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Highlights

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1.1 The year witnessed significant opening up of Indian skies paving the way for increased international connectivity to/from India. A significant opening up took place in our air services arrangements with Sri Lanka and 10 ASEAN countries. Tourist charter guidelines were also liberalised and for the first time private Indian operators were allowed to fly on international route. All these are alongside the increase in entitlements through normal process of bilateral consultations with various countries. The overall impact, one might say, is first but firm steps towards revolutionising the Indian skies. The major initiatives taken during this year are:-

- **ASEAN countries**

With a view to enlarging our economic co-operation with ASEAN countries, it has been decided that designated airlines of 10 ASEAN countries will be allowed to operate upto 7 services to/from four metropolitan cities of New Delhi, Mumbai, Chennai and Kolkata, subject to equal reciprocal rights to the Indian side and on existing terms of commercial agreement with our national carriers.

Designated airlines of ASEAN countries will also be allowed to operate as many services as they wish, subject to reciprocal rights of equal number

of flights to 18 other destinations in India, viz., Patna, Lucknow, Guwahati, Gaya, Varanasi, Bhubaneshwar, Khajuraho, Aurangabad, Goa, Jaipur, Port Blair, Cochin, Thiruvananthapuram, Calicut, Amritsar, Vishakhapatnam, Ahmedabad and Tiruchi.

- **Sri Lanka**

In view of the strategic importance of our relations with Sri Lanka, the designated airlines of Sri Lanka will be allowed to operate daily services to Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Kolkata and as many services as they wish, to 18 other destinations in India, viz., Patna, Lucknow, Guwahati, Gaya, Varanasi, Bhubaneshwar, Khajuraho, Aurangabad, Goa, Jaipur, Port Blair, Cochin, Thiruvananthapuram, Calicut, Amritsar, Vishakhapatnam, Ahmedabad and Tiruchi, subject to reciprocal rights of equal flights to Indian carriers.

- **Private Airlines**

It has been decided to allow private airlines of India to operate to all the SAARC countries against unutilised Indian entitlements. Jet Airways and Air Sahara have already commenced operation to Sri Lanka and are in the process of commencing operation to Nepal and Bangladesh.

- **Bilateral Policy**

It has been decided to permit airlines of all countries having bilateral Air Services Agreements with India to operate 7 flights/week each to any two of the 12 international airports in India subject to reciprocal rights being granted to the Indian carriers.

- **Signing of New Air Services Agreement**

A new Air Services Agreement (ASA) was signed with Djibouti in New Delhi on 19th May, 2003. The agreed text of an ASA with Tunisia was also initialed on 14.2.2004 in Tunis. The total number of countries having Air Service Agreement with India now stands at 99.

- **Review of Traffic Rights**

Availability of traffic rights for operations of air services to/from India was also reviewed as part of the on-going process of bilateral civil aviation consultations with various countries viz. South Korea, Malaysia, Turkey, Italy, Gulf air owner States, UAE (Dubai), Thailand, Ukraine, Slovakia, Kyrgyzstan, Bhutan, Germany, Poland, Russia, South Africa, Pakistan, Sri Lanka, Ethiopia, UAE, Tunisia, Italy, Slovak Republic and Germany.

- **Resumption of air links with Pakistan**

During the technical level talks with Pakistan held on 1.12.2003, both sides agreed to resume air services between the two countries from 1.1.2004. Pakistan International Airlines commenced their operations to India from 1st January, 2004. Indian Airlines commenced operations to Pakistan from 9th January, 2004.

- **Charter Policy**

Tourist charter guidelines have been further liberalised by permitting operation of 'Inclusive Tour Charters' with no limitation on frequency, size of the aircraft and points of call subject to the availability of customs and immigration facilities.

Indian passport holders have also been allowed to travel on inbound inclusive tour charters. There shall also be no restriction on frequency of flight and size of the aircraft in respect of outbound inclusive tour charters provided the concerned outbound tour operator also organises inbound charters with 2 : 1 tourist ratio between inbound and outbound operations.

- **Open Sky Policy**

To take care of the peak season rush, like in the previous years, an Open Sky Policy was adopted by the Government for the winter 2003-04, under which designated foreign airlines operated additional services to/from India subject to the existing terms of the commercial agreement with Air India/Indian Airlines.

1.2 ROADMAP FOR THE NEW NATIONAL CIVIL AVIATION POLICY

A five member Committee under the Chairmanship of Shri Naresh Chandra, former Cabinet Secretary was constituted on 21.7.2003 to prepare a roadmap for the new National Civil Aviation Policy. The Committee submitted its report on 8.12.2003. The report was examined by the Ministry. A draft Civil Aviation Policy has been proposed and is under active consideration of the Government.

1.3 AMENDMENT OF AAI ACT 1994

The Airports Authority of India (Amendment) Act, 2003 authorises AAI to transfer the operations and management of its existing airports by way of long-term lease to private players. The Act, inter-alia, provides for exclusion of private airports like Bangalore International Airport Ltd.

(BIAL) from the ambit of AAI Act, except security and ATC functions, which will continue to be discharged by AAI. The Act also authorises AAI to charge Advance Development Fee (ADF) for the development/ upgradation of existing airports and for the setting up of greenfield airports. In addition, the Act also seeks to prevent and remove encroachment on airport land.

1.4 RESTRUCTURING OF DELHI AND MUMBAI AIRPORTS

On 11th September 2003, Government decided to restructure the airports of Delhi and Mumbai through joint venture route. An Empowered Group of Ministers (EGOM) was constituted to decide about the detailed modalities including the design parameters, bid evaluation criteria etc. for the selection of joint venture partner. The meetings of EGOM were held under the chairmanship of the Finance Minister, in which draft Terms of Reference for the EGOM and selection of Financial Consultant for Delhi and Mumbai airports were finalised. M/s. ABN-AMRO was selected as the Financial Consultant. Request for Expression of Interest (EOI) has also been advertised by AAI on 18th February, 2004. The closing date for submission of EOI is now 20.7.2004. Selection of Global Technical Advisor (GTA), appointment of Legal Consultant and Accounting & Tax Advisor (ATA) is the project is under process.

1.5 GREENFIELD AIRPORTS

Policy on airport infrastructure already provides for private sector participation for the development of greenfield airports. In the budget speech of 2002-2003, Government announced a package of concessions to encourage private sector partici-

pation in construction of greenfield airports. Airports Authority of India (Amendment) Act, 2003, *inter alia*, empowers AAI to levy Advanced Development Fee (ADF) at the existing airport(s) to help in financing the proposed new greenfield airport(s).

Concession Agreement between Government of India and Bangalore International Airport Limited (BIAL) has been approved. Some issues raised by BIAL on Concession Agreement have been examined in consultation with the Department of Legal Affairs.

1.6 WITHDRAWAL OF IATT

In a landmark decision aiming to make air travel cheap and affordable to the travelling public, Government has withdrawn the Inland Air Travel Tax (IATT) w.e.f. 9th January, 2004 on all types of domestic journeys.

1.7 REDUCED VERTICAL SEPARATION MINIMA [RVSM]

Reduced Vertical Separation Minima (RVSM) has been introduced in the Indian and the surrounding airspace from 27th November 2003. This facility provides the airline operators the most fuel-efficient cruising levels and reduced congestion thereby enhancing the airspace capacity. All airline operators having RVSM capable modern aircraft, have heralded this decision.

1.8 HAJ 2004

Phase-I of Haj 2004 commenced on 24.12.2003 and ended on 26.1.2004. 71,716 Haj pilgrims were uplifted from India by Air India, Indian Airlines and Saudi Arabian Airlines to Jeddah for performing Haj pilgrimage from Bangalore, Kolkata, Calicut, Lucknow, Chennai, Nagpur,

Jaipur, Ahmedabad, Mumbai, Delhi, Hyderabad, Gaya and Srinagar. There are 13 embarkation points for uplifting Haj pilgrims. Jaipur is a new embarkation point. In Phase-II of Haj 2004 pilgrims were carried back from Jeddah to India by Air India, Indian Airlines and Saudi Arabian Airlines from 4th to 7th March 2004.

1.9 MODERNISATION/ DEVELOPMENT OF AIRPORT/ ATM SYSTEMS

As part of the ongoing modernisation and development of various airports, state-of-the-art Instrument Landing Systems Air Traffic Management (ATM) Systems have been installed or replaced and passenger and cargo terminals have been expanded at various airports. Further, various civil/aerodrome/passenger facilitation works have also been completed at Delhi, Mumbai, Kolkata, Chennai, Bhuj, Jabalpur, Ahmedabad, Bangalore, Gaggal, Lucknow, Varanasi, Leh, Mangalore and Thiruvananthapuram airports.

