20.	Steno Grade 'D'	9	1
21.	LDC	28	1
22.	Staff Car Driver	5	---
23.	Despatch Rider	1	---
24.	Record Keeper	1	---
25.	Senior Peon	5	---
26.	Daftry	11	---
27.	Gestetner Operator	1	---
28.	Peon	27	3
29.	Farash	1	---
30.	Safaiwala	3	1
DEPARTMENTAL CANTEEN			
31.	Manager	1	---
32.	Counter Clerk	1	---
33.	Coupon Clerk	1	---
34.	Bearer	3	---
35.	Tea Maker	1	---
36.	Washboy	1	---

Total

235