
CHAPTER IV

THE INTERNATIONAL AIRPORTS AUTHORITY ACT, 1971

(43 OF 1971)

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CHAPTER IV

THE INTERNATIONAL AIRPORTS AUTHORITY ACT 1971

(43 OF 1971)

(December 8, 1971)

An Act to provide for the constitution of an authority for the management of certain aerodromes whereat international air transport services are operated or are intended to be operated and for matters connected therewith.

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows :—

CHAPTER I

PRELIMINARY

1. Short title, commencement and application —(1) This Act may be called the International Airports Authority Act, 1971.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

(3) It applies, in the first instance, to the aerodromes of Bombay (Santa Cruz), Calcutta (Dum Dum), Delhi (Palam) and Madras (Meenambakkam) and the Central Government may, by notification in the official Gazette, apply the provision of this Act to any other aerodrome whereat international air transport services are operated or are intended to be operated and with effect from such date as may be specified in the notification.

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

(a) “airport” means an aerodrome as defined

in clause (2) of section 2 of the Aircraft Act, 1934 and to which this Act applies or is made applicable;

- (b) “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;
- (c) “Authority” means the International Airports Authority of India constituted under section 3;
- (d) “Chairman” means the Chairman of the Authority;
- (e) “heliport” means an area, either at ground level or elevated on a structure, used or intended to be used for the landing and takeoff of helicopters and includes an area for parking helicopters and all buildings and structures thereon or appertaining thereto;
- (f) “member” means a member of the Authority and includes the Chairman but for the purposes of sections 4, 5, 6 and 7 does not include the *ex-officio* member referred to in clause (b) of subsection (3) of section 3;
- (g) “prescribed” means prescribed by rules made under this Act; and

- (h) “regulations” means regulations made under this Act.

CHAPTER II

THE INTERNATIONAL AIRPORTS AUTHORITY OF INDIA

3. Constitution and incorporation of the Authority — (1) With effect from the commencement of this Act, the Central Government shall constitute an authority to be called the International 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 Chairman to be appointed by the Central Government.
- (b) the Director-General of Civil Aviation *ex-officio*; and
- (c) not less than six and not more than thirteen members to be appointed by the Central Government.

(4) The Chairman shall be a whole-time member and the 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.

(5) The names of persons appointed as members shall be notified by the Central Government in the Official Gazette.

(6) During the temporary absence of the Chairman, the Central Government may appoint another member to act as the Chairman.

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 Corporation 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. Terms of office and conditions of service of members — (1) Subject to the provisions of section 6, every 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 that Government, such member shall be deemed to have vacated his office.

(4) A casual vacancy caused by the resignation of a member under sub-section (3) or otherwise may be filled by fresh appointment and the person so appointed shall hold office for the remaining period for which the member in whose place he is appointed would have held 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.

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

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 business at its meetings (including the quorum at meetings) as may be provided by regulations.

(2) The Chairman, or, if for any reason he is unable to attend any meeting, any other member chosen by the members present at the meetings, 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 Chairman, or in his absence, the person presiding, shall have and exercise a second or casting vote.

9. Vacancy in the Authority not to invalidate proceedings — No act or proceeding of the Authority shall be deemed to be invalid by reason merely of any vacancy in, or any defect in the constitution of, the Authority.

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 12 and to such rules as may be prescribed 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 officer as may be specified after

consultation with the Chairman in such rules, shall be subject to the approval of the Central Government.

(2) Subject to the provisions of section 12, every officer or other employee appointed by the Authority shall be subject to such conditions of service and shall be entitled to such remunerations 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

PROPERTY AND CONTRACT

12. Transfer of assets and liabilities of Central Government to the Authority — (1) Save as otherwise provided in sub-section (2), as from such date as the Central Government may appoint by notification in the Official Gazette in relation to any airport, —

- (a) all properties and other assets vested in the Central Government for the purpose of the airport and administered by the Director- General of Civil Aviation immediately before such day shall vest in the Authority;
- (b) all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with, or for the Central Government immediately before such day for or in connection with the purposes of the airport shall be deemed to have been incurred, entered into and engaged to be done by, with, or for the Authority;
- (c) all non-recurring expenditure incurred by the Central Government for or in connection with the purposes of the airport up to such day and declared to be capital expenditure by the Central

Government shall, subject to such terms and conditions as may be determined by the Central Government, be treated as the capital provided by the Central Government to the Authority;