1.10 I.S.O. CERTIFICATION

Airports Authority of India has been awarded Certificate of Approval under ISO 9001 for the Coimbatore airport, Netaji Subhash Chandra Bose International (NSCBI) airport, Kolkata and Sardar Vallabhbhai Patel International airport, Ahmedabad.

1.11 CONTINGENCY PLAN TO REPAIR AIRPORTS/LANDING STRIPS DURING FLOODS / EARTHQUAKE ETC.

As a part of Disaster Management in the country, Ministry of Home Affairs identified “repair of

airports / landing strips damaged by floods / earthquake etc.” as the emergency response / support aspect in respect of the Ministry of Civil Aviation and requested this Ministry to prepare a Contingency Plan in this regard. In accordance with the guidelines of Ministry of Home Affairs, a comprehensive “Contingency Plan to repair airports / landing strips damaged by floods / earthquake etc.” was prepared in consultation with Airports Authority of India and was put in place. The objective of this plan is to rehabilitate operational pavements and buildings in the event of natural calamities in order to assure continuity or early resumption of services. A link to this “Contingency Plan” document was created on the website of the Ministry of Civil Aviation and can be accessed at www.civilaviation.nic.in.

1.12 PERFORMANCE OF AIRPORTS AUTHORITY OF INDIA

Airports Authority of India earned a profit (after tax) of Rs.282.05 crores during the year 2002-2003 compared to Rs.266.98 crores during the year 2001-2002. The organisation is expected to earn a profit (after tax) of Rs. 293.83 crores during the current financial year 2003-2004. Airports Authority of India's contribution to the national exchequer was Rs. 332.74 crores for 2002-2003 and Rs. 366.93 crores for 2003-2004, which includes Advance Tax Paid, Dividend, Interest Payments etc.

1.13 AIR INDIA LTD.

Air India introduced daily flights to / from Dubai to Mumbai, Delhi and Cochin. In addition, it also enhanced its frequencies from Thiruvananthapuram and Kozhikode to a daily

operation effective 26 October, 2003 to 27 March 2004. Thus, AI has daily flights to Dubai from Mumbai, Delhi, Kochi, Kozhikode and Thiruvananthapuram with standardised departures effective Winter 2003.

From 28th March, 2004, Air India has introduced the following new additional flights :

- 1 Singapore/Kuala Lumpur
- 1 Nairobi /Dar-es-salaam
- 1 Mumbai /Hyderabad /Jeddah vice-versa
- 1 Mumbai /Jeddah vice-versa
- 1 Lucknow /Delhi /Jeddah vice-versa
- 1 additional flight to Riyadh
- 1 Al –Ain flight extended to Salalah (effective 01 April 2004)
- 2 London terminators Mumbai / Amsterdam /London vice versa
- 2 Delhi /Amritsar/ Delhi (effective 16 April 2004)

Financial Performance:- Air India earned a net profit of Rs.133.86 crores during 2002-2003, compared to a net profit of Rs.15.44 crores during 2001-2002. The airline is expected to earn a profit of Rs. 20.50 crores during 2003-2004.

1.14 INDIAN AIRLINES LTD.

- **New International Services:-** Indian Airlines introduced new international twice weekly flights between Jaipur-Bangkok/ Singapore and Delhi- Lahore.
- **New Domestic Services:-** Indian Airlines introduced new services between Delhi-Goa-Delhi, Guwahati-Dimapur, Guwahati-Aizwal, Kolkata-Shillong, Agartala-Silchar and Raipur- Chennai/ Vizag.
- **Customer Friendly Schemes:-** Indian Airlines introduced various customer friendly schemes : viz. IA Hot Seat, Smart Super

Saver, Smart Voyager, Executive Edge, Fortune Fifty and Super Saver.

- **Financial/Physical Performance:-** Indian Airlines suffered a net loss (after tax) of Rs.196.56 crores during 2002-2003 compared to a net loss (after tax) of Rs.246.75 crores during the 2001-2002. During first six months of 2003-2004 viz. April-September, 2003, the airline suffered a loss of Rs. 103.50 crores and is expected to close the year with a net loss of Rs.56.00 crores compared to the budgeted loss of Rs.110.50 crores. It is expected to carry 57.60 lakh passengers during 2003-2004 compared to 62.32 lakhs during 2002-2003. Overall load factor is expected to be 67.9% compared to the budget estimates of 67.0% during the year 2003-2004.
- **Performance of Alliance Air:-** Alliance Air (a wholly owned subsidiary of Indian Airlines) suffered a loss (after tax) of Rs.85.00 crores during 2002-2003 compared to a loss of Rs.56.97 crores during 2001-2002. During first six months of 2003-2004 viz. April-September, 2003, the airline suffered a loss of Rs. 36.64 crores compared to a loss of Rs.50.06 crores during April-September, 2002. It carried 14.19 lakh passengers during 2002-2003 compared to 15.29 lakhs during 2001-2002. During the first six months of 2003-2004 viz. April-September, 2003, the airline carried 7.33 lakh passengers compared to 6.82 lakhs during April-September, 2002. The airline achieved a load factor of 59.92% during 2002-2003 compared to 60.30% during the year 2001-2002. During the first six months of 2003-2004 viz. April-September, 2003, the airline achieved a load factor of 60.46% compared to a load factor of 57.87% in April-September, 2002.

1.15 PAWAN HANS HELICOPTERS LTD.

Performance of Pawan Hans Helicopters

Ltd.:- The company earned a net profit (after tax) of Rs. 41.57 crores (prov.) during 2003-2004. The company registered a net profit (after tax) of Rs.15.39 crores during the financial year 2002-2003 compared to a net profit (after tax) of Rs.59.31 crores during the year 2001-2002. The company has flown over 3.20 lakh hours and made 11.5 lakh landings since its inception. The company has achieved a total revenue flying task of 22,780 hours during the year 2003-2004.

1.16 SCHEDULED AIRLINE OPERATORS

At present, apart from Air India, Indian Airlines and Alliance Air, Jet Airways, Sahara India Airlines, Deccan Aviation Pvt. Ltd. and M/s Blue Dart have the permission to operate domestic scheduled air transport services in the country. During April 2003 to December 2003, a total of 1,64,673 flights were operated by the domestic scheduled operators carrying a total of 1,07,02,837 passengers.

1.17 NON-SCHEDULED AIRLINE OPERATORS

As on 31st March 2004, a total of 42 companies were holding Non - Scheduled Operator's Permit.

1.18 REGISTRATION OF AIRCRAFT

As on 31st March, 2004, there were 1130 aircraft (including micro light, gliders and balloons) on the Indian civil register. Of these, 83 aircraft were

registered during the period 1st April, 2003 to 31st March, 2004. A total of 411 aircraft are holding current certificate of airworthiness as on 31st December 2003.

1.19 AME LICENCES

A total of 5749 Aircraft Maintenance Engineers (AME) licenses including Basic licenses and 282 Flight Engineers (FE) licenses have been issued so far, of which 190 AME licenses have been issued during the period 1st April 2003 to 31st March, 2004.

1.20 APPROVAL OF FIRMS

So far, a total of 581 firms have been approved for manufacture, maintenance, testing, storage etc. of aircraft, aircraft components/equipment. Out of these, 72 are foreign firms.

1.21 COCKPIT ENTRY DOOR MODIFICATION

After the 11th September 2001 incidents in USA, the Federal Aviation Administration revised the requirements of locking of cockpit doors during the flight. This has also been mandated by DGCA and the modification has been accomplished on the entire fleet of affected aircraft registered in India.

1.22 FOG MANAGEMENT

Fog guidelines were issued for the aircraft operations at IGI airport during fog. Necessary instructions were issued to the pilots, air traffic controllers, apron control, metrological office etc., to follow the procedures alongwith the LVP for smooth and efficient flow of air traffic at IGI airport during fog. This year, besides 15 foreign

airlines, Indian Airlines and Air India were also able to operate flights during poor visibility conditions, using CAT III A system installed at IGI airport, New Delhi. While only 12 low visibility departures took place last year, 55 aircraft (25 international + 30 domestic) have carried out low visibility take off during last winter till 31.12.2003.

1.23 SECURITY

- **Introduction of advanced technology**

The areas identified for introduction of advanced technology are access control, perimeter security, X-ray baggage inspection system and detection of explosives. Apart from these, instructions have been issued to provide passenger friendly pre-embarkation security checks at airports. In order to supervise and facilitate implementation of the instructions, a 5-member committee has been constituted. The committee has visited a number of airports. Final report of the committee is awaited.

- **Deployment of specially trained security personnel from CISF**

So far Central Industrial Security Force (CISF) has been deployed at 47 airports. At the remaining operational airports, CISF is being deployed in a phased manner.

- **Contingency plan**

The Bureau of Civil Aviation Security has a Contingency plan to deal with emergencies arising out of hijacking and other threats to civil aviation.

