AIRPORTS AUTHORITY OF INDIA

7.1   INTRODUCTION:

7.1.1   The Airports Authority of India (AAI) completed five years of successful operation on 31st March, 2000. The Authority recorded progress in all areas of its activities. New initiatives have been taken to further improve the passenger facilities at major airports.   Major improvements have also been brought out in the Communication, Navigation & Surveillance (CNS) and Air Traffic Management (ATM) facilities with the installation of modern Landing Aids/Surveillance Radars. These initiatives are expected to bring long term benefits to the airport users.

7.2   ORGANISATION:

7.2.1   The composition of the Board of AAI as on 5.1.2001 is given below:

1.   Shri D.V. Gupta   - Chairman

2.   Shri H.S. Khola   - DGCA & Ex-officio Member

3.   Shri V. Subramanian - JS & FA, Ministry of Civil
                                 Aviation

4.   Shri Veeranna Aivalli   - COSCA, BCAS

5.   Shri Anurag Goel – Joint Secy., Ministry of
                             Civil Aviation

6.   Shri Sunil Arora -Chairman   &   MD,   Indian
                          Airlines

7.   Shri Robey Lal   - Member (Operations)

8.   Shri S.K. Narula –   Member   (Personnel   &
                              Administration)

9.   Shri V.D.V. Prasad Rao - Member (Finance)

10.   Shri K. Ramalingam   - Member (Planning)

7.3   FINANCIAL PERFORMANCE

(a)   The operating results for the year 1999-2000 and the provisional results for the year 2000-2001 are as follow:

                         (Rupees in crores)

Particulars   1999-2000 (Actual)   2000-2001 (RE)

Revenue   1691.28   2070.57

```
Expenditure          1346.55                    1689.65

Profit before Tax    344.73                     380.91

Profit after Tax     211.38                     234.26
---------------------------------------------------------
```

(b) Financial Highlights

(Rupees in Crores)

```
-----------------------------------------------------------------------
          1995-96  1996-97  1997-98  1998-99  1999-2000
-----------------------------------------------------------------------

Revenue          1003.33  1142.12  1279.64  1591.27  1691.28

Expenditure       727.28   896.42   963.45  1255.49  1346.55

Profit Before Tax  276.05   245.70   316.19   335.78   344.73

Provision for Tax  130.89   113.61   120.05   127.37   133.35

Profit After Tax   145.16   132.09   196.14   208.41   211.38
-----------------------------------------------------------------------
```

(c) Capital Structure of AAI as on 1.4.2000 and 1.4.2001

(Rupees in crores)

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-----------------------------------------------------------------------
Particulars              1.4.2000          1.4.2001 (RE)
-----------------------------------------------------------------------
Govt. Capital             350.13               381.62

Reserves & Surplus       1534.73              1741.82

Long Term Loans           445.82               467.27

Net Worth                1691.15              1899.75

Capital employed         1852.45              1743.14
-----------------------------------------------------------------------
```

The Capital Outlay for the year 2000-2001 (RE) is Rs.527.23 Crores
comprising of Rs.351.95 Crores for NAD and Rs.175.28 Crores for IAD

(d)   Capital Structure

(Rupees in Crores)

```
-----------------------------------------------------------------------
                As on    As on    As on    As on    As on
                1.4.1996 1.4.1997 1.4.1998 1.4.1999 1.4.2000
-----------------------------------------------------------------------
Govt.  Capital  309.95   320.13   325.13   337.63   350.13

Reserves & Surplus 810.94   927.57   1104.61  1273.53   1534.73
```

```
Long Term Loans      396.38     400.09     442.06     466.06     445.82

Net Worth            996.28    1051.23    1224.45    1417.23    1691.15

Capital Employed     743.77     716.31    1148.85    1437.03    1852.45

Working Capital      145.63      17.01     147.92     261.45     404.59
--------------------------------------------------------------------
```

   (e)   Contribution to Exchequer