- (d) all sums of money due to the Central Government in relation to the airport immediately before such day shall be deemed to be due to the Authority;
- (e) all suits and other legal proceedings instituted or which could have been instituted by or against the Central Government immediately before such day for any matter in relation to the airport may be continued or instituted by or against the Authority;
- (f) every employee holding any office under the Central Government immediately before such day solely or mainly for or in connection with such affairs of the airport as are relevant to the functions of the Authority under this Act shall be treated as on deputation with the Authority but shall hold his office in the Authority by the same tenure and upon the same terms and conditions of service as respects, remuneration, leave, provident fund, retirement or other terminal benefits as he would have held such office, if the Authority had not been constituted and shall continue to do so until the Central Government, either on its own motion or at the request of the Authority, recalls such employee to its service or until the Authority, with the concurrence of the Central Government, duly absorbs such employee in its regular service, whichever is earlier :

Provided that during the period of deputation of any such employee with the Authority, the Authority shall pay to the Central Government, in respect of

every such employee, such contribution towards his leave salary, pension and gratuity as the Central Government may, by order, determine:

Provided further that any such employee, who, has in respect of the proposal of the Authority to absorb him in its regular service, intimated within such time as may be specified in this behalf by the Authority his intention of not becoming a regular employee of the Authority, shall not be absorbed by the Authority in its regular service.

(2) As from the date determined by the Central Government under the proviso to subsection (2) of section 16, —

- (a) the equipment and appliances relating to air navigation services and the buildings used exclusively for such services immediately before such day shall vest in Authority;
- (b) all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with, or for the Central Government immediately before such day for or in connection with air navigation services shall be deemed to have been incurred, entered into and engaged to be done by, with, or for the Authority ;
- (c) all sums of money due to the Central Government for or in connection with air navigation services immediately before such day shall be deemed to be due to the Authority;
- (d) all suits and other legal proceedings instituted or which could have been instituted by or against the Central Government immediately before such day for any matter in connection with air navigation services may be continued or

instituted by or against the Authority;

- (e) every employee holding any office under the Central Government immediately before such day solely or mainly for or in connection with air navigation services shall be treated as on deputation with the Authority but shall hold his office in the Authority by the same tenure and upon the same terms and conditions of service as respects remuneration, leave, provident fund, retirement or other terminal benefits as he would have held such office if the Authority had not been constituted and shall continue to do so until the Central Government, either on its own motion or at the request of the Authority, recalls such employee to its service or until the Authority, with the concurrence of the Central Government, duly absorbs such employee in its regular service, whichever is earlier :

Provided that during the period of deputation of any such employee with the Authority, the Authority shall pay to the Central Government in respect of every such employee, such contribution towards his leave salary, pension and gratuity as the Central Government may, by order determine:

Provided further that any such employee, who has, in respect of the proposal of the Authority to absorb him in its regular service intimated within such time as may be specified in this behalf by the Authority his intention of not becoming a regular employee of the Authority, shall not be absorbed by the Authority in its regular service.

(3) If any dispute or doubt arises as to which of the properties, right or liabilities of the Central Government have been transferred to the Authority or as to which of the employees serving under the Central Government are to be

treated as on deputation with the Authority, under this section such dispute or doubt shall be decided by the Central Government in consultation with the Authority and the decision of the Central Government thereon shall be final.

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947, (14 of 1947) or in any other law for the time being in force, the absorption of any employee by the Authority in its regular service under this section shall not entitle such employee to any compensation under that Act or other law and no such claim shall be entertained by any court tribunal or other authority.

(5) In this section and in section 16, the expression “air navigation services”, in relation to any airport, means air traffic services (including aeronautical and flight information services), aeronautical communication and navigational aids and meteorological services at such airport.

13. Compulsory acquisition of land for the Authority — Any land required by the Authority for discharging its functions under this Act shall be deemed to be needed for 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.

14. Contracts by the Authority — Subject to the provisions of section 15, the Authority shall be competent to enter into and perform any contract necessary for the discharge of its functions under this Act.

15. Mode of executing contracts on behalf of the Authority — (1) Every contract shall, on behalf of the Authority, be made by the Chairman 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 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 prescribed 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 IV FUNCTIONS OF THE AUTHORITY

16. 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 efficiently.

(2) It shall be the duty of the Authority to provide at the airports such services and facilities as are necessary or desirable for the efficient operation of air transport services there at :

Provided that the function of providing air navigation services at the airports shall continue to be discharged by the Central Government until such date as that Government may, by order, determine.