- **Training of security personnel**

During the year 2003, 49 training courses have been conducted and 2139 security personnel have been trained in aviation security. Two Deputy Commissioners of Security (CA) attended the

“Aviation Security Instructors Course” from December 8 to 16, 2003 and two Assistant Commissioners of Security (CA) attended the course on ‘Crisis Management’ from December, 1 to 5, 2003 organised by ICAO at Regional Training Centre, Penang, Malaysia.

1.24 INDIRA GANDHI RASHTRIYA URAN AKADEMI

Of the 477 trainees inducted into IGRUA since inception till 27th December 2003, the total number of trainees passed out was 406 in different courses undertaken by the Akademi. The trainees included 27 foreign nationals.

1.25 DEVELOPMENTAL ACTIVITIES TAKEN UP IN THE NORTH-EAST REGION

Alliance Air:- Alliance Air (a wholly owned subsidiary of Indian Airlines Ltd.) has taken 4 ATR-42-320 aircraft on dry lease for 5 years for dedicated operations in the North Eastern Region. The lease period commenced from December 2002. During the lease period, the total expenditure estimated is Rs.417.35 crores. The estimated revenue is Rs.227.21 crores, resulting in a deficit of Rs.190.14 crores. The leased aircraft are to be operated in the North Eastern Region on the basis of agreed budgetary grant of Rs.35 crores per annum i.e. Rs.175 crores during the five-year period from the Department of Development of North-Eastern Region. The deficit, if any, will be met by Alliance Air / Indian Airlines with increase in fares and other concessions expected from the Government like reduction of ATF prices, lowering of airport charges, including savings from landing and navigation charges etc. in the North East.

- The first aircraft arrived in India on 19th December, 2002 whereas the second aircraft on 23rd December, 2002. The remaining two aircraft arrived in February, 2003.
- The inaugural flight took off on 25th December, 2002 and operated on sector Kolkata-Guwahati-Dimapur-Agartala-Kolkata.
- The first commercial flight operated on 2nd January, 2003.
- Gradually the flight operations increased. The ATRs are operating to a total of nine stations i.e. Kolkata, Guwahati, Silchar, Dimapur, Agartala, Imphal, Aizwal, Lilabari and Shillong.

Airports Authority of India:- AAI has taken following developmental activities in the NE-Region:-

- There are 24 airports / airfields in the eight states of North East Region out of which Airports Authority of India

maintains and owns 20 airports. Presently, scheduled airlines are operating their services through 11 airports.

- Extension of runway from 6000 ft. to 7500 ft. completed at Agartala airport.
- Construction of boundary wall completed at Lilabari airport.
- Commissioning of air operations and construction of boundary wall done at Shillong airport.
- Ground lighting facilities are available for night operation at Agartala, Guwahati, Jorhat, Tezpur, Dibrugarh, North Lakhimpur, Imphal and Dimapur airports. DGCA has approved night operation through Agartala and Guwahati airports only. There is a proposal to install ground lighting facilities at Silchar also during the 10th Five Year Plan.
- Instrument Landing Systems (ILS) are available at Guwahati, Agartala, Imphal,



New Terminal Building, City Side, Lilabari

Dibrugarh and are planned at Dimapur, Lilabari and Silchar. The works for installation of ILS at Lilabari and Dimapur airports are likely to be completed during 2004-05 and at Silchar during 2005-06.

- All the airports owned by AAI have runway length of 7500 ft. and 9000 ft. where scheduled airlines are operating, except the airport at Shillong. The airports at Kamalpur and Tezu are suitable for operation by 50 seater type of aircraft.
- During the 9th Five Year Plan, new terminal buildings were constructed and commissioned at Guwahati, Dimapur, Imphal, Tejpur and during the 10th Five Year Plan new terminal buildings were constructed at Agartala and Lilabari.
- Extension of runway to 7500 ft. with ground lighting and associated facilities at Dibrugarh airport. Construction of new terminal building for 500 passengers was also done at Dibrugarh airport.
- Extension of runway to 7500 ft. with ground lighting and associated facilities at Silchar Airport.
- **Pawan Hans Helicopters Ltd.:-** Helicopter service in the North Eastern Region:-
- **Arunachal Pradesh:-** PHHL provided a Dauphin helicopter SA365N to Government of Arunachal Pradesh from December 1995 which is being utilised by the State Government for services connecting Itanagar with Guwahati, Mohanbari, Pasighat, Roing, Tezu, Ziro, Namsai, Along, Yingklong, Miao, Changlang, Daporijo etc. In addition, one MI-172 helicopter has been deployed from August 2002 for ferrying passengers and carrying cargo (air maintenance).
- **Meghalaya:-** PHHL provided one Dauphin helicopter on wet lease to the Government of Meghalaya w.e.f. 15th February 1999. The State Government has been operating daily passenger flights on the Guwahati-Shillong-Tura sector and other sectors within the state.
- **Sikkim :-** PHHL provided a 5-seater Bell helicopter on wet lease to the Government of Sikkim since 31st October 1998. The State Government has been operating daily passenger/tourist flights on Gangtok-Bagdogra-Gangtok sector (6 days in a week) and other flights (joy ride to Kanchanjunga) for carrying tourists.
- **Ministry of Home Affairs(MHA) :-** MHA has been utilising PHHL's Dauphin helicopter since 1996 every year. The helicopter is based at Guwahati and is utilised for transportation of ministers and senior officers of the Central Government to important centres in the North East.
- **Tripura:-** PHHL provided a Bell 407 helicopter on wet lease to the Government of Tripura w.e.f. 25th September 2002 for regular passenger services within the state.
- **NHPC:-** PHHL provided a 5 seater Bell helicopter to NHPC w.e.f. 27th October 2000. The helicopter is based at Itanagar, Arunachal Pradesh and is being

utilised by them to meet their own requirements.

- **Oil India Ltd.:-** PHL provided a 3 seater Robinson R-44 helicopter to Oil

India Ltd. w.e.f. 10th May 1994. The helicopter is based at Guwahati, Assam and is being utilised by them to meet their own requirements.

Ministry of Civil Aviation 2

2.1 INTRODUCTION

The Ministry of Civil Aviation is located in Rajiv Gandhi Bhawan at the Safdarjung Airport complex in New Delhi which is a spacious four floor modern building with lush green lawns and colourful seasonal flowers in its surroundings, creating an ambience of serenity and peace.

2.2 MAIN FUNCTIONS

The Ministry of Civil Aviation is responsible for the formulation of national policies and

programmes for the development and regulation of civil aviation and for devising and implementing schemes for orderly growth and expansion of civil air transport. Its functions also extend to overseeing the provision of airport facilities, air traffic services and carriage of passengers and goods by air. The Ministry is also administratively responsible for the Commission of Railway Safety, a statutory body set up under the Railway Act.

2.3 ORGANISATION

The Ministry of Civil Aviation has under its



Rajiv Gandhi Bhawan, S.J. Airport, New Delhi

administrative purview the following organisations: -

(i) **Attached/Subordinate Organisations.**

- Directorate General of Civil Aviation (DGCA)
- Bureau of Civil Aviation Security (BCAS)
- Commission of Railway Safety (CRS)

(ii) **Autonomous Body**

- Indira Gandhi Rashtriya Uran Akademi (IGRUA)

(iii) **Public Sector Undertakings**

- Air India Ltd. (AIL)
- Indian Airlines Ltd. (IAL)
- Airports Authority of India (AAI)
- Pawan Hans Helicopters Ltd. (PHHL)
- Alliance Air – A subsidiary of Indian Airlines Ltd.
- Hotel Corporation of India (HCIL)
– Subsidiary of Air India Ltd.
- Air India Charters Limited (AICL)
– Subsidiary of Air India Ltd.

The organisational set-up of the Ministry of Civil Aviation is at **Annexure I at the end of the chapter.**

The Secretary in the Ministry is assisted by one Additional Secretary & Financial Advisor, three Joint Secretaries, eight officers of the level of Director/Deputy Secretary/Financial Controller and ten officers of the level of Under Secretary/Assistant Financial Controller. Functions of the Ministry are distributed among sixteen sections, which form the primary work units.

In addition to framing policies, the Ministry provides guidance to these organisations in the implementation of policy guidelines; monitors and evaluates their interface with Parliament.