```
                          (Rupees in Crores)
--------------------------------------------------------------------
                 1995-96    1996-97    1997-98    1998-99    1999-2000
--------------------------------------------------------------------
(i) Income Tax    127.31     98.06     126.30     149.43     158.20

(ii) Dividend      29.03     26.42      39.23      41.68      42.28

(iii) Tax on Dividend  -      2.64       3.92       4.17       9.30

(iv)Interest Payments 5.71    5.20       6.07       6.41       7.83

(v)Guarantee Fees   3.16     3.66       2.98       3.18       2.96

(vi)Interest on      -        -        11.70      12.40      11.27
Commencing Capital

   Total    165.21    135.98    190.20    217.27    231.84
--------------------------------------------------------------------
```

   * Under Audit

   ** This represents advance Tax paid. Final assessments are
        yet to be completed.

7.4   TRAFFIC

Traffic handled during April to October, 2000 was:

Pariculars Sep.'2000	April'1999 to Sep.'1999 % Change	April,2000 to
Aircraft Movements(In Nos).		
International Airports	49048 1.2	49621
Domestic Airports	179543 5.9	190100
Total	228591 4.9	239721

Passengers (In Nos.)

International Airports	6471175 3.8	6718947
Domestic Airports	12154328 10.9	13474772
Total	18625503 8.4	20193719

Cargo (In Tonnes)

International Airports	259605 7.8	279916
Domestic Airports	125239 14.6	143569
Total	384844 10.0	423485

7.5   MAJOR WORK COMPLETED

7.5.1   INSTALLATION OF CNS / ATM FACILITIES

* Installation of Monopulse secondary surveillance radar at Nagpur.

* Installation of Instrument Landing System (Replacement) at Jaipur, Kolkata (OIR Runway) and Guwahati.

* Procurement and Installation of Minimum Safe Altitude Warning (MSAW) system at Trivandrum, Hyderabad, Guwahati, Ahmedabad, Kolkata and Chennai.

* Installation of 75 High Frequency Receivers at various airports.

* Procurement of 122 personal computers.

* Procurement of 350 ATC Head Sets for various airports and 200 sets for Mumbai & Delhi.

* Procurement of Digital Clock for various airports.

* Procurement of Test Equipments for various airports.

* Installation of provision of Remote Controlled Air-Ground (RCAG) Communication at Chennai, Port Blair, Vizag and Kolkata.

* Approach Control Lab in ATM Faculty Commissioned at CATC, Allahabad.

7.5.2   AERODROME WORKS

* In Security Hold Area Terminal-IB, IGI Airport, New Delhi, one additional boarding gate has been provided to overcome the peak hour passengers congestion while boarding.

* Haj Flight - 2000 operation handled for departure and arrival of pilgrims through the new Haj Terminal, IGI Airport, New Delhi. All necessary arrangements for the convenience of Departing/Arriving pilgrims were made.

* Work of strengthening of secondary runway 09/27 and parallel taxi-track at IGI Airport has been completed.

* Work of upgradation of main runway for ILS Cat.III including strengthening of main runway at IGI Airport has been completed.

* Construction of Export Cargo (Phase-II) at IGI Airport completed.

* Parking bays No.23 to 32 at IGI Airport has been re-constructed.

* Work of modification to existing Terminal Building to convert into International Terminal (Ph-I) at NSCBI Airport, Kolkata has been completed and building is put to use.

* Work of Aerolinks for Bay No.17, 18 and 19 along with construction of Security Hold Area for Domestic Terminal completed in September, 2000 at CSI Airport, Mumbai.

* 24 hours operations of airport commenced w.e.f. 1st September, 2000 at Trivandrum Airport.

* New terminal building was inaugurated at Civil Air Terminal, Bagdogra in September, 2000.

* Construction of technical block completed at Imphal Airport in May, 2000.

* Perishable Cargo Centre at Hyderabad commissioned in August, 2000, operations are being outsourced.

* The extension of runway upto 11500 ft. and strengthening of apron for operation of B-747 class of aircraft completed at Ahmedabad Airport in December, 2000.

* Runway profile correction work completed during
     November, 2000 at Hyderabad Airport.

* Construction of new terminal building, apron and link
     taxi track work completed in July, 2000 at Port Blair
     Airport.

* Construction of terminal building, Phase-I - Arrival
     hall work completed in January, 2001 at Agartala
     Airport.

* International Cargo facilities comissioned in June,
     2000 at Lucknow Airport.

7.5.3   PASSENGER FACILITATION

* Indian Bank has commissioned an ATM at Domestic
     Terminal w.e.f. 12.7.2000 at Chennai Airport.

* Computerised Railway Reservation Office has been
     commissioned at the arrival visitors lounge of
     Domestic Terminal Building, NSCBI Airport, Kolkata.

* Four snack bar counters were commissioned at
     Terminal-2C at CSI Airport, Mumbai.

* ATM facility in Terminal - IIA was commissioned in
     September, 2000 at CSI Airport, Mumbai.

* Licence for operation of existing Duty Free Shops at
     Ahmedabad, Bangalore, Varanasi, Goa, Hyderabad and
     Calicut Domestic Airports granted to ITDC for a
     period of 5 years.

* Licence for operation of existing Duty Free Shops at
     Delhi, Mumbai, Kolkata, Chennai and Trivandrum
     International Airports awarded to ITDC for a period
     of 5 years.

* Licence for privatisation of Money Exchange Counters
     at airports given at Chennai and IGI Airports.

7.6   WORK IN PROGRESS

* Works for extension and modification to Anna
     International Terminal is in progress.

* Re-construction of Bay No.1 & 2 and strengthening of
     bays 10, 13, 15 & 17 at NSCBI Airport, Kolkata is
     being executed.

* Work of construction of Bay No. 14 for AB-300 type
     aircraft at CSI Airport, Mumbai is being executed.

* Extension of Air Side Corridor for bay number 29 and
     32 at Chennai Airport.

* Integrated Cargo Terminal (Module-I) at Chennai
       Airport.

* New International Terminal Complex (Ph-II) at Chennai
       Airport.

* Construction of Import Cargo Complex at IGI Airport,
       New Delhi.

* Integrated Cargo Terminal (Phase-I) at NSCBI Airport,
       Kolkata.

* Centre for Perishable Export Cargo at Mumbai Airport.

* Construction of Taxi-link joining Runway 09 beginning
       with Runway 10 beginning at IGI Airport, New Delhi.

* Works in progress for the Secondary approach road to
       Terminal II.

* To provide more space in check-in area, IGI Airport,
       New Delhi, the shifting of glazing work has been
       taken up.

* Extension of `F' Taxi Track and construction of
       Parallel Taxi Track balance portion at Mumbai
       Airport.

* Upgradation and development of Amritsar Airport.

* Upgradation and development of Jaipur Airport.

* Upgradation and dvelopment of Bhuj Airport.

* Construction of new Civil Air Terminal at Tezpur
       Airport.

* Extension and strengthening of runway from 7500 ft.
       to 9377 ft. at Calicut Airport.

* Expansion and modification of terminal building at
       Guwahati Airport.

* Strengthening of existing runway at Guwahati Airport
       to be completed by December, 2001.

* Construction   of   Terminal   Building,   Technical
       Block-cum-Control Tower and residential quarters at
       Lilabari Airport.

* Extension/strengthening of runway and construction of
       boundary wall at Lilabari Airport.

* Expansion / modification of terminal building at
       Jammu Airport.

* Extension and strengthening of apron at Jammu
  Airport.

* Extension of runway 36 by 700 ft. to be completed by
  December, 2001 and extension of runway 18 by 1300 ft.
  and installation of Cat.II ILS on runway 36 to be
  taken up after acquisition of land at Jammu Airport.

* Resurfacing of taxitrack and extension and
  strengthening of apron / isolation bay at Lucknow
  Airport.

* Construction of new technical block cum control tower
  at Vadodara Airport.

* Construction of compund wall at Bhopal Airport.

* Construction of operational wall at Jabalpur Airport.

* Extension of apron, strengthening and widening of
  taxiway at Nagpur Airport.

* Construction of new runway, terminal building cum
  control tower at Kargil Airport.

* Construction of technical Block cum control tower at
  Chennai Airport.

* Extension of runway at Bhubaneswar Airport.

* Strengthening of runway and allied works at Gaya
  Airport to be completed for AB-320 operation at Gaya
  Airport.

* Strengthening of apron and taxiway at Jorhat Airport
  to be completed by December, 2001.

* Resurfacing of runway at Dimapur Airport to be
  completed by September, 2002.

* Strengthening of existing apron, loop taxiway and
  expansion and modification of terminal building at
  Agartala Airport to be completed by December, 2001
  and March, 2002 respectively.

* Construction of approach road at Bagdogra Airport to
  be completed by August, 2001.

* Construction of new terminal building, apron and link
  taxiway at Porbandar Airport to be completed by July,
  2002.

7.6.2   INSTALLATION OF CNS / ATM FACILITIES.

* Installation of Monopulse Secondary Surveillance
  Radar (MSSR) at Varanasi, Berhampur and Managalore.

* Installation of Voice Communication System at Chennai
  and Kolkata Airports.

* Installation of Automatic Meassage Switching System
  at Kolkata and Chennai.

* Provision of Remote Controlled Air-Ground (RCAG)
  Communication System at Mumbai, Porbandar and Agatti.

* Procurement   and   installation   of   Flight   Data
  Processing System at Nagpur, Varanasi, Trivandrum and
  Ahemdabad Airports.

* Replacement of existing ILS with new system at
  Ahmedabad, Bhopal, Agartala, Patna, Dibrugarh and
  Imphal.

* Installation of ILS at Madurai, Lilabari, Silchar,
  Dimapur, Bhavnager and Port Blair.

* Replacement of existing Very high frequency Omni
  Range (VOR) with new Doppler Very high requency Omni
  Range (DVOR) / CVOR at Raipur, Baroda, Mumbai,
  Ranchi, Jamshedpur, Port Blair, Jodhpur, Udaipur,
  Bellary,   Vishakhapatnam,   Madurai,   Trichy,
  Kanchipuram, Managlore, Chennai, Dibrugarh, Jammu &
  Gulbarga.

* Procurement and installation of DVOR at Kathiar, Moga
  and Barapani.

* Replacement of High Power Distance Measuring
  Equipment (DME) at Aurganabad, Bhavnagar, Belgaum,
  Bhubaneshwar and Chennai.

* Procurement and installation of High Power Distance
  Measuring Equipment at Kathiar, Moga, Barapani and
  Vijayawada.

* Replacement of Low Power DME at Patna, Jammu, Lucknow
  and Dibrugarh.

* Procurement and installation of Low Power DME at
  Madhurai, Dimapur, Silchar and Lilabari.

* Installation of Non-Directional Beacons (NDB) at
  CIAL, Cochin, Tura (Meghalaya) and Lengpui (Mizoram).

* Installation of Automatic Message Switching System
  (AMSS) at 13 airports (replacement).

* Establishment of Dedicated Satellite Communication
  Ntework for connecting 80 airports.

* Replacement of markers at various airports.

* Replacement of locators at 12 airports by December,

2001.

* Replacement of radar / non-radar simulatros at CATC,
        Allahabad.

 Replacement of High Power HF transmitters at various
        airports.

* Trans installation of ATC facilities at new ATC tower
        at Chennai.

7.7   POLLUTION CONTROL

   While developing any project, care is taken to assess
the environmental impact due to the development of new
infrastructure and facilities. The integrated Environmental
management Plan is part of engineering activities and care is
taken for water supply, sewage disposal, horticulture &
drainage and disaster management plans for fire, bomb threats
and earthquake along with noise pollution.

7.8   MOU SIGNED

7.8.1   MOU was signed in November, 2000 between Airports
Authority of India and the State Government of Andhra Pradesh
for the development of new Hyderabad International Airport at
Shamshabad.

7.8.2   MOU was signed between Airports Authority of India
and the Ministry of Civil Aviation for the year 2000-2001 in
April, 2000 which envisages higher performance levels and the
targets for gross margins enhanced by 14% and Customer
Satisfaction by 5% over previous year targets.

7.9 PRIVATISATION OF AIRPORTS THROUGH LONG-TERM LEASE
        PRESENT STATUS

7.9.1   M/s KPMG submitted their Phase-I report on schedule,
in August, 2000. The same was reviewed by both AAI and the
Ministry of Civil Aviation. Necessary inputs were provided
to M/s KPMG for modifying the Phase-I report.   The revised
Phase-I report has been submitted by M/s KPMG in October,
2000 and some issues pertaining to traffic forecast, capacity
planning, HR issues etc. have been raised and KPMG have
agreed to adress these issues. In addition, KPMG have also
recommended the approach on some strategic principles to be
adopted for long-term leasing.   These pertain to period of
lease, Aeronautical tariff setting, Capital expenditure,
Lease Payment structure and HR issues. These recommendations
have since been agreed to by the Advisory Committee, the
Board of AAI and the MCA. M/s KPMG have been given   the
go-ahead to commence their Phase II work.

7.9.2   While the time frame for Phase-II of the assignment
was originally three months, in the review meeting held on
3.1.2001, after detailed deliberations, it was decided to
compress the time frame for both Phase II and III in such a
manner that the entire leasing transaction would culminate by
December, 2001.

7.10   LEGAL CONSULTANTS

  The Consulting Package for the selection of legal
consultants was discussed in various HLC meetings   and
subsequently   in   the   Advisory Committee meetings and on the
basis of verbal advice given by the representative of
Ministry of Law that foreign law firms cannot practice in
India and AAI perforce have to take the advice of Indian Law
firms only, the matter was taken up with the MCA seeking
their advice regarding the Committee that the consulting
package be issued to Indian Law firms only.   Further,
considering that EOIs received earlier are about 2 years old,
a fresh advertisement be issued.   The   draft   press
advertisement and the consulting package prepared by M/s ICRA
after discussions with AAI duly vetted by the AAI legal
department has been approved by the AAI Board in their
meeting held on 21.12.2000. The press advertisement has been
issued in leading national dailies on 23rd / 24th December,
2000. The Consulting Package is issued to those firms found
meeting the eligibility crieria stipulated in   the
advertisement. The responses have since been received from
bidding firms.   The legal consultant is expected to be
appointed immediately thereafter.

7.11   PERSONNEL & INDUSTRIAL RELATIONS

7.11.1 HUMAN RESOURCE MANAGEMENT

  AAI takes pride in motivated and trained human
resource which has brought about its best in AAI. It has
helped AAI emerge as a professional organisation in the
horizons of aviation sector.   The morale of the employees
continue to remain high which has facilitated in smooth
operation of its airports and towards accomplishing the
objective of customer satisfaction.   The Authority has
successfully used the Human Resource tools like job rotation,
re-deployment etc. to sustain employees interest in their
job.

7.11.2 EMPLOYMENT RELATIONS

  The culture of the participative management was given
a thrust by making fresh efforts to hold regular meetings and
interaction with the representatives of the employees through
Union and Assoications bringing about more transparency in
its day-to-day functions which has resulted in improved
efficiency and better enployees satisfaction. The `Grievance

Redressal Machinery' has been set to ensure expeditious settlement of grievances of the employees.

7.12   TRAINING

7.12.1 CIVIL AVIATION TRAINING COLLEGE, ALLAHABAD

Professional training in the field of Air Traffic Management, NAV-AIDS Maintenance and Communication operations are imparted to new recruits as well as refreshers and specialist courses to existing departmental personnel at CATC.

IAF personnel are being trained in provision of ATS in Civil Aviation as a measure for close co-ordination and smooth integration between Civil and Military authorities.

During the year 2000-2001 (from April, 2000 to December, 2000) a total of 49 courses were conducted involving 479 participants.

7.12.2 NATIONAL INSTITUTE OF AVIATION MANAGEMENT & RESEARCH

National Institute of Aviation Management & research (NIAMAR) is a unique training institute in the country for imparting training in all the disciplines of Airport Management. It conducts courses in airport operations, airport engineering, construction and maintenance and project management as also in airport commercial and cargo management including Dangerous Goods Regulations.

The Institute is equipped with the latest training aids such as computers, multimedia, projectors, video cameras etc. The Institute is also equipped with a computer lab with internet and a library housing large number of books on aviation and airports.

The Institute is offering these programmes to few neighbouring countries also.

7.13   CUSTOMER SATISFACTION

In order to ensure customer satisfaction, public opinion surveys are carried at regular intervals by engaging independent agencies. A `Public Grievances Officer' has also been nominated to ensure redressal of public grievances expeditiously in line with the Government initiatives to give priority to address to the issues of public concern.

7.14   PROGRESSIVE USE OF HINDI

7.14.1 During the year, main thrust was on implementation of Official Language Act and Rules and Official Language Policy of the Govt. of India. For this purpose 31 Hindi Workshops

were organised at CHQ and RHQS for imparting training to the employees in the following fields.

    (a)   Practical training of working in Hindi.

    (b)   Hindhi typing and stenography.

    (c)   Computer operations in Hindi.

7.14.2 Apart from the above, officers were nominated for various Official Language Seminars and Conferences. Regular meetings of Official Language Implementation Committee were held to review the progress being made by AAI and regular inspections we made by CHQ, MCA Department of Official Language and by the Committee of Parliament on Official Language.

7.14.3 On the occasion of Official Language Golden Jubilee Year, various programmes and competitions are being organised by almost all the offices of AAI.

7.14.4 In the function organized by Ministry of Civil Aviation on 28th September, 2000, Chairman, AAI received Rajbhasha Shield from Ministry of Civil Aviation for appreciable work in Hindi by AAI during the year 1996-97, 1997-98 and 1998-99.

7.14.5 Under the orginal Hindi Book Wrting Incentive Scheme of Ministry of Civil Aviation, two officers of AAI got cash prizes of RS.15000/- each for writing original books in Hindi.

7.14.6 In October-November, 2000, seven personnel were nominated for various Hindi Compeitions organized by the Nagar Rajbhasha Karyanwayan Samiti (Upakram), Delhi, two personnel of CHQ, AAI got cash prizes.

7.14.7 In October-November, 1999, eight persons were nominated for various Hindi competitions organized by the Nagar Rajbhasha Karyanwayan Samiti (Upakram), Delhi.

7.14.8 AAI got shield in the All India Official Language Conference held at Khajuraho.

7.15   KALYANMAYEE

  `Kalyanmayee' undertakes various women related issues concerned with the families of employees. At the national level, Kalyanmayee has addressed itself to contribute to the noble cause of the literacy programme. The different wings of the `Kalyanmayee' are organising literacy programmes in far-flung situated airports for the benefit of the local populace.

LEGEND

CNS   Communication Navigation and Surveillance.

ATM   Air Traffic Management.

DVOR   Doppler Very high Omni Range.

DME   Distance Measuring Equipment.

ILS   Instrument Landing System.

VHF   Very High Frequency.