(3) Without prejudice to the generality of the provisions contained in sub-section (1) and (2), the Authority may —

- (a) plan, develop, construct and maintain runways, taxiways, aprons and terminal and ancillary buildings at the airports;
- (b) construct residential buildings and create townships for its employees;
- (c) establish and maintain hotels, restaurants and rest—rooms at or near the airports;
- (d) establish warehouses at the airports for the storage or processing of goods;
- (e) arrange for postal, money exchange, insurance and telephone facilities for the use of passengers and other persons at the airports;
- (f) make appropriate arrangements for watch and ward at the airports;
- (g) regulate and control the plying of vehicles, and the entry and exit of passengers and visitors, in the airports with due regard to the protocol functions of the Government of India;
- (h) develop and provide consultancy services in India and abroad in relation to planning and development of airports or any facilities thereat;
- (i) establish and manage heliports and airstrips;
- (j) provide such transport facilities as are, in the opinion of the Authority, necessary

to the passengers travelling air;

- (k) from 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; and
- (l) 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.

(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) imposing an obligation on the Authority to discharge any function or duty under this section with respect to any airport in relation to which a notification has not been issued under sub-section (1) of section 12;
- (b) authorising the disregard by the Authority of any law for the time being in force; or
- (c) authorising any person to institute any proceeding in respect of a duty or liability to which the Authority or its officers or other employees would not otherwise be subject.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

17. 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 air-strip.

Explanation. — In this sub-clause “aircraft” does not include an aircraft belonging to the Indian Defence Services and “aircraft operations” do not include operations of any aircraft belonging to the said Services;

(b) for the amenities given to the passengers and visitors at any airport, heliport or airstrip;

(c) for the use and enjoyment by persons of facilities and other services provided by the Authority at any airport, 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.

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

(a) provided any capital, over and above the capital provided under clause (c) of sub-section (1) of section 12, 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 the Government may consider necessary for the efficient discharge by the Authority of its functions under this Act.

19. Fund of the Authority — (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 money standing at the credit of the Authority which cannot immediately be applied as provided in sub-section (2) shall be deposited in the State Bank of India or in such scheduled bank or banks and subject to such conditions as may from time to time be specified by the Central Government.

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).

20. 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 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 omission 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.

21. 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 respects 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.

22. Investment of funds — The Authority may invest its funds (including any reserve

fund) in the securities of the Central Government or in such other manner as may be prescribed.

23. 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 its 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.

24. 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.

(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.

CHAPTER VI

MISCELLANEOUS

25. Submission of annual reports to Parliament—(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 under taken 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.

26. Delegation — The Authority may, by general or special order in writing, delegate to the Chairman 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 37) as it may deem necessary.

27. Authentication of orders and other instruments of the Authority — All orders and decisions of the Authority shall be authenticated by the signature of the Chairman 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 the Authority in this behalf.

28. Officers and employees of the Authority to be public servants — All officers and employees of the authority shall, when 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).

29. Protection of action taken under the Act — No suit, prosecution or other legal proceeding shall lie against the Authority or any member or any officer or other employee of the Authority 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 or other things belonging to or under the control of the Authority.

30. Custody and disposal 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.

31. 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 (43 of 1961) and shall be liable to tax accordingly on its income, profits and gains.

32. 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.

33. Power of 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 management of any airport with effect from such date and to such persons 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 is entrusted to any person specified under sub-section (1) (hereafter in this section referred to 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 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 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 is entrusted to the authorised person :

Provided that the Central Government may extend such period for a further period 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, 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 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, the authorised person shall cease to exercise and perform the powers and functions of the Authority under this Act in relation to such airport 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, 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.

(7) Anything done or any action taken lawfully by the authorised person in relation to any airport 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.

34. Power of 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 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, vacate their officers as such;

- (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 reconstituted 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 any persons 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.

35. Power of 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.

36. Power of Central Government to make rules— (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the conditions of service of the Chairman and other members under section 5 including the salaries payable to the Chairman and to the members who are required to render whole-time service and the fees and allowances payable to the members who are required to render part-time service;
- (b) the period of notice required to terminate the appointment of any member, who is required to render part-time service and who is not a servant of the Government, under section 5, and the period of notice that may be given to the Central Government by a member before he resigns his office, under that section;
- (c) the conditions and limitations subject to which the Authority may appoint officers

and other employees under sub-section (1) of section 10;

- (d) the terms and conditions subject to which the non-recurring expenditure incurred by the Central Government for or in connection with the purposes of any airport shall be treated as the capital provided by the Central Government to the Authority under clause (c) of sub-section (1) of section 12;
- (e) the manner in which the Authority may invest its funds under section 22;
- (f) the form in which the Authority shall prepare the annual statement of accounts including the profit and loss account and the balance-sheet under section 24; and
- (g) any other matter which is to be or may be prescribed.

(2A) The power to make rules conferred by clauses (a) and (c) of sub-section (2) shall include the power to give retrospective effect, from a date not earlier than the date of commencement of this Act, to such rules or any of them but no retrospective effect shall be given to any rule so as to prejudicially affect the interest of any person to whom such rule may be applicable.

[Inserted by s.2 of Act 72 of 1985]

(3) Every rule made under this sections 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 in which it is so laid or the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule 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.

[Substituted by s.2 of Act 72 of 1985]

37. Power of the Authority to make regulations — (1) The Authority may make regulations not inconsistent with this Act and the rules made there-under 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 —

- (a) the times and places of the meeting of the Authority and the procedure to be followed for the transaction of business at such meetings under sub-section (1) of section 8;
 - (b) the conditions of service and the remuneration of officers and other employees appointed by the authority;
 - (c) the contracts or class of contracts which are to be sealed with the common seal and of the Authority and the form and manner in which a contract may be made by the Authority;
 - (d) the storage or processing of goods in any warehouse established by the authority under clause (d) of sub-section (3) of section (16) and the charging of fees for such storage or processing;
 - (e) the custody and restoration of lost property and the terms and conditions under which lost property may be restored to the person entitled thereto, under section 30;
 - (f) the disposal of any lost property in cases where such property is not restored under section 30;
 - (g) securing the safety of aircraft, vehicles and persons using the airport and preventing danger to the public arising from the use and operations of aircraft in the airport;
 - (h) preventing obstruction within the airport for its normal functioning;
 - (i) prohibiting the parking or waiting of any vehicle or carriage within the airport except at places specified by the Authority;
 - (j) prohibiting or restricting access to any part of the airport;
 - (k) preserving order within the airport and preventing damage to property therein ;
 - (l) regulating or restricting advertising within the airport;
 - (m) requiring any person, if so directed by an officer appointed by the Authority in this behalf, to leave the airport or any particular part of the airport; and
 - (n) generally for the efficient and proper management of the airport.
- (3) The power to make regulations conferred by clause (b) of sub-section (2) shall include the power to give retrospective effect, from a date not earlier than the date of commencement of this Act, to such regulations or any of them but no retrospective effect shall be given to any regulation so as to prejudicially affect the interest of any person to whom such regulation may be applicable.

[Inserted by s.2 of Act 72 of 1985]

(4) The Central Government shall cause every regulation made under this section to 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 aforesaid, both Houses agree in making any modification in the regulation, or both Houses agree that the regulation should not be made, the 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 regulation.

[Inserted by s.2 of Act 72 of 1985]

38. Supplemental provisions respecting regulations — (1) Any regulation which may be made by the Authority under this Act may be made by the Central Government by notification in the official Gazette within one year of the constitution of the Authority and any regulation so made may be altered or rescinded by the Authority by means of a regulation made by it under this Act.

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

39. Penalty for breach of certain regulations — Any regulation made under any of the clauses (g) to (m) inclusive of sub-section (2) of section 37 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.

40. 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 successive sessions and if before the expiry of the session in which it is so laid or the session immediately following 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.

41. Amendment of Act 22 of 1934 — In sub-section (2) of section 5 of the Aircraft Act, 1934, for clause (b), the following clause shall be substituted, namely :—

“(b) the licensing inspection and regulation of aerodromes, the conditions under which aerodromes may be maintained, the prohibition or regulation

of the use of unlicensed aerodromes and the fees which may be charged at those aerodromes to which the International Airports Authority Act, 1971 does not apply or is not made applicable :

Provided that until the date determined by the Central Government under the proviso to sub section (2) of section 16 of the International Airports Authority

Act, 1971 any rule made under this clause may provide for the charging of fees for providing air traffic services (including aeronautical and flight information services), aeronautical communication and navigational aids and meteorological services at any aerodrome to which the said Act applies or is made applicable; “.