2.4. ORGANISATION AND METHODS

Instructions were issued from time to time stressing the need for observance of various provisions of the “Manual of Office Procedure”. Corrective measures are being taken to rectify the deficiencies noticed through annual inspections of sections of the Ministry. Adequate attention was paid to check delay in disposal of cases. Pendency position, especially VIP and PMO references, was closely monitored. In-service training needs of the officers/staff of the Ministry were given adequate attention and a number of officers / staff was sponsored for various computer-training courses through NIC, ISTM, etc. As in the past, under the scheme of grant of cash awards to the best three sections in the Ministry, cash awards for the year 2001-2002 were finalised. Grant of cash awards received appreciable coverage in January, 2004 issue of the monthly newsletter “Civil Services News” published by the Ministry of Personnel, Public Grievances and Pensions. During this year, the work relating to the writing of organisational history of various organisations under this Ministry, initiated in compliance of the provisions of the Public Records Act, 1993, has been completed with the submission of organisational history of PHHL to the National Archives of India for their records.

2.5 RECORDS MANAGEMENT

Due importance was given to records management in the Ministry. Various aspects of records management viz. recording, reviewing, weeding out of old records/files, were given adequate attention. Two special drives were launched during 2002-03. This year also, two special drives, apart from normal process of recording,

were launched. Besides, close liaison was maintained with the National Archives of India for transfer of records required for permanent retention, as also for microfilming of the records. The matter of setting up of “Centralised Departmental Records Room” and nomination of a Records Officer in various organisations under this ministry is being pursued vigorously.

2.6 MODERNISATION

With the active involvement of National Informatics Centre (NIC), this Ministry has a full-fledged computerised environment with E-mail and Internet facility. A comprehensive user-friendly menu driven package “Office Procedure Automation (OPA)” has been implemented in Client/Server version under Windows environment. The data from the earlier version of OPA, which was operational under Oracle RDBMS since Jan’1996, has been successfully ported into the new system and implemented in all sections. This enabled the Ministry to successfully switch over from non-Graphical User Interface (non-GUI) based OPA to GUI based Windows OPA. A “Composite Payroll System (CPS)” developed by NIC’s Accounting Informatics Divisions, with the involvement of Controller of General Accounts (CGA), Ministry of Finance, for all Central Government offices has been implemented and made operational. A web enabled Parliament Question Software (PQSoft) is already in place in the Ministry. All Parliament Questions and their replies are being transmitted electronically to Lok Sabha and Rajya Sabha after question hour. A web enabled Parliament Assurance module has been developed and will be implemented shortly. A web ended application PGRAMS has also been implemented and is operational. The Minis-

try’s website viz. <http://civilaviation.nic.in> has been hosted on NIC server and is being updated regularly.

A proposal for comprehensive integrated computerisation in the offices under Directorate General of Civil Aviation has been prepared. System study for some of the modules is underway. Flight Crew Licensing System including medical examination module as well as AME/Pilots Examinations system for the Central Examination Office under DGCA have been developed/converted to VB/SQL under Windows and implemented. The results of AME/ Pilots’ Examinations are published on the internet through the DGCA Website viz. <http://dgca.nic.in>. Photo Identity Card (PIC) issuance system for access into airports has been implemented for BCAS. Necessary training is being provided by NIC, as and when required, to the concerned officers and staff on the packages in use and other facilities.

2.7 PUBLIC GRIEVANCE REDRESSAL MACHINERY

Public Grievance Redress Machinery (PGRM) in the Ministry of Civil Aviation is headed by a Joint Secretary who has been designated as the “Public Grievance Officer”. All organisations under the Ministry too have full-fledged grievance redress machinery headed by a designated “Nodal Officer”, for dealing with the grievances received by them through various sources. Instructions issued by the Department of Administrative Reforms and Public Grievances with regard to the observance of every Wednesday as meeting-less day, display of name / details of the Public Grievance Officer, picking-up of grievances appearing in newspapers for necessary remedial action, fixation of time limits etc. are being implemented. Em-

employees with direct public interface are being identified and sent to training programmes by the respective organisations so as to sensitise them for careful handling of the assigned tasks. The position of public grievances is closely monitored in the Ministry with all the organisations under its control.

2.8 ADMINISTRATIVE & STAFF GRIEVANCE REDRESSAL MECHANISM

Staff Grievance Cells under designated Staff Grievance Officers are functioning in the Ministry and all its organisations for speedy disposal of complaints and representations of the serving employees. All cases regarding revision of pension/family pension in respect of old pensioners and their families consequent upon the implementation of the recommendations of the Fifth Pay Commission have been settled by the Staff Grievance Cell in the Ministry within the given time frame. Payment of pension and other retirement benefits were also promptly settled. To ensure punctuality and discipline, periodical and surprise checks were made. Harmonious relationship was maintained with the members of the staff.

2.9 WELFARE OF MINORITIES

Government's 15-point directive about the welfare of minorities, inter alia, envisages that when large-scale employment opportunities are provided by the Railways, Nationalised Banks and Public Sector Enterprises, it should be ensured that special consideration is given to recruitment from minority communities. All public enterprises under the administrative purview of this Ministry have been asked to comply with the directive of the Government and also to continuously monitor the progress of implementation of this programme.

Periodical returns from all the organisations under the Ministry are called for to watch the compliance/progress.

2.10 VIGILANCE MATTERS

The Vigilance Unit of the Ministry is headed by a Chief Vigilance Officer (CVO) of the rank of Joint Secretary appointed in consultation with the Central Vigilance Commission, who functions as the nodal point in the vigilance set up of the Ministry. The secretarial assistance to the CVO in the Ministry is given by the Director, Under Secretary and Vigilance Section of the Ministry. The Vigilance Unit in the Ministry, inter alia, monitors and coordinates vigilance activities of the offices and Public Sector Undertakings/Autonomous Body under its administrative control.

Preventive vigilance continues to receive priority attention with primary emphasis on identification of sensitive/prone areas for malpractice and temptation. The guidelines and instructions issued by the Department of Personnel & Training and Central Vigilance Commission from time to time in this regard are followed.

In pursuance of the Central Vigilance Commission's directions, 'Vigilance Awareness Week' was observed in the Ministry from 3.11.2003 to 8.11.2003. Secretary, Ministry of Civil Aviation administered the 'PLEDGE' to all the employees of Ministry on 3rd November, 2003.

In the main Ministry, during the year 2003-2004, there were ten (10) disciplinary/vigilance cases pending, of which one has been disposed off.

2.11 WELFARE OF SCs/STs/OBCs

A cell exists in the Ministry of Civil Aviation for liaison work relating to reservation for Scheduled Castes and Scheduled Tribes and Other Backward

Classes in posts and services in the Ministry and its various organisations. Similar cells also exist in various organisations under the control of this Ministry. The orders / instructions issued by the Government in regard to reservation are brought to the notice of all the organisations under the Ministry for implementation. All periodical returns on the subject are regularly furnished to the Department of Personnel & Training and Ministry of Social Justice & Empowerment. Representations/ complaints /grievance petitions received from Scheduled Castes / Scheduled Tribes employees / Associations are examined and remedial action taken wherever required.

In order to see the proper implementation of reservation orders/ instructions, a team from the SC/ST Cell, under the overall guidance of the Liaison Officer of the Ministry conducted annual inspection of the reservation rosters of the offices of Air India, Indian Airlines, Airports Authority of India & Directorate General of Civil Aviation located at Hyderabad and Chennai and submitted detailed reports. Follow -up action was taken on the reports.

As on 31.3.2004, the representation of Scheduled Castes and Scheduled Tribes employees in the Ministry and various Organisations under its control, is as under: -

Name of the Organisation	Total No. of Employees	Total No. of SC Employees	Percentage (%)	Total No. of ST Employees	Percentage (%)
(1)	(2)	(3)	(4)	(5)	(6)
Ministry(main)	216	46	21.29	10	4.62
DGCA	704	158	22.40	40	5.60
BCAS	209	22	10.52	5	2.39
CRS	133	21	15.79	08	6.10
IGRUA	221	43	19.45	01	0.45
AI	15189	3586	23.61	1037	6.83
IA	18779	3668	19.53	1159	6.17
AAI	21147	5413	25.60	1116	5.27
PHHL	613	91	14.84	39	6.36
HCI	1752	470	26.83	91	5.19

2.12 WELFARE OF SENIOR CITIZENS

In accordance with the guidelines issued by Ministry of Social Justice & Empowerment, as envisaged in the National Policy on Older Persons, instructions have been issued to all the concerned organisations under this Ministry to ensure prompt, fair and humane treatment for older persons. Instructions were issued to -

- Remove all physical barriers to facilitate easy entry, movement and exit at all airports and in airlines;
- Change the design of the frisking booths in the security hold area so that older persons are not required to climb steps and step down while undergoing security checks;

- Pay special attention for providing assistance to older persons particularly after alighting from the taxi at the airports till the person reaches the check-in counters;
- Pay special attention to older persons and those needing assistance at the booking offices of airlines;
- Give preference in reservation and earmarking of seats in the airlines;
- Give widows special consideration in settlement of benefits and compassionate appointment on the demise of the spouse;
- Fix responsibility for any delay caused in settlement of pension, provident fund, gratuity and other retirement benefits.

Currently Air India offers senior citizens discount of 55% on the basic domestic fares for male passengers of 65 years and above and for female passengers of 63 years and above. Air India also offers senior citizens discount of 25% on international travel westbound to USA/UK and Europe during the lean period. Air India takes utmost care of the senior citizens and provides special handling at the airports, wheel chairs on departures/ arrivals, choice of seat allocation on the flight and choice of any special meal requested at the time of making reservations.

Indian Airlines offers 50% concession to senior citizens.

2.13 PROTECTION OF ENVIRONMENT

Keeping in view the guidelines of the Ministry of Forests and Environment all the organisations under this Ministry were given instructions to make every effort to protect the environment.

2.14 OFFICIAL LANGUAGE

In this Ministry, Hindi Salahkar Samiti, has been reconstituted with a view to rendering proper advice on the implementation of the provisions of the Official Languages Act, 1963 and the Official Languages Rules, 1976. The Hon'ble Minister is the Chairman of this Samiti.

The officers of the Ministry were encouraged to use Hindi under different incentive schemes conducted by the Department of Official Language as well as quarterly special incentive scheme (progressive use of Hindi) conducted by Ministry of Civil Aviation.

The Ministry and its organisations carried out inspections to ensure implementation of Official Language Policy and suggested various necessary measures.

2.15 ACCOUNTING ORGANISATION

Secretary (Civil Aviation) is the Chief Accounting Authority of the Ministry of Civil Aviation. The Additional Secretary & Financial Advisor and the Financial Controller assist the Chief Accounting Authority. The Financial Controller is assisted by an Assistant Financial Controller, 5 Pay & Accounts Officers (PAOs) and 2 Principal Accounts Officers. Out of 5 PAOs, PAO (DGCA) and PAO (Secretariat) are located in Delhi and the other PAOs are located at Mumbai, Kolkata and Chennai. The Principal Accounts Office consolidates the accounts of the entire Ministry and other related matters, apart from co-ordinating the administrative functions of all the PAOs. Monthly accounts are compiled by PAOs on computer with the help of a package called 'IMPROVE'. A new package for computerisation of accounts of PAO called 'COMPACT' is also now under implement-

tation. At the close of each financial year, the Principal Accounts Office compiles Appropriation Accounts, Finance Accounts and Statement of Central Transactions, pertaining to the Ministry.

Internal audit - There is an “Internal Audit Wing” in the accounting organisation led by an Accounts Officer and supervised by the Assistant Financial Controller under the overall charge of Financial Controller. This wing is responsible for internal inspection of accounts maintained by the Ministry and its subordinate and attached offices located across the country. The work of audit is carried out in accordance with the instructions and procedures laid down in the Internal Audit Manual. Internal Audit Wing ensures that rules, regulations relating to accounting and financial system are properly followed, and serious irregularities /omissions etc. seen during internal audit are brought to the notice of the Heads of Departments for remedial action.

2.16 AUDIT PARAS

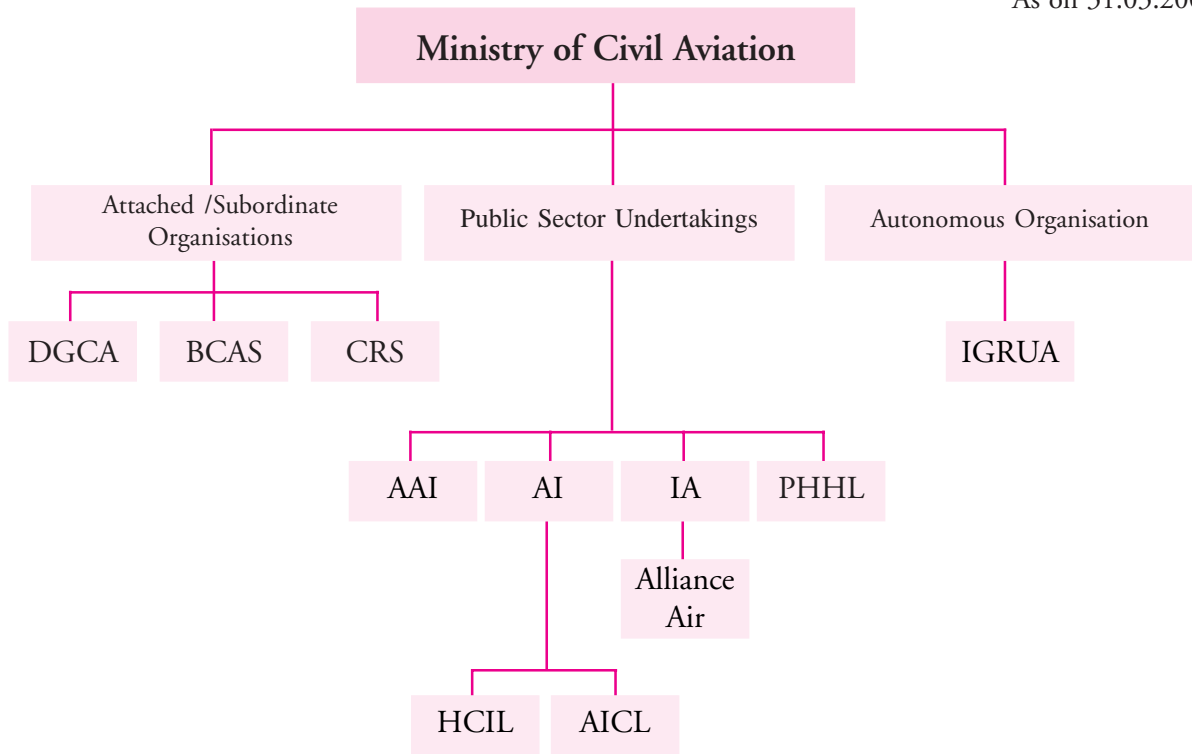
A total of 51 audit paras are outstanding as on 31.3.04. Action Taken Notes (ATNs) have been sent to audit in respect of 19 paras. Of these 19 paras, remarks of audit have been received in respect of 12 paras and replies of audit in respect of remaining 7 paras are awaited. Further action in respect of these paras where remarks of audit have been received, is being taken. Organisation-wise break-up of pending audit paras is as under:-

Name of the organisation	Pending Paras
1. Ministry of Civil Aviation (main)	4
2. Airports Authority of India	19
3. Air India Limited	10
4. Indian Airlines Limited	14
5. Pawan Hans Helicopters Limited	4
Total	51

Annexure -1

ORGANISATIONAL SET-UP OF THE MINISTRY OF CIVIL AVIATION

As on 31.03.2004



Directorate General of Civil Aviation **3**

3.1 INTRODUCTION

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

3.2 ORGANISATION

The Directorate General of Civil Aviation is headed by the Director General of Civil Aviation with headquarters in New Delhi. The Director General has the following Directorates under him:-

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

3.3 FUNCTIONS

The Directorate General of Civil Aviation is responsible for the following functions:-

- Regulation of air transport services to/from/ within India in accordance with the provisions of the Aircraft Rules, 1937.
- Licensing of pilots, aircraft maintenance engineers and monitoring of flight crew standards;
- Registration of civil aircraft;
- Co-ordination of the work relating to International Civil Aviation Organisation;
- Investigation of minor air accidents and incidents and rendering technical assistance to the Courts/ Committees of Inquiry appointed by the Government;
- Supervision of training activities of Flying/ Gliding Clubs;
- Licensing of aerodromes and air carriers;
- Rendering advice to the Government on matters pertaining to air transport including bilateral air services agreements with foreign countries;
- Development of light aircraft, gliders and winches;

- Laying down airworthiness requirements for civil aircraft registered in India and grant of Certificate of Airworthiness to such aircraft;
- Processing amendments to the Aircraft Act, 1934 and the Aircraft Rules 1937, and other Acts relating to aviation, with a view to implementing in India the provisions of the Chicago Convention and Annexes thereto and other international conventions relating to aviation;
- Type certification of aircraft.

3.4 AIR SERVICES AGREEMENTS

During 2003-2004, bilateral talks were held with Gulf countries, Thailand, Slovak Republic, Djibouti, Pakistan, Poland, Nigeria, UK, Ethiopia, UAE and Tunisia to review the existing bilateral arrangements. As a result of this, additional capacity of 9392 seats per week was granted to the designated airlines of India and the respective foreign countries.

The bilateral talks with Pakistan on the 01st December 2003, resulted into restoration of status-quo-ante obtaining prior to January 2002. For this purpose, both countries agreed to open their respective air spaces for over flights for the airlines of both countries.

3.5 AIR TRANSPORT

• Tourist Charters

The Tourist Charters Guidelines have been further liberalised vide Aeronautical Information Circular No. 2/2004. Now Indian passport holders are permitted by tourist charter flights under tourist package. The provision of minimum amount to be spent by the foreign tourists has been abolished. A

total of 536 tourist charter flights were operated to India during April 2003 to March 2004, bringing a total of 1,23,134 tourists in India by charter.

• Non-Scheduled Operator's Permit

As on 31st March, 2004, 42 companies have Non-Scheduled Operator's Permit.

• Domestic Scheduled Operators

Apart from Air India, Indian Airlines and Alliance Air, Jet Airways and Sahara India Airlines have the permission to operate scheduled air transport services to Colombo, Dhaka and Kathmandu in addition to the domestic sector. Further, during the year, Deccan Aviation Pvt. Ltd. and M/s. Blue Dart have been approved for scheduled domestic operations.

During April to December 2003, a total of 1,64,673 flights were operated by the domestic scheduled operators carrying a total of 1,07,02,837 passengers. During the same period, M/s Blue Dart carried a total cargo of 21,654 metric tones.

3.6 INTERNATIONAL CO-OPERATION

The following activities were undertaken for international co-operation :-

- The Aviation Security (Operations) Course and Structural Inspection on Ageing Aircraft programmes were held under Co-operative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP) during the year.
- Under European Union Civil Aviation Project, about 20 courses were conducted on airworthiness related subjects. During the year, 12 courses concerning

Research & Development, were also conducted which were attended by 18 officers of Research & Development Directorate. The training has till date benefited 569 DGCA officials and 438 personnel from the aviation industry.

3.7 AIRWORTHINESS

- **Registration of aircraft:-** As on 31st March, 2004, there were 1130 aircraft (including micro light, gliders and balloons) on the Indian civil register. Of these, 83 aircraft were registered during the period 1st April, 2003 to 31st March, 2004. A total of 411 aircraft have current certificate of airworthiness as on 31st December 2003.
- **Licensing of Aircraft Maintenance Engineers:-** A total of 5749 Aircraft Maintenance Engineers (AME) Licenses including Basic Licenses and 282 Flight Engineers (FE) Licenses have been issued so far, of which 190 AME licenses have been issued during the period 1st April to 31st March, 2004.
- **Approval of firms:-** So far, a total of 581 firms have been approved for manufacture, maintenance, testing, storage etc. of aircraft, aircraft components/equipment. Out of these 72 are foreign firms.
- **Cockpit Entry Doors Modification:-** After the 11th September 2001 incidents in USA, the Federal Aviation Administration revised the requirements of locking of cockpit doors during the flight. This has also been mandated by DGCA and is made applicable to aircraft having a door between the passenger and

pilot compartment and engaged in scheduled air transport services (passenger) or all cargo operations where provision is also available to carry passengers. The modification has been accomplished on the entire fleet of affected aircraft registered in India.

- **RVSM in the Indian and surrounding airspace:-** Reduced Vertical Separation Minima (RVSM) has been introduced in the Indian and surrounding airspace on 27th November, 2003 between flight level 290 and 460. This would result in fuel efficiency, reduced congestion and enhanced air capacity.
- **Helicopter Cell:-** In view of the increased helicopter activities in tourism and adventure sports as also certain accident/ incidents involving them, a helicopter cell has been specially constituted in DGCA. This has to look into all aspects of helicopter operations and maintenance, including evolving guidelines in respect of take-off and landing procedures, special designated areas at airports, security procedures etc.

3.8 EXAMINATION

The Central Examination Organisation has been conducting examinations throughout the year for the issue and/ or extension of flight crew and aircraft maintenance engineer's license at various examination centres. The schedule of examinations for the entire year is placed well in time on DGCA web site <http://dgca.nic.in>. The detailed data of the examinations conducted during the period from 1st April 2003 to 31st March, 2004 are as follows: -

	AME	PILOT		TOTAL
		Technical	General	
No. of applicants	16,111	3,917	4,745	24,773
No. of papers	29,521	6,206	10,104	45,831
No. of candidates admitted in special examinations	05	44	27	76

The results of successful candidates are also displayed on the DGCA website besides being made available on E-mail to all Regional/ Sub-Regional offices of the DGCA.

A grievance cum inquiry cell has been established for the candidates to expedite their queries and redress of their grievances.

3.9 TRAINING AND LICENSING OF AIRCREW

● Basic Flying Training

Flying /gliding training is provided by various flying/ gliding clubs and institutes spread all over the country. Presently there are 39 flying clubs/ institutes of which 11 are privately owned. IGRUA is also imparting flying training to student pilots in India.

A government gliding centre at Pune run by the DGCA provides gliding training. Besides this, there are 5 gliding clubs and 5 gliding wings of the flying clubs.

A total of 15246:45 instructional hours were performed by the flying clubs during April 2003 to March 2004. A total of 7273 launches were performed by the gliding clubs during this period. DGCA released an amount of Rs. 19,25,380/-to the flying clubs under the flying subvention scheme. DGCA also conducted exam to select 40 SC/ST candidates for award of free flying up to PPL. Twelve oral exams for FIR(A)/AFIR(A) and

27 inspections of flying clubs have been carried out. Ten approvals have been granted to CFI/CFII in various flying clubs.

● Licensing of air crew

During the year 2003-04, a total of 513 pilots' licences/ ratings were issued by the DGCA. The total number of aircrew licences till 31st March, 2004 has gone up to 31,919. In addition, 68 foreign pilots licenses were validated during 2003 under rule 45 of the Aircraft Rules, 1937.

3.10 FLIGHT INSPECTION

During the year 2003, Flight Inspection Directorate carried out the following major activities: -

- 123 Cockpit En-route, 47 Cabin, 33 Station Facility and 21 Ramp Inspections were carried out in respect of scheduled airlines.
- Simulators of Air India and Jet Airways at Mumbai, of Indian Airlines at Hyderabad and of Indira Gandhi Rashtriya Uran Akademi (IGRUA) at Rae Bareilly, were evaluated/approved.
- Approval of IGRUA as flight training institute was revalidated.
- Three training institutes of the Ministry of Defence were revalidated. Flight Training Device (B.737-300) of M/s Jet Airways was evaluated and approved.
- Main base inspections of Alliance Air (Delhi base), Pawan Hans Helicopters

Limited (Mumbai base) and Sahara Airlines (Delhi base) were conducted.

- 60 training captains of various scheduled airlines were granted approval to function as check pilot/instructors and examiners.
- Under EU-India Civil Aviation Project 7 training courses and 3 training courses under COSCAP-SA were conducted.
- Training approvals were granted to 80 individual pilots for multi-engine endorsement and 125 approvals for various general aviation operators for endorsement on various types of aeroplanes and helicopters. In order to enhance safety of aircraft operations of scheduled/ non-scheduled and general aviation operators, two Civil Aviation Requirements (CARs) were issued.
- Standard operating procedure for operation to 8 new stations and critical airfields were examined and approved.
- Air India and Indian Airlines have been granted standard authorisation for conduct of ILS CAT III-A operations.
- 89 Flight Dispatchers of scheduled airlines were approved/ revalidated under the provisions of the CAR on the subject.

3.11 AERODROME STANDARDS

DGCA under ICAO- COSCAP conducted workshops and on the job training for the officers of various airport owners/ operators along with DGCA officers. The details for preparation of 'Aerodrome Manual' were discussed and template manuals were prepared. DGCA is also getting advanced workshops conducted under EU-India civil aviation project for establishment of safety

systems at aerodrome, which will be mandated by year 2005.

During the year 2003-04, the following important activities were undertaken:

- Integrated airspace management of the newly proposed Bangalore International airport at Devanhalli was discussed with the representatives from AAI, HAL-Bangalore, IAF-Yelahanka, DRDO and MoD. The various aspects of airspace allocation were discussed and the airspace structure was finalised.
- Reduced Vertical Separation Minima (RVSM) was implemented in the Indian FIRs w.e.f. 27.11.2003 along with the neighboring countries in South Asia, Nepal and Pakistan etc.
- Helicopter services to Kedarnath by PHHL was approved.
- Fog guidelines were issued for the aircraft operations at IGI airport during fog. The necessary instructions were issued to the pilots, air traffic controllers, apron control, meteorological office, etc. to follow the procedures during fog alongwith the LVP for the smooth and efficient flow of air traffic at IGI airport during fog.
- Inspection of Cochin International Airport (CIAL) was carried out for renewal of the authorisation for scheduled airline operations both domestic and international.
- License renewal in private category for twenty-eight airfields after inspection.
- Inspection was carried out for Port Blair runway for operationalisation and installation of ILS.
- Port Blair airport was cleared for scheduled operations of Airbus 320.

3.12 AIR SAFETY

● General

The Air Safety Directorate carried out its duties and responsibilities relating to investigation of notifiable accidents/incidents, prevention of accidents/incidents and birds strike prevention programme. Under the accident prevention programme, in-flight inspections of airlines, safety audits of airline operators and various aerodromes along with the facilities therein were carried out. Follow-up action was also taken on the recommendations emanating from the inquiry reports of aircraft accidents/incidents.

● Aircraft Accidents

During the period 1st April 2003 to 31st March 2004, there have been 10 notifiable accidents to Indian civil registered aircraft. All the accidents have been investigated / are being investigated to find out circumstances leading to the accidents. Action is taken on the recommendations made in the investigation reports to prevent recurrence.

● Prevention Work

DGCA has made CAR making it mandatory for all scheduled air transport operators and major non-scheduled operators having aircraft equipped with DFDR to monitor flight data of all the flights so as to determine the exceedances from stipulated limits in flight parameters on operations and engineering aspects. All scheduled airlines like Air India, Indian Airlines, Jet Airways, Sahara India Airlines and Alliance Air have commissioned the above programme in their respective organisations.

The safety recommendations emanating from various courts/ committees of inquiries into aircraft accidents are followed up with the concerned aviation agencies for their early implementation. These recommendations were re-

viewed in the 28th meeting of the standing committee held on 26th December 2003 under the chairmanship of Director General (Civil Aviation) wherein representatives of Airlines, Airports Authorities of India, Meteorological Department, Ministry of Defence and Pawan Hans Helicopters Limited participated.

Computerisation of the records relating to flight crew duty time limitations, crew training, qualification, medical and licence validity has been made mandatory for all airlines. This has enabled instantaneous monitoring of crew records for their validity prior to operating flights. All scheduled airlines have confirmed the introduction of this system.

Dedicated safety audit teams of DGCA carried out periodical safety audit of operational, engineering and other aviation-oriented management activities of the airlines. During the period April, 2003 to 31 March 2004, seven such safety audits of airlines, flying academies and institutes have been carried out.

DGCA officers and airline operators had carried out in-flight cockpit inspection and in-flight cabin inspection including inspection of cabin crew records of the scheduled airlines. During April, 2003 to 31 March 2004, 59 in-flight cabin inspections were carried out. The deficiencies observed were followed up with the respective airlines for removal/ corrective action.

Flight operations inspections including inspections of the establishments and base stations were carried out by DGCA officers by checking the adequacy of records maintained and efficacy of monitoring system.

During the period April, 2003 to 31 March 2004, 29 aerodrome inspections were carried out in different regions.

3.13 RESEARCH & DEVELOPMENT

- **Type Certification**

R&D Directorate is very actively involved with the type certification of 12-seater civil version of the Advance Light Helicopter (ALH), Dhruv, which is being designed and developed by HAL, Bangalore. The type and technical certificates have been issued to HAL.

R&D Directorate is extensively involved in work relating to the type certification of 'SARAS' aircraft being designed and developed by M/s. National Aerospace Laboratories, Bangalore. The structural assembly of SARAS has been completed and the assembling of various systems is under progress. The aircraft will soon be ready for first flight.

- **Type Approval**

R&D Directorate has been very actively involved in coordinating the design, development and type testing of a large number of airborne equipment undertaken by HAL, Lucknow.

- **Training of Officers**

An expert from Joint Aviation Authority of European Union is positioned at DGCA Hqrs. The officers of R&D Directorate have a close interaction with him on various matters relating to the certification aspects of the aircraft.

- **Laboratory Activities**

More than 178 samples of aviation fuel and lubricants were tested for the purpose of monitoring quality control.

About 1570 CVR cassettes and 467 FDR read-outs drawn from various aircraft for monitoring crew performance and recording integrity of recorders were analysed and corrective action recommended.

Assistance was provided by the R&D Directorate in the laboratory investigations of failed components of aircraft involved in accidents/incidents. Investigation of 14 such cases were carried out. About 150 welded specimens were tested for issuance of welder competency certificate and 42 new indigenously developed specimens were approved.

Design organisation approval has been granted to Transport Aircraft Research & Development Centre, HAL, Kanpur to carry out modifications on civil aircraft.

Two sessions of Indo-Russia working group on civil aviation were held for Implementation Procedures of Airworthiness (IPA) for mutual acceptance of civil aeronautical products.

3.14 ADMINISTRATION

- **Implementation of official language policy**

All the general orders, establishment orders and notifications were issued bilingually in the office of the Director General of Civil Aviation. Air Accident Report, Statistical Report and Annual Report were brought out in bilingual form. During the year, 20 employees were imparted training in Hindi workshop. Various experts from other offices were invited to deliver lectures in this workshop. According to the instructions of official language department, some cassettes and documentary films regarding progressive use of official language were screened in this workshop. Two employees each were trained on Hindi typing and stenography under the Hindi Teaching Scheme. In order to promote Hindi work on computers 'Leap Office' Hindi software was made available to all the sub-ordinate offices.

Various Hindi competitions were also conducted

and Hindi Day was celebrated enthusiastically. The Director General gave commendation certificates and cash awards to the winners. Eight officials were given cash awards for doing their maximum work in Hindi under the incentive scheme of official language department for doing original noting/drafting in Hindi. One officer was given cash award for giving maximum dictation in Hindi. Four typists got incentive allowance for doing Hindi typing along with English.

Hindi magazines were purchased from library fund to ensure implementation of Official Language Policy.

Meetings of official language implementation committee were conducted regularly in every quarter. Subordinate offices were also inspected.

- **Vigilance Matters**

Shri P.K. Chattopadhyay, the Deputy Director General is functioning as Vigilance Officer for

DGCA office. A committee headed by the Joint Director General has also been constituted which meets on every second Wednesday of the month for looking into public grievances. Large-size painted boards have been displayed at all prominent places showing the name, official and residential address and phone number of the Chief Vigilance Officer and Vigilance Officer. Other instructions on vigilance matters, as and when received from the Ministries/Central Vigilance Commission are scrupulously followed and circulated.

Out of the 12 disciplinary cases pending at the beginning of the year, 4 cases have been disposed off. No new case has been initiated during the year.

- **Audit Paras**

During the year 2003-04, 43 audit paras were received, of which 14 have been settled. Out of 73 outstanding paras of the previous years, 20 paras have been settled. Efforts are on to settle the remaining paras.

Bureau of Civil Aviation Security **4**

4.1 The Bureau of Civil Aviation Security (BCAS) is an attached office of the Ministry of Civil Aviation. The Bureau is responsible for laying down the standards of pre-embarkation security and anti-sabotage measures in respect of civil flights and ensuring their compliance through regular inspections and security audits.

4.2 BCAS has its headquarters in New Delhi. It is headed by an IPS officer of the rank of Director General of Police, designated as Commissioner of Security Civil Aviation (COSCA), who is also the designated "Appropriate National Authority" to ensure formulation, updation and implementation of National Aviation Security Programme for the country and fulfill all international obligations in this context.

4.3 The Bureau is the singular regulatory authority for discharging all relevant national and international obligations in respect of training the personnel in aviation security responsibilities, testing and certification of X-ray screeners etc. The core responsibilities of the Bureau include, *inter alia*, planning and coordination of all aviation security related activities, operational emergencies and crisis management. It has four regional offices at Delhi, Kolkata, Mumbai and Chennai, each under a Deputy Commissioner of Security (Civil

Aviation) for regulating, monitoring and conducting regular security inspections and audits of the airports in the Northern, Eastern, Western and Southern region, respectively.

4.4 The Bureau has four Bomb Detection and Disposal Squads (BDDS) positioned at international airports of Delhi, Mumbai, Kolkata and Chennai with latest sophisticated equipments like robot, Real Time Viewing System (RTVS), electronic stethoscope, explosive detector etc. These squads have rendered safe some of the sophisticated Improvised Explosive Devices (IEDs) and assisted local police in explosive investigations.

4.5 BROAD TARGETS SET BY BUREAU

- **Modernisation:** - (i) Adopting IT and electronics equipment & systems and (ii) redesigning and updation of BCAS website.
- **Training:** To ensure well trained and motivated security personnel and other employees of the airlines, cargo and airport operators and peripheral service providers and also to upgrade the skills of the BCAS trainers and officers.
- **R&D Database development:** Develop-

ment of a reliable database for data mining Electronic Data Processing (EDP) and R&D purposes.

- **Initiatives to improve airport security:** Recommending various security procedures, technology upgradation and modernisation of security related equipments and schemes.
- **Maintenance and Operation of Bomb Detection & Disposal and Dog Squads:** Tackling bomb threats and anti-sabotage requirements at the four metro international airports and potentially sensitive airports.
- Bureau also has mandatory targets for progressive use of official language, dealing with staff grievances, pollution control, women's welfare activities, ensuring prescribed quota representation of SC/STs & OBCs etc.

4.6 ACHIEVEMENTS AGAINST TARGETS

A. Modernisation

BCAS has formulated an IT Plan for modernisation and automation of office procedures. Computerisation work is in progress in the BCAS. All the staff members have been trained for basic operation. All documentation both in Hindi and English is being done on computer, leading to the development and administration of databases and electronic data processing. All computers are internally networked in local area network. Financial software package has been obtained from the NIC and official human resource management software package is also being installed.

B. Training

- The Bureau has developed and implemented a National Training Programme through establishment of an Aviation Security Training Centre located at New Delhi, which is utilised for the training of aviation security staff and other employees of airlines and air operators/executives staff of Airports Authority of India. The training centre has upgraded the training aids with addition of X-ray Bureau of Indian Standards (BIS) for testing of screeners and other audio-visual aids such as multimedia projector, visualiser, laptop computer etc.
- During the year 2003, 49 training courses have been conducted and 2139 security personnel have been trained in aviation security. In addition to the above, AVSEC awareness trainings were conducted at different airports in the country. In all, 45 such programmes were attended by 1715 employees working at airports.
- The officers of the BDDS have also trained 2812 staff of the airport in recognition of IEDs and bomb threat procedures.
- BCAS has introduced testing and certification of screeners working at airports and large number of screeners have been tested and certified for screening.
- Two Deputy Commissioners of Security (CA) attended the "Aviation Security Instructors Course" and two Assistant Commissioners of Security (CA) attended Course on 'Crisis Management' in December 2003, organised by ICAO at Regional Training Center, Penang, Malaysia.

C. R &D Database For AVSEC

All officers of BCAS are feeding details of inspection reports, follow-up action, feedback reports, security audit reports, detailed documentation of incident investigations etc. on the server through networked desk station.

D. Initiatives Taken to Improve Security at Airports

- **Passenger Touch Free Pre-Embarkation Security Checks:**

To make the pre-embarkation checks more passenger friendly and to provide hassle free security checks to the passenger, the Door Framed Metal Detectors (DFMDs) have been realigned. More emphasis is now being laid on use of Hand Held Metal Detector (HHMD) and DFMD.

- **Security Programme Of Scheduled/Non Scheduled Air Carriers**

To ensure the prescribed security standards, the security programmes of the airlines (both scheduled and non-scheduled carriers) are scrutinised and vetted by the Bureau. So far, security programmes of 50 foreign airlines and 104 domestic operations of scheduled and non-scheduled airlines were approved for operations.

- **Biometrics Based Smart Card System for Airport Access Control**

BCAS has prepared a detailed study report and proposal for introduction of smart card and biometrics based access control and database management system at IGI airport.

- **Contingency Plan**

The Bureau has a contingency plan to deal with emergencies arising out of hijacking and other threats to civil aviation. Keeping in view the changing AVSEC scenario, the contingency plan is being suitably amended.

E. Achievements of BDDS

- There has been no cancellation of flight due to bomb threat calls for the past four years (i.e. since the year 1999) and delay in clearance of flight too has been reduced to about 2 hours compared to 6 hours in the past in case of specific bomb threat calls.
- As a part of technology up-gradation, BCAS has procured real time X-ray system, electronic stethoscope and hook & line sets. 5 bomb suits have been procured. These will be used at all the four international airports.

4.7 IMPLEMENTATION OF OFFICIAL LANGUAGE

During the year, "Hindi Week" was celebrated from 15th Sept. to 19th Sept. 2003, during which extempore speech competition, typing, dictation, essay, noting & drafting and quiz competitions were organised and winners given cash prizes. A Hindi workshop for the officers and staff was also organised. Inspections were carried out in all the four regional offices, to ensure the progressive use of Hindi in the regional offices of the Bureau. In January, 2003, the Committee of Parliament on Official Language also inspected the regional office, Kolkata and the assurances given to the Committee have been fulfilled within the stipulated time.

4.8 STAFF GRIEVANCES CELL

In pursuance of Government instructions, a staff grievances cell operates in the Bureau with the Additional Commissioner of Security (Civil Aviation) as Staff Grievances Officer, to promptly

deal with the grievances of officers/staff working in the Bureau and its four regional offices.

4.9 POLLUTION CONTROL FOR HEALTHY ENVIRONMENT

Pollution test for all vehicles is ensured and the pollution check certificate to this effect is pasted visibly on the wind screens of all BCAS vehicles. It is ensured that all new vehicles are “Bharat-II” certified. All newly constructed office buildings of the Regional Offices at Delhi, Chennai and

Kolkata ensure clean and green working environment through employees’ own initiatives and contribution to the efforts towards a pollution free atmosphere.

4.10 WELFARE ACTIVITIES

A small library facility and reading room has been made available to the employees to keep abreast of the current affairs. From time-to-time informal gatherings are arranged so that the work relationships remain amicable.

Commission of Railway Safety 5

5.1 INTRODUCTION

The Commission of Railway Safety deals with matters pertaining to safety in rail travel and operation. For this purpose, the Commission performs certain statutory functions laid down in the Railway Act and the rules framed thereunder. Formerly called the Railway Inspectorate, it functioned under the control of the Railway Board till May, 1941 when it was separated from its control to secure its independence from the authority administering the Railways, pursuant to the recommendations of a Committee called the 'Pacific Locomotive Committee' which was endorsed by the Central Legislature. After its separation, it was attached to the air wing and placed under Department of Communications. It came under the administrative control of the Ministry of Tourism & Civil Aviation in May, 1967, and subsequently when that Ministry was bifurcated, under the Ministry of Civil Aviation.

While, the Railway Board in the Ministry of Railways, are the safety controlling authority and are responsible for laying down and enforcing safety standards for the Indian Railways, the main task of the Commission is to direct, advise and caution the railway executives through its

regulation, inspection, audit, investigatory and advisory functions and thereby assist them in ensuring that all stipulated measures are taken in regard to the soundness of rail construction and safety in train operation.

5.2 ORGANISATION

The Commission is headed by the Chief Commissioner of Railway Safety, who is also the principal technical adviser to the Government of India in all matters concerning the Commission. The headquarters of the commission is located at Lucknow. The Chief Commissioner directs the technical activities of the Commission and issues instructions for the guidance of Commissioners of Railway Safety in respect of holding statutory inquiries into serious railway accidents, inspection of new lines including electrification of existing lines prior to their opening for public carriage of passengers and sanction for running of new locomotives/rolling stock. He also coordinates the work of the commissioners in their dealings with the Railway Board and the railway administration. He communicates his views whenever necessary to the Ministry of Railways (Railway Board) on design, standards, specifications and procedures for construction,

working and maintenance of assets in all branches of railway engineering and operation including civil, mechanical electrical and signal engineering, etc. The Chief Commissioner is assisted by a Deputy Commissioner of Railway Safety (general). There is a technical wing attached to the Chief Commissioner at his headquarters which has four Deputy commissioners of Railway Safety drawn from the mechanical, electrical, signalling, telecommunication and operating disciplines of Indian Railways.

The Commission has 9 circle offices – two with headquarters at Mumbai, three with headquarters at Kolkata, and one each with headquarters at Bangalore, New Delhi, Lucknow and Secunderabad. Each circle office is under the charge of a Commissioner. There are two Deputy Commissioners of Railway Safety (Signalling and Telecommunication) headquartered at Mumbai and Kolkata. Each Commissioner is an independent statutory authority under the Railway Act, 1989.

5.3 MAIN FUNCTIONS

The duties and functions of the Commissioners are laid down in the Railways Act, 1989 and rules framed thereunder, and executive instructions issued from time to time. These are briefly :

- to conduct statutory inquiries into serious railway accidents and suggest safeguards.
- to inspect new railway lines with a view to determining whether they are fit to be opened for the public carriage of passenger, and to sanction their opening after inspection on behalf of the Central Government.
- to sanction the execution of all new

works and installations on the running track affecting the safety of the travelling public such as rebuilding of bridges, remodeling of station yards, line capacity works, resignalling works, etc.

- to make periodical inspections of railways and report to the Central Government on any condition which may endanger the safety of the travelling public and make recommendations.
- to examine the technical aspects of new rolling stock and advise on their introductions on open lines and to sanction their running on other sections and increase in speeds.
- to authorise the carriage of oversized consignments stipulating the conditions for their movements.
- to recommend and sanction infringements to the schedule of dimensions prescribed by the Government of India.
- to grant dispensation from general rules under approved special instructions subject to stipulated safeguards.
- to oversee the accident prevention efficacy of the zonal railway administrations by reviewing the reports of departmental enquiries into less serious accidents.

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

5.4 MAIN ACTIVITIES

The main activities of the Commission of Railway Safety during the years 2002-03 and 2003-04 are as under:-

S.No.	MAIN ACