

सत्यमेव जयते

IndiaCode

The Airports Authority of India Act, 1994

(ACT NO. 55 OF 1994)

[*As on the* 31*st May,* 2026]

LIST OF AMENDING ACTS

1. The Repealing and Amending Act, 2001 (30 of 2001).
2. The Airports Authority of India (Amendment) Act, 2003 (43 of 2003).
3. The Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008).
4. The Finance Act, 2017 (7 of 2017).
5. The Tribunals Reforms Act, 2021 (33 of 2021).

LIST OF ABBREVIATIONS USED

Cl., cls.	*for*	Clause, clauses.
Ins.	,,	Inserted.
Notifn.	,,	Notification.
S., ss.	,,	Section, sections.
Sch.	,,	Schedule.
Subs.	,,	Substituted.
w.e.f.	,,	with effect from.

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THE AIRPORTS AUTHORITY OF INDIA ACT, 1994

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THE AIRPORTS AUTHORITY OF INDIA ACT, 1994

ACT NO. 55 OF 1994

[12*th September*, 1994.]

An Act to provide for the constitution of the Airports Authority of India and for the transfer and vesting of the undertakings of the International Airports Authority of India and the National Airports Authority to and in the Airports Authority of India so constituted for the better administration and cohesive management of airports and civil enclaves whereat air transport services are operated or are intended to be operated and of all aeronautical communication stations [1][for the purposes of establishing or assisting in the establishment of airports] and for matters connected therewith or incidental thereto.

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

CHAPTER I

PRELIMINARY

1. Short title, commencement and application.—(*1*) This Act may be called the Airports Authority of India Act, 1994.

(*2*) It shall come into force on such date[2] 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, any armed force of the Union;

[3][(*aa*) all private airports insofar as it relates to providing air traffic service, to issue directions under section 37 to them and for the purposes of Chapter VA;]

(*b*) all civil enclaves;

(*c*) all aeronautical communication stations; and

(*d*) all training stations, establishments and workshops relating to air transport services.

2. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "aeronautical communication station" means a station in the aeronautical communication service which includes aeronautical practising service, aeronautical fixed service, aeronautical mobile service and aeronautical radio communication service;

(*b*) "airport" means a landing and taking off area for aircrafts, usually with runways and aircraft maintenance and passenger facilities and includes aerodrome as defined in clause (*2*) of section 2 of the Aircraft Act, 1934 (22 of 1934);

(*c*) "airstrip" means an area used or intended to be used for the landing and take-off of aircrafts with short take-off and landing characteristics and includes all buildings and structures thereon or appertaining thereto;

(*d*) "air traffic service" includes flight information service, alerting service, air traffic advisory service, air traffic control service, area control service, approach control service and airport control service;

(*e*) "air transport service" means any service, for any kind of remuneration, whatsoever, for the transport by air of persons, mail or any other thing, animate or inanimate, whether such service relates to a single flight or series of flights;

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1. Ins. by Act of 43 of 2003, s. 2 (w.e.f. 1-7-2004).
2. 1st April, 1995, *vide* notifn. No. S.O. 285(E), dated 30th March, 1995, *see* Gazette of India, Extraordinary, Part II, sec. 3(*ii*).
3. Ins. by Act 43 of 2003, s. 3 (w.e.f. 1-7-2004).

(*f*) "appointed day" means such date as the Central Government may, by notification in the Official Gazette, appoint for the purposes of section 3;

(*g*) "Authority" means the Airports Authority of India constituted under section 3;

(*h*) "Chairperson" means the Chairperson of the Authority appointed under clause (*a*) of sub-section (*3*) of section 3;

(*i*) "civil enclave" means the area, if any, allotted at an airport belonging to any armed force 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;

(*j*) "heliport" means an area, either at ground level or elevated on a structure, used or intended to be used for the landing and take-off helicopters and includes any area for parking helicopters and all buildings and structures thereon or appertaining thereto;

(*k*) "International Airports Authority" means the International Airports Authority of India constituted under section 3 of the International Airports Authority Act, 1971 (43 of 1971);

(*l*) "member" means a member of the Authority and includes the Chairperson, but does not include, for the purposes of sections 4, 5, 6 and 7, an *ex officio* member referred to in clause (*b*) of sub-section (*3*) of section 3;

(*m*) "National Airports Authority" means the National Airports Authority constituted under section 3 of the National Airports Authority Act, 1985 (64 of 1985);

(*n*) "prescribed" means prescribed by rules made under this Act;

[1][(*nn*) "private airport" means an airport owned, developed or managed by—

(*i*) any person or agency other than the Authority or any State Government, or

(*ii*) any person or agency jointly with the Authority or any State Government or both where the share of such person or agency, as the case may be, in the assets of the private airport is more than fifty per cent.;]

(*o*) "regulations" means regulations made under this Act.

CHAPTER II

THE AIRPORTS AUTHORITY OF INDIA

3. Constitution and incorporation of the Authority.—(*1*) With effect from the appointed day, the Central Government shall, by notification in the Official Gazette, constitute an Authority to be called the Airports Authority of India.

(*2*) The Authority shall be a body corporate by the name aforesaid having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property both movable and immovable, and to contract and shall by the said name sue and be sued.

(*3*) The Authority shall consist of—

(*a*) a Chairperson to be appointed by the Central Government;

(*b*) the Director General of Civil Aviation, or an officer not below the rank of the Deputy Director General of Civil Aviation, to be appointed by the Central Government, *ex officio;*

(*c*) not less than eight and not more than fourteen members to be appointed by the Central Government.

(*4*) The Chairperson shall be a whole-time member and other members referred to in clause (*c*) of sub-section (*3*) may be appointed as whole-time or part-time members as the Central Government may think fit.

1. Ins. by Act of 43 of 2003, s. 4 (w.e.f. 1-7-2004).

(*5*) The Chairperson and the members referred to in clause (*c*) of sub-section (*3*) shall be chosen from among persons who have special knowledge and experience in air transport or any other transport services, industry, commercial or financial matters or administration and from among persons who are capable of representing organisations of workers and consumers.

4. Disqualification for office of member.—A person shall be disqualified for being appointed as a member if he—

(*a*) has been convicted and sentenced to imprisonment for an offence, which, in the opinion of the Central Government, involves moral turpitude; or

(*b*) is an undischarged insolvent; or

(*c*) is of unsound mind and stands so declared by a competent court; or

(*d*) has been removed or dismissed from the service of the Government or a body corporate owned or controlled by the Government; or

(*e*) has in the opinion of the Central Government such financial or other interest in the Authority as is likely to affect prejudicially the discharge by him of his functions as a member.

5. Term of office and conditions of service of members.—(*1*) Subject to the provisions of section 6,—

(*i*) every whole-time member (other than the *ex officio* member) shall hold office for a period of five years from the date on which he assumes office or till he attains the age of sixty years, whichever is earlier, and

(*ii*) every part-time member (other than the *ex officio* member) shall hold office for a period of three years from the date on which he assumes office:

Provided that the Central Government may—

(*a*) terminate the appointment of any whole-time member, who is not a servant of the Government, after giving him notice for a period of not less than three months or, in lieu thereof, on payment of an amount equal to his salary and allowances, if any, for a period of three months;

(*b*) terminate the appointment of any part-time member who is not a servant of the Government after giving him notice for such period as may be prescribed; and

(*c*) terminate at any time the appointment of any member who is a servant of the Government.

(*2*) The other conditions of service of the members shall be such as may be prescribed.

(*3*) Any member may resign his office by giving notice in writing for such period as may be prescribed, to the Central Government and, on such resignation being notified in the Official Gazette by the Government, such member shall be deemed to have vacated his office.

6. Vacation of office of member.—The Central Government shall remove a member if he—

(*a*) becomes subject to any of the disqualifications mentioned in section 4:

Provided that no member shall be removed on the ground that he has become subject to the disqualification mentioned in clause (*e*) of that section, unless he has been given a reasonable opportunity of being heard in the matter; or

(*b*) refuses to act or becomes incapable of acting; or

(*c*) is, without obtaining leave of absence from the Authority, absent from three consecutive meetings of the Authority; or

(*d*) in the opinion of the Central Government, has so abused his position as to render his continuance in office detrimental to the public interest:

Provided that no member shall be removed under this clause unless he has been given a reasonable opportunity of being heard in the matter.

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7. Eligibility of member for re-appointment.—Any person ceasing to be a member shall, unless disqualified under section 4, be eligible for re-appointment.

8. Meetings.—(*1*) The Authority shall meet at such times and places, and shall observe such rules of procedure in regard to the transaction of the business at its meetings (including the quorum at such meetings) as may be provided by regulations.

(*2*) The Chairperson, or, if for any reason he is unable to attend any meeting of the Authority, any other member chosen by the members present 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 the votes of the members present and voting, and, in the event of an equality of votes, the Chairperson, or in his absence, the person presiding, shall have and exercise a second or casting vote.

9. Vacancies, etc., not to invalidate proceedings of the Authority.—No act or proceeding 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.

10. Appointment of officers and other employees of the Authority.—(*1*) For the purpose of enabling it efficiently to discharge its functions under this Act, the Authority shall, subject to the provisions of section 18 and to such rules as may be made in this behalf, appoint (whether on deputation or otherwise) such number of officers and other employees as it may consider necessary:

Provided that the appointment of such category of officers, as may be specified after consultation with the Chairperson in such rules, shall be subject to the approval of the Central Government.

(*2*) Subject to the provisions of section 18, every officer or other employee appointed by the Authority shall be subject to such conditions of service and shall be entitled to such remuneration as may be determined by regulations.

11. Authority to act on business principles.—In the discharge of its functions under this Act, the Authority shall act, so far as may be, on business principles.

CHAPTER III

FUNCTIONS OF THE AUTHORITY

12. Functions of the Authority.—(*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;

[1][(*aa*) establish airports, or assist in the establishment of private airports, by rendering such technical, financial or other assistance which the Central Government may consider necessary for such purpose;]

(*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 co-ordination with other agencies;

1. Ins. by Act of 43 of 2003, s. 5 (w.e.f. 1-7-2004).

(*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 thereat;

(*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 (1 of 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 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.

(*5*) Nothing contained in this section shall be construed as—

(*a*) authorising the disregard by the Authority of any law for the time being in force; or

(*b*) authorising any person to institute any proceeding in respect of duty or liability to which the Authority or its officers or other employees would not otherwise be subject.

[1][**12A. Lease by the Authority**.—(*1*) Notwithstanding anything contained in this Act, the Authority may, in the public interest or in the interest of better management of airports, make a lease of the premises of an airport (including buildings and structures thereon and appertaining thereto) to carry out some of its functions under section 12 as the Authority may deem fit:

Provided that such lease shall not affect the functions of the Authority under section 12 which relates to air traffic service or watch and ward at airports and civil enclaves.

(*2*) No lease under sub-section (*1*) shall be made without the previous approval of the Central Government.

(*3*) Any money, payable by the lessee in terms of the lease made under sub-section (*1*), shall form part of the fund of the Authority and shall be credited thereto as if such money is the receipt of the Authority for all purposes of section 24.

1. Ins. by Act of 43 of 2003, s. 6 (w.e.f. 1-7-2004).

(*4*) The lessee, who has been assigned any function of the Authority under sub-section (*1*) shall have all the powers of the Authority necessary for the performance of such function in terms of the lease.]

CHAPTER IV

PROPERTY AND CONTRACT

13. Undertakings of the International Airports Authority and the National Airports Authority to vest in the Authority.—(*1*) On and from the appointed day, there shall be transferred to, and vest in, the Authority constituted under section 3, the undertakings of the International Airports Authority and the National Airports Authority.

(*2*) The undertaking of the International Airports Authority or the National Airports Authority which is transferred to, and which vests in, the Authority under sub-section (*1*) shall be deemed to include all assets, rights, powers, authorities and privileges and all property movable and immovable, real or personal, corporeal or incorporeal, present or contingent, of whatever nature and wheresoever situate, including lands, buildings, machinery, equipments, works, workshops, cash balances, capital, reserves, reserve funds, investments, tenancies, leases and book debts and all other rights and interests arising out of such property as were immediately before the appointed day in the ownership, possession or power of the International Airports Authority, or as the case may be, the National Airports Authority, in relation to its undertaking, whether within or outside India, all books of account and documents relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the International Airports Authority, or as the case may be, the National Airports Authority in relation to its undertaking.

14. General effect of vesting of undertaking in the Authority.—(*1*) All contracts, agreements and working arrangements subsisting immediately before the appointed day and affecting the International Airports Authority, or as the case may be, the National Airports Authority shall, in so far as they relate to the International Airports Authority, or as the case may be, the National Airports Authority, cease to have effect or be enforceable against the International Airports Authority, or as the case may be, the National Airports Authority and shall be of as full force and effect against or in favour of the Authority in which the undertakings have vested by virtue of this Act and enforceable as fully and effectually as if, instead of the International Airports Authority, or as the case may be, the National Airports Authority, the Authority had been named therein or had been a party thereto.

(*2*) Any proceeding, suit or cause of action pending or existing immediately before the appointed day by or against the International Airports Authority or the National Airports Authority in relation to its undertakings may, as from that day, be continued and enforced by or against the Authority in which it has vested by virtue of this Act, as it might have been enforced by or against the International Airports Authority or the National Airports Authority if this Act had not been passed, and shall cease to be enforceable by or against the International Airports Authority, or as the case may be, the National Airports Authority.

15. Licences, etc., to be deemed to have been granted to the Authority.—With effect from the appointed day, all licences, permits, quotas and exemptions, granted to the International Airports Authority or the National Airports Authority in connection with the affairs and business of the International Airports Authority, or as the case may be, the National Airports Authority, under any law for the time being in force, shall be deemed to have been granted to the Authority in which the undertakings of the International Airports Authority and the National Airports Authority have vested by virtue of this Act.

16. Tax exemption or benefit to continue to have effect.—(*1*) Where any exemption from, or any assessment with respect to, any tax has been granted or made or any benefit by way of set off or carry forward, as the case may be, of any unabsorbed depreciation or investment allowance or other allowance

or loss has been extended or is available to the International Airports Authority or the National Airports Authority, under the Income-tax Act, 1961 (43 of 1961), such exemption, assessment or benefit shall continue to have effect in relation to the Authority in which the undertakings of the International Airports Authority and the National Airports Authority have vested by virtue of this Act.

(*2*) Where any payment made by the International Airports Authority or the National Airports Authority is exempt from deduction of the tax at source under any provision of the Income-tax Act, 1961 (43 of 1961), the exemption from tax will continue to be available as if the provisions of the said Act made applicable to the International Airports Authority or the National Airports Authority were operative in relation to the Authority in which the undertakings of the International Airports Authority and the National Airports Authority have vested by virtue of this Act.

(*3*) The transfer and vesting of the undertakings or any part thereof in terms of section 13 shall not be construed as a transfer within the meaning of the Income-tax Act, 1961 (43 of 1961) for the purposes of capital gains.

17. Guarantee to be operative.—Any guarantee given for or in favour of the International Airports Authority or the National Airports Authority with respect to any loan or lease finance shall continue to be operative in relation to the Authority in which the undertakings of the International Airports Authority and the National Airports Authority have vested by virtue of this Act.

18. Provisions in respect of officers and other employees of the International Airports Authority and the National Airports Authority.—(*1*) (*a*) Every officer or other employee of the International Airports Authority serving in its employment immediately before the appointed day shall, in so far as such officer or other employee is employed in connection with the undertaking which has vested in the Authority by virtue of this Act, becomes, as from the appointed day, an officer or, as the case may be, other employee of the International Airports Division of the Authority.

(*b*) Every officer or other employee of the National Airports Authority serving in its employment immediately before the appointed day shall, in so far as such officer or other employee is employed in connection with the undertaking which has vested in the Authority by virtue of this Act, becomes, as from the appointed day, an officer or, as the case may be, other employee of the National Airports Division of the Authority.

(*2*) Every officer or other employee of the International Airports Authority or the National Airports Authority who becomes an officer or, as the case may be, other employee of the Authority, as referred to in sub-section (*1*), shall hold his office or service therein by the same tenure, at the same remuneration, upon the same terms and conditions, with the same obligations and with the same rights and privileges as to leave, passage, insurance, superannuation scheme, provident fund, other funds, retirement, pension, gratuity and other benefits as he would have held under the International Airports Authority or, as the case may be, the National Airports Authority if its undertaking had not vested in the Authority and shall continue to do so as an officer or other employee, as the case may be, of the Authority or until the expiry of a period of one year from the appointed day if such officer or other employee opts not to be the officer or other employee of the Authority within such period:

Provided that if the Authority thinks it expedient to extend the period so fixed, it may extend the same up to a maximum period of one year.

(*3*) Where an officer or other employee of the International Airports Authority or the National Airports Authority opts under sub-section (*2*) not to be in the employment or service of the Authority in which the undertakings of the International Airports Authority and the National Airports Authority have vested, such officer or other employee shall be deemed to have resigned from the respective cadre.

(*4*) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (24 of 1947) or in any other law for the time being in force, the transfer of the services of any officer or other employee of the International Airports Authority or the National Airports Authority to the Authority shall not entitle such officer or other employee to any compensation under this Act or under any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

(*5*) The officers and other employees who have retired before the appointed day from the service of the International Airports Authority or the National Airports Authority and are entitled to any benefits,

rights or privileges shall be entitled to receive the same benefits, rights or privileges from the Authority in which the undertakings of the International Airports Authority and the National Airports Authority have vested.

(*6*) The trusts of the Provident Fund and Group Insurance and Superannuation Scheme of the International Airports Authority or the National Airports Authority and any other bodies created for the welfare of officers or employees would continue to discharge their functions in the Authority as was being done hitherto in the International Airports Authority or the National Airports Authority and tax exemption granted to Provident Fund or Group Insurance and Superannuation Scheme would continue to be applied to the Authority.

(*7*) After the expiry of the period of one year, or the extended period, as referred to in sub-section (*2*), all the officers and other employees transferred and appointed to the Authority, other than those opting not to be the officers or employees of the Authority within such period, shall be governed by the rules and regulations made by the Authority in respect of the service conditions of the officers and other employees of the said Authority.

19. Compulsory acquisition of land for the Authority.—Any land required by the Authority for the discharge of its functions under this Act shall be deemed to be needed for a public purpose and such land may be acquired for the Authority under the provisions of the Land Acquisition Act, 1894 (1 of 1894) or of any other corresponding law for the time being in force.

20. Contracts by the Authority.—Subject to the provisions of section 21, the Authority shall be competent to enter into and perform any contract necessary for the discharge of its functions under this Act.

21. Mode of executing contracts on behalf of the Authority.—(*1*) Every contract shall, on behalf of the Authority, be made by the Chairperson or such other member or such officer of the Authority as may be generally or specially empowered in this behalf by the Authority and such contracts or class of contracts as may be specified in the regulations shall be sealed with the common seal of the Authority:

Provided that no contract exceeding such value or amount as the Central Government may, from time to time, by order, fix in this behalf shall be made unless it has been previously approved by the Authority:

Provided further that no contract for the acquisition or sale of immovable property or for the lease of any such property for a term exceeding thirty years and no other contract exceeding such value or amount as the Central Government may, from time to time, by order, fix in this behalf shall be made unless it has been previously approved by the Central Government.

(*2*) Subject to the provisions of sub-section (*1*), the form and manner in which any contract shall be made under this Act shall be such as may be specified by regulations.

(*3*) No contract which is not in accordance with the provisions of this Act and the regulations shall be binding on the Authority.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

22. Power of the Authority to charge fees, rent, etc.—The Authority may,—

(*i*) with the previous approval of the Central Government, charge fees or rent—

(*a*) for the landing, housing or parking of aircraft or for any other service or facility offered in connection with aircraft operations at any airport, heliport or airstrip.

Explanation.—In this sub-clause "aircraft" does not include an aircraft belonging to any armed force of the Union and "aircraft operations" does not include operations of any aircraft belonging to the said force;

(*b*) for providing air traffic services, ground safety services, aeronautical communications and navigational aids and meteorological services at any airport and at any aeronautical communication station;

(*c*) for the amenities given to the passengers and visitors at any airport, civil enclave, heliport or airstrip;

(*d*) for the use and employment by persons of facilities and other services provided by the Authority at any airport, civil enclave, heliport or airstrip;

(*ii*) with due regard to the instructions that the Central Government may give to the Authority, from time to time, charge fees or rent from persons who are given by the Authority any facility for carrying on any trade or business at any airport, heliport or airstrip.

[1][**22A. Power of Authority to levy development fees at airports**.—[2][The Authority may,—

(*i*) after the previous approval of the Central Government in this behalf, levy on, and collect from, the embarking passengers at an airport other than major airports referred to in clause (*h*) of section 2 of the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008) the development fees at the rate as may be prescribed;

(*ii*) levy, on, and collect from, the embarking passengers at major airport referred to in clause (*h*) of section 2 of the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008) the development fees at the rate as may be determined under clause (*b*) of sub-section (*1*) of section 13 of the Airports Economic Regulatory Authority of India Act, 2008,

and such fees shall be credited to the Authority and shall be regulated and utilised in the prescribed manner, for the purposes of—]

(*a*) funding or financing the costs of upgradation, expansion or development of the airport at which the fee is collected; or

(*b*) establishment or development of a new airport in lieu of the airport referred to in clause (*a*); or

(*c*) investment in the equity in respect of shares to be subscribed by the Authority in companies engaged in establishing, owning, developing, operating or maintaining a private airport in lieu of the airport referred to in clause (*a*) or advancement of loans to such companies or other persons engaged in such activities.]

23. Additional capital and grant to the Authority by the Central Government.—The Central Government may, after due appropriation made by Parliament, by law in this behalf,—

(*a*) provide any capital that may be required by the Authority for the discharge of its functions under this Act or for any purpose connected therewith on such terms and conditions as that Government may determine;

(*b*) pay to the Authority, on such terms and conditions as the Central Government may determine, by way of loans or grants such sums of money as that Government may consider necessary for the efficient discharge by the Authority of its functions under this Act.

24. Fund of the Authority and its investment.—(*1*) The Authority shall have its own fund and all receipts of the Authority shall be credited thereto and all payments of the Authority shall be made therefrom.

(*2*) The Authority shall have power, subject to the provisions of this Act, to spend such sums as it thinks fit to cover all administrative expenses of the Authority and on objects or for purposes authorised by this Act and such sums shall be treated as expenditure out of the fund of the Authority.

(*3*) All moneys standing at the credit of the Authority which cannot immediately be applied as provided in sub-section (*2*), shall be—

(*a*) deposited in the State Bank of India or any such Scheduled bank or banks or other public financial institutions subject to such conditions as may, from time to time, be specified by the Central Government; and

1. Ins. by Act of 43 of 2003, s. 7 (w.e.f. 1-7-2004).
2. Subs. by Act of 27 of 2008, s. 54 and Sch., for certain words (w.e.f. 30-11-2008).

(*b*) invested in the securities of the Central Government or in such manner as may be prescribed.

Explanation.—In this sub-section, "Scheduled bank" has the same meaning as in clause (*e*) of section 2 of the Reserve Bank of India Act, 1934 (2 of 1934).

25. Allocation of surplus funds.—(*1*) The Authority may, from time to time, set apart such amounts as it thinks fit as a reserve fund or funds for the purpose of expanding existing facilities or services or creating new facilities or services at any airport, civil enclave, heliport or airstrip or for the purpose of providing against any temporary decrease of revenue or increase of expenditure from transient causes or for purposes of replacement or for meeting expenditure arising from loss or damage from fire, cyclone, air-crash or other accident or for meeting any liability arising out of any act or commission in the discharge of its functions under this Act:

Provided that without prejudice to the right of the Authority to establish specific reserves for one or more specific purposes, the Authority shall also have the power to establish a general reserve:

Provided further that the sums set apart annually in respect of each or any of the specific and general reserves and the aggregate at any time of such sums shall not exceed such limits as may, from time to time, be fixed in that behalf by the Central Government.

(*2*) After making provision for such reserve fund or funds and for bad and doubtful debts, depreciation in assets and all other matters which are usually provided for by companies registered and incorporated under the Companies Act, 1956 (1 of 1956), the Authority shall pay the balance of its annual net profits to the Central Government.

26. Submission of programme of activities and financial estimates.—(*1*) The Authority shall, before the commencement of each financial year, prepare a statement of the programme of its activities during the forthcoming financial year as well as financial estimate in respect thereof.

(*2*) The statement prepared under sub-section (*1*) shall, not less than three months before the commencement of each financial year, be submitted for approval to the Central Government.

(*3*) The statement and the financial estimates of the Authority may, with the approval of the Central Government, be revised by the Authority.

27. Borrowing powers of the Authority.—(*1*) The Authority may, with the consent of the Central Government or in accordance with the terms of any general or special authority given to it by the Central Government, borrow money from any source by the issue of bonds, debentures or such other instruments as it may deem fit for discharging all or any of its functions under this Act.

(*2*) The Central Government may guarantee in such manner as it thinks fit, the repayment of the principal and the payment of interest thereon with respect to the loans borrowed by the Authority under sub-section (*1*).

(*3*) Subject to such limits as the Central Government may, from time to time, lay down, the Authority may borrow temporarily by way of overdraft or otherwise such amounts as it may require for discharging its functions under this Act.

28. Accounts and audit.—(*1*) The Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance-sheet 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 annually by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Authority to the Comptroller and Auditor-General of India.

(*3*) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers, documents and papers and inspect any of the offices of the Authority.

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(*4*) The accounts of the Authority as certified by the 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 that Government shall cause the same to be laid before both Houses of Parliament.

[1][CHAPTER VA

EVICTION OF UNAUTHORISED OCCUPANTS, ETC., OF AIRPORT PREMISES

28A. Definitions.—In this Chapter, unless the context otherwise requires,—

(*a*) "airport premises" means any premises—

(*i*) belonging to airport;

(*ii*) taken on lease for the purposes of airport;

(*iii*) acquired for the Authority under the provisions of the Land Acquisition Act, 1894 (1 of 1894) or any other corresponding law for the time being in force.

Explanation.—For the removal of doubts, it is hereby declared that for the purposes of this clause, "airport" includes private airport;

(*b*) "eviction officer" means an officer of the Authority appointed as such by it under section 28B;

(*c*) "premises" means any land or building or part of a building, and includes—

(*i*) the garden, grounds and outhouses, if any, appertaining to such building or part of a building; and

(*ii*) any fittings affixed to such building or part of a building for more beneficial enjoyment thereof;

(*d*) "rent", in relation to any airport premises, means the consideration payable periodically for the authorised occupation of the premises, and includes—

(*i*) any charge for electricity, water or any other service in connection with the occupation of the premises; and

(*ii*) any tax, by whatever name called, payable in respect of the premises;

[2]* * * * *

(*f*) "unauthorised occupation", in relation to any airport premises, means the occupation by any person of the airport premises without authority for such occupation and includes the continuance in occupation by any person of the airport premises after the authority (whether by way of grant or any other mode of transfer) under which he was allowed to occupy the premises has expired or has been determined for any reason whatsoever.

28B. **Appointment of eviction officers.**—The Authority may, by general or special order in writing, appoint such number of its officers, as it thinks fit, to be eviction officers for the purposes of this Chapter, and define the local limits within which, or the categories of airport premises in respect of which, the eviction officers shall exercise the powers conferred and perform the duties imposed, on eviction officers by or under this Chapter.

28C. **Issue of notice to show cause against order of eviction.**—(*1*) If the eviction officer is of the opinion that any persons are in unauthorised occupation of any airport premises and that they should be evicted, the eviction officer shall, in the manner hereinafter provided, issue a notice in writing calling upon all persons concerned to show cause why an order of eviction should not be made.

(*2*) The notice shall—

(*a*) specify the grounds on which the order of eviction is proposed to be made; and

1. Ins. by Act of 43 of 2003, s. 8 (w.e.f. 1-7-2004).
2. Cl. (*e*) omitted by Act 33 of 2021, s. 19 (w.e.f. 4-4-2021).

(*b*) require all persons concerned, that is to say, all persons who are or may be, in occupation of, or claim interest in, the airport premises—

(*i*) to show cause, if any, against the proposed order on or before such date as is specified in the notice, being a date not earlier than seven days from the date of issue thereof, and

(*ii*) to appear before the eviction officer on the date specified in the notice along with the evidence which they intend to produce in support of the cause shown and also for personal hearing, if such hearing is desired.

(*3*) The eviction officer shall cause the notice to be served by having it affixed on the outer door or some other conspicuous part of the airport premises and in such other manner as may be prescribed, whereupon the notice shall be deemed to have been duly given to the persons concerned.

(*4*) Where the eviction officer knows or has reasons to believe that any person is in occupation of the airport premises, then, without prejudice to the provisions of sub-section (*3*), he shall cause a copy of the notice to be served on every such person by post or by delivering or tendering it to that person or in such other manner as may be prescribed.

28D. Eviction of unauthorised occupants.—(*1*) If, after considering the cause, if any, shown by any person in pursuance of a notice under section 28C and any evidence produced by him in support of the same and after personal hearing, if any, given under sub-clause (*ii*) of clause (*b*) of sub-section (*2*) of section 28C, the eviction officer is satisfied that the airport premises are in unauthorised occupation, the eviction officer may make an order of eviction, for reasons to be recorded therein, directing that the airport premises shall be vacated, on such date as may be specified in the order, by the persons who may be in occupation thereof, and cause a copy of the order to be affixed on the outer door or some other conspicuous part of the airport premises.

(*2*) If any person refuses or fails to comply with the order of eviction on or before the date specified in the order or within fifteen days of the date of publication under sub-section (*1*), whichever is earlier, the eviction officer or any other officer duly authorised by the eviction officer in this behalf may, after the date so specified or after the expiry of the period aforesaid, whichever is earlier, evict that person from, and take possession of, the airport premises and may, for that purpose, use such force as may be necessary.

28E. Disposal of property left on airport premises by unauthorised occupants.—(*1*) Where any persons have been evicted from any airport premises under section 28D, the eviction officer may, after giving ten days' notice to the persons from whom possession of the airport premises has been taken and after publishing the notice in at least one newspaper having circulation in the locality, remove or cause to be removed or dispose of by public auction any property remaining on such premises.

(*2*) Where any property is sold under sub-section (*1*), the sale proceeds thereof shall, after deducting the expenses of the sale and the amount, if any, due to the Central Government or the corporate authority on account of arrears of rent or damages or costs, be paid to such person or persons as may appear to the eviction officer to be entitled to the same:

Provided that where the eviction officer is unable to decide as to the person or persons to whom the balance of the amount is payable or as to the apportionment of the same, he may refer such dispute to the [1][Central Government] and the decision of the [1][Central Government] thereon shall be final.

28F. Power to remove unauthorised constructions, etc.—(*1*) No person shall—

(*a*) erect or place or raise any building or any movable or immovable structure or fixture;

(*b*) display or spread any goods;

(*c*) bring or keep any cattle or other animal,

on or against or in front of any airport premises except in accordance with the authority (whether by way of grant or any other mode of transfer) under which he was allowed to occupy such airport premises.

1. Subs. by Act 33 of 2021, s. 19, for "Tribunal" (w.e.f. 4-4-2021).

(*2*) Where any building or other immovable structure or fixture has been erected, placed or raised in any airport premises in contravention of the provisions of sub-section (*1*), the eviction officer may serve on the person erecting such building or other structure or fixture, a notice requiring him either to remove or show cause why he shall not remove such building or other structure or fixture to or from the airport premises within such period, not being less than seven days but not exceeding thirty days as may be specified in the notice, and on the omission or refusal of such person to show cause, or to remove such building or other structure or fixture from the airport premises, or where the cause shown is not, in the opinion of the eviction officer, sufficient, the eviction officer may, by order, remove or cause to be removed the building or other structure or fixture from the airport premises and the cost of such removal shall be recoverable from such person as an arrear of land revenue.

(*3*) Where any movable structure or fixture has been erected, placed or raised, or any goods have been displayed or spread or any cattle or other animal has been brought or kept on any airport premises in contravention of the provisions of sub-section (*1*) by any person, the eviction officer may, by order, remove or cause to be removed without notice, such structure, fixture, goods, cattle or other animal, as the case may be, from the airport premises and the cost of such removal shall be recoverable from such person as an arrear of land revenue.

28G. Power to require payment of rent or damages in respect of airport premises.—(*1*) Where any person is in arrears of rent payable in respect of airport premises, the eviction officer may, by order, require that person to pay the same within such time and in such instalments as may be specified in the order.

(*2*) Where any person is, or has at any time been, in unauthorised occupation of any airport premises, the eviction officer may, having regard to such principles of assessment of damages as may be prescribed, assess the damages on account of the use and occupation of such premises and may, by order, require that person to pay the damages within such time and in such instalments as may be specified in the order.

(*3*) While making an order under sub-section (*1*) or sub-section (*2*), the eviction officer may direct that the arrears of rent or, as the case may be, damages shall be payable together with simple interest at such rate as may be prescribed.

(*4*) No order under sub-section (*1*) or sub-section (*2*) shall be made against any person until after the issue of a notice in writing to the person calling upon him to show cause within such period not being less than seven days but not exceeding thirty days as may be specified in the notice as to why such order should not be made, and until his objections, if any, and any evidence he may produce in support of the same have been considered by the eviction officer.

28H. Powers of eviction officers.—An eviction officer shall, for the purpose of holding any inquiry into this Chapter, have the same powers, as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit in respect of the following matters, namely:—

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of documents;

(*c*) any other matter which may be prescribed.

28-I. [*Establishment of Tribunal*.] *Omitted by The Tribunals Reforms Act*, 2021 (33 *of* 2021), *s*. 19 (*w.e.f*. 4-4-2021).

28J. [*Resignation and removal.*] *Omitted by ibid., s*. 19 (*w.e.f*. 4-4-2021).

[1][**28JA.** [*Qualifications, terms and conditions of service of Chairperson*.] *Omitted by ibid., s*. 19 (*w.e.f*. 4-4-2021)].

28K. Appeals to Tribunal.—(*1*) Any person aggrieved by an order of the eviction officer under this Chapter may, within fifteen days from the date of such order, prefer an appeal to the [2][High Court]:

1. Ins. by Act 7 of 2017, s. 166 (w.e.f. 26-5-2017).
2. Subs. by Act 33 of 2021, s. 19, for "Tribunal in such form as may be prescribed" (w.e.f. 4-4-2021).

Provided that the [1][High Court] may entertain any appeal after the expiry of the said period of fifteen days, but not after the period of thirty days from the date aforesaid, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

[2]* * * * *

28L. [*Procedure and powers of Tribunal.*] *Omitted by The Tribunals Reforms Act*, 2021 (33 *of* 2021), *s*. 19 (*w.e.f*. 4-4-2021).

28M. Finality of orders.—Subject to the provisions of this Act, every order made by an eviction officer [3]*** under this Chapter shall be final and shall not be called in question in any suit, application, execution or other proceeding and no injunction shall be granted by any court or other authority in respect of any action taken or intended to be taken in pursuance of any power conferred by or under this Chapter.

28N. Offences under this Chapter.—(*1*) Whoever, unlawfully occupies any airport premises, shall be punishable with imprisonment for a term which may extend to six years and with fine.

(*2*) Whoever fails to comply with any order of the eviction officer or the [1][High Court] under this Chapter shall be punishable with imprisonment for a term which may extend to seven years and with fine.

(*3*) If any person who has been evicted from any airport premises under this Chapter again occupies the premises without authority for such occupation, he shall be punishable with imprisonment for a term which may extend to ten years and with fine.

(*4*) The court may, while convicting a person under sub-section (*3*), make an order for evicting that person summarily and he shall be liable to such eviction without prejudice to any other action that may be taken under this Chapter.

28-O. Offences by companies.—(*1*) Where any offence under this Chapter has been committed by a company, every person who, at the time the offence was committed, was directly 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 Chapter, if he proves that the offence was committed without his knowledge or he has exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Chapter 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, such director, manager, secretary or other officer shall also be deemed to be guilty of that 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", in relation to a firm, means a partner in the firm.

28P. Cognizance of offences.—No court shall take cognizance of any offence under this Chapter except on a complaint made by the Authority, eviction officer or any other officer authorised by it and no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under this Chapter.

28Q. Power to obtain information.—If the eviction officer has reason to believe that any persons are in an unauthorised occupation of any airport premises, he or any other officer authorised by him in this behalf may require those persons or any other person to furnish information in relation to the names

1. Subs. by Act 33 of 2021, s. 19, for "Tribunal" (w.e.f. 4-4-2021).
2. Sub-sections (*2*), (*3*), (*4*) and (*5*) omitted by s. 19, *ibid*. (w.e.f. 4-4-2021).
3. The words "or the Tribunal" omitted by s. 19, *ibid*. (w.e.f. 4-4-2021).

and other particulars of the persons in occupation of the airport premises and every person so required shall be bound to furnish the information in his possession.

28R. Officers, etc., to aid and assist.—It shall be the duty of all the officers of the Government including police officers and any local authority to aid and assist the eviction officer or other officers of the Authority in the discharge of their functions under this Chapter.]

CHAPTER VI

MISCELLANEOUS

29. Submission of annual report.—(*1*) The Authority shall, as soon as may be after the end of each financial year, prepare and submit to the Central Government in such form as may be prescribed a report giving an account of its activities during that financial year and the report shall also give an account of the activities which are likely to be undertaken by the Authority during the next financial year.

(*2*) The Central Government shall cause such report to be laid before both Houses of Parliament as soon as may be after it is submitted.

30. Delegation.—The Authority may, by general or special order in writing, delegate to the Chairperson or any other member or to any officer of the Authority, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 42) as it may deem necessary.

31. Authentication of orders and other instruments of the Authority.—All orders and decisions of the Authority shall be authenticated by the signature of the Chairperson or any other member authorised by the Authority in this behalf and all other instruments executed by the Authority shall be authenticated by the signature of an officer of the Authority authorised by it in this behalf.

32. Officers and employees of the Authority to be public servants.—All officers and employees of the Authority shall, while acting or purporting to act in pursuance of the provisions of this Act or of any rule or regulation made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

33. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the Authority or any member or any officer or other employee of the Authority [1]*** for anything which is in good faith done or intended to be done in pursuance of this Act or of any rule or regulation made thereunder or for any damage sustained by any aircraft or vehicle in consequence of any defect in any of the airports, civil enclaves, heliports, airstrips, aeronautical communication stations or other things belonging to or under the control of the Authority.

34. Custody and disposed of lost property.—Subject to such regulations as the Authority may make in this behalf, the authority shall provide for securing the safe custody and restoration of any property which, while not in proper custody, is found on any premises belonging to the Authority or under its overall control or in any aircraft on any such premises.

35. Provisions relating to income-tax.—For the purposes of the Income-tax Act, 1961 (43 of 1961) or any other enactment for the time being in force relating to income-tax or any other tax on income, profits or gains, the Authority shall be deemed to be a company within the meaning of the Income-tax Act, 1961 and shall be liable to tax accordingly on its income, profits and gains.

36. Power of the Authority to undertake certain works.—The Authority may undertake to carry out on behalf of any person any works or services or any class of works or services on such terms and conditions as may be agreed upon between the Authority and the person concerned.

37. Power to issue directions.—(*1*) The Authority or any officer specially authorised by it in this behalf may, from time to time, by order, issue directions, consistent with the provisions of the Aircraft Act, 1934 (22 of 1934), and the rules made thereunder, with respect to any of the matters specified in clauses (*f*), (*h*), (*i*), (*j*), (*k*), (*m*), (*p*), (*qq*) and (*r*) of sub-section (*2*) of section 5 of that Act, to any person or persons engaged in aircraft operations or using any airports, Heliport, or civil enclave, in any case

1. The words "or the Chairperson of the Tribunal" omitted by Act 33 of 2021, s. 19 (w.e.f. 4-4-2021).

where the Authority or the officer is satisfied that in the interests of the security of India or for securing the security of the aircraft it is necessary to do so.

(*2*) Every direction issued under sub-section (*1*) shall be complied with by the person or persons to whom such direction is issued.

(*3*) If any person wilfully fails to comply with any direction issued under this section, he shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five thousand rupees, or with both.

38. Power of the Central Government to temporarily divest the Authority of the management of any airport.—(*1*) If, at any time, the Central Government is of opinion that in the public interest it is necessary or expedient so to do, it may, by order, direct the Authority to entrust the administration, management or similar other functions of any airport, heliport, airstrip, civil enclave, aeronautical communication station, or any other agency or department of any airport, heliport, airstrip, civil enclave or aeronautical communication station with effect from such date and to such person as may be specified in the order and the Authority shall be bound to comply with such direction:

Provided that before an order is made under this sub-section the Authority shall be given a reasonable opportunity of being heard in the matter.

(*2*) Where the management of any airport, heliport, airstrip, civil enclave or aeronautical communication station or any other agency or department thereof is entrusted to any person specified under sub-section (*1*) (hereafter referred to in this section as the authorised person), the Authority shall cease to exercise and discharge all its powers and functions under this Act in relation to such airport, heliport, airstrip, civil enclave or aeronautical communication station or any other agency or department thereof and such powers and functions shall be exercised and discharged by the authorised person in accordance with the instructions, if any, which the Central Government may give to the authorised person from time to time:

Provided that no such power or function as may be specified by the Central Government by a general or special order shall be exercised or discharged by the authorised person except with the previous sanction of the Central Government.

(*3*) An order made under sub-section (*1*) shall, unless rescinded, be in operation for a period of six months from the date on which the management of the airport, heliport, airstrip, civil enclave or aeronautical communication station or any other agency or department thereof is entrusted to the authorised person:

Provided that the Central Government may extend such period for a further period or periods not exceeding eighteen months.

(*4*) During the operation of an order made under sub-section (*1*), it shall be competent for the Central Government to issue, from time to time, such directions to the Authority as are necessary to enable the authorised person to exercise the powers and discharge the functions of the Authority under this Act in relation to the airport, heliport, airstrip, civil enclave or aeronautical communication station, or any other agency or department thereof the management of which has been entrusted to him and in particular to transfer any sum of money from the fund of the Authority to the authorised person for the management of the airport, heliport, airstrip, civil enclave or aeronautical communication station or any other agency or department thereof and every such direction shall be complied with by the Authority.

(*5*) On the cesser of operation of any order made under sub-section (*1*) in relation to any airport, heliport, airstrip, civil enclave or aeronautical communication station, or any other agency or department thereof the authorised person shall cease to exercise and perform the powers and functions of the authority under this Act in relation to such airport, heliport, airstrip, civil enclave or aeronautical communication station or any other agency or department thereof and the Authority shall continue to exercise and perform such powers and functions in accordance with the provisions of this Act.

(*6*) On the cesser of operation of any order made under sub-section (*1*) in relation to any airport, heliport, airstrip, civil enclave or aeronautical communication station, or any other agency or department thereof the authorised person shall hand over to the Authority any property (including any sum of money

or other asset) remaining with him in connection with the management of such airport, heliport, airstrip, civil enclave or aeronautical communication station.

(*7*) Anything done or any action taken lawfully by the authorised person in relation to any airport, heliport, airstrip, civil enclave or aeronautical communication station or any other agency or department thereof during the period of operation of an order made under sub-section (*1*) shall be deemed to have been done or taken by the Authority and shall be binding on the Authority.

39. Power of the Central Government to supersede the Authority.—(*1*) If, 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 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 circumstances leading to such action to be laid before both Houses of Parliament at the earliest opportunity.

40. Power of the Central Government to issue directions.—(*1*) Without prejudice to the foregoing provisions of this Act, the Authority shall, in the discharge of its functions and duties under this Act, 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 opportunity to express its views before any direction is given under this sub-section.

(*2*) The decision of the Central Government whether a question is one of policy or not shall be final.

(*3*) The Central Government may, from time to time, issue directions to the Authority regarding the discharge of any functions to it under clause (*e*) of sub-section (*3*) of section 12 and the Authority shall be bound to comply with such directions.

41. Power to make rules.—(*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—

(*a*) the period of notice as may be given by the Central Government to terminate the appointment of any part-time member of the Authority under clause (*b*) of proviso to sub-section (*1*) of section 5;

(*b*) the conditions of service of the members of the Authority under sub-section (*2*) of section 5;

(*c*) the period of notice as may be given by any member to resign his office under sub-section (*3*) of section 5;

(*d*) the provisions subject to which officers and other employees may be appointed by the Authority and the category of officers to be appointed after approval of the Central Government under the proviso to sub-section (*1*) of section 10;

(*e*) the provisions subject to which the Authority may manage the airports, civil enclaves and aeronautical communication stations under sub-section (*1*) of section 12;

[1][(*ee*) [2][the rate of development fees in respect of airports other than major airports and] the manner of regulating and utilising the fees under section 22A;]

(*f*) the manner in which the Authority may invest its funds under clause (*b*) of sub-section (*3*) of section 24;

(*g*) the form in which the annual statement of accounts shall be prepared by the Authority under sub-section (*1*) of section 28;

[1][(*gi*) the other manner of serving notice under sub-section (*3*) of section 28C;

(*gii*) the other manner of serving notice under sub-section (*4*) of section 28C;

(*giii*) the principles of assessment of damages under sub-section (*2*) of section 28G;

(*giv*) the rate of simple interest under sub-section (*3*) of section 28G;

(*gv*) any other matter under clause (*c*) of section 28H;]

[3]* * * * *

(*h*) the form in which a report giving an account of its activities shall be prepared and submitted by the Authority to the Central Government under sub-section (*1*) of section 29; and

(*i*) any other matter which is to be, or may be, prescribed.

42. Power to make regulations.—(*1*) The Authority may make regulations not inconsistent with this Act and the rules made thereunder to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(*2*) Without prejudice to the generality of the foregoing power, such regulations may provide for—

1. Ins. by Act of 43 of 2003, s. 10 (w.e.f. 1-7-2004).
2. Subs. by Act 27 of 2008, s. 54 and Sch., for "the rate of development fees and" (w.e.f. 1-1-2009).
3. Cls. *(gvi*), (*gvii*), (*gviii*) and (*gix*) omitted by Act 33 of 2021, s. 19 (w.e.f. 4-4-2021).

(*a*) the time and places of the meetings of the Authority and the procedure to be followed for the transaction of business including the quorum at such meetings under sub-section (*1*) of section 8;

(*b*) the conditions of service and the remuneration of officers and after employees to be appointed by the Authority under sub-section (*2*) of section 10;

(*c*) the construction of residential accommodation for the officers and other employees appointed by the Authority under clause (*e*) of sub-section (*3*) of section 12;

(*d*) the storage or processing of goods in any warehouse established by the Authority under clause (*g*) of sub-section (*3*) of section 12 and the charging of fees for such storage or processing;

(*e*) the contracts or class of contracts which are to be sealed with the common seal of the Authority and the form and manner in which a contract may be made by the Authority under sub-section (*1*) of section 21;

(*f*) the custody and restoration of lost property and the terms and conditions under which lost property may be restored to the persons entitled thereto under section 34;

(*g*) the disposal of any lost property in cases where such property is not restored;

(*h*) securing the safety of aircraft, vehicles and persons using the airport or civil enclave and preventing danger to the public arising from the use and operation of aircraft in the airport or civil enclave;

(*i*) preventing obstruction within the airport or civil enclave for its normal functioning;

(*j*) prohibiting the parking or waiting of any vehicle of carriage within the airport or civil enclave except at places specified by the Authority;

(*k*) prohibiting or restricting access to any part of the airport or civil enclave;

(*l*) preserving order within the airport or civil enclave and preventing damage to property therein;

(*m*) regulating or restricting advertising within the airport or civil enclave;

(*n*) requiring any person, if so directed by an officer appointed by the Authority in this behalf, to leave the airport or civil enclave or any particular part of the airport or civil enclave; and

(*o*) generally for the efficient and proper management of the airport or civil enclave.

(*3*) Any regulation made under any of the clauses (*h*) to (*o*) (both inclusive) of sub-section (*2*) may provide that a contravention thereof shall be punishable with fine which may extend to five hundred rupees and in the case of a continuing contravention with an additional fine which may extend to twenty rupees for every day during which such contravention continues after conviction for the first such contravention.

(*4*) No regulation made by the Authority under this section shall have effect until it has been approved by the Central Government and published in the Official Gazette.

(*5*) Notwithstanding anything contained in this section, the first regulations under this Act shall be made by the Central Government and shall have effect on being published in the Official Gazette.

(*6*) The first regulations framed under sub-section (*5*) shall remain in force until such time the Authority has made regulations and they are published in the Official Gazette.

43. Rules and regulations to be laid before Parliament.—Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation, as the case may be, or both Houses agree that the rule or regulation, as the case may be, 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 that rule or regulation.

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44. Power to remove difficulties.—(*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by general or special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for the removal of the difficulty:

Provided that no such order shall be made after the expiration of one year from the commencement of this Act.

(*2*) Every order made under sub-section (*1*) shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.

45. [*Amendment of Act 22 of 1934*.] *Rep. by Repealing and Amending Act*, 2001 (30 *of* 2001), *s*. 2 *and Sch.* (w.e.f. 3-11-2001).

46. Repeal and saving.—(*1*) On and from the appointed date,—

(*i*) the International Airports Authority Act, 1971 (43 of 1971) and the National Airports Authority Act, 1985 (64 of 1985) shall stand repealed;

(*ii*) the International Airports Authority and the National Airports Authority constituted under the aforesaid Acts shall cease to exist.

(*2*) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken under the aforesaid Acts so repealed shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act.

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STATEMENT OF OBJECTS AND REASONS

Until 1971, the Director General of Civil Aviation was entrusted with the responsibility not only of regulatory functions relating to civil aviation but also of construction and management of airports, air traffic control and air space management in the country.

2. Considering the need for heavy investments and operational flexibility required for construction and management of large airports, the International Airports Authority of India (IAAI) was constituted as an autonomous body under the International Airports Authority Act, 1971. Four international airports, namely, Delhi, Bombay, Madras and Calcutta were transferred to IAAI with effect from 1.4.1972; later, Trivandrum airport was also transferred to IAAI. In 1985, it was felt that a similar treatment was required for domestic airports and air traffic control and related services. Consequently, National Airports Authority (NAA) was constituted under the National Airports Authority Act, 1985.

3. International airports are put to more intensive use and generate substantial revenues which accrue to IAAI. Revenues of NAA are much less buoyant because a number of its airports do not have any commercial air service whatsoever while many others have only infrequent operations. NAA has, therefore, not been able to generate adequate resources to meet the requirements of development and modernisation. To overcome this handicap and provide for closer integration in the management of airports and air traffic contract services in the country, it has been found necessary to merge the IAAI and the NAA, which the Bill seeks to achieve.

4. The salient features of the Bill are:.—

(*a*) Constitution of a single unified Airports Authority of India to control and manage both the national and international airports in the country and transfer and vesting of the undertakings of the International Airports Authority of India and National Airports Authority in the said Airports Authority of India.

(*b*) Repeal of the International Airports Authority of India Act 1971 and the National Airports Authority Act, 1985.

(*c*) All licences, permits, quotas and exemptions granted to the International Airports Authority of India or the National Airports Authority be deemed to have been granted to the Airports Authority of India.

(*d*) Guarantees given for or in favour of the International Airports, Authority of India or the National Airports Authority to continue to be operative in relation to the Airports Authority of India.

(*e*) Every officer or other employee of the International Airports Authority of India and the National Airports Authority, serving in its employment immediately before the appointed day, to become an officer or other employee, as the case may be, of the Airports Authority of India, with option to resign.

(*f*) Power of the Central Government to give directions to the Airports Authority of India.

5. The Bill seeks to achieve the aforesaid objectives.

GHULAM NABI AZAD.

NEW DELHI;

The 27*th July,* 1993.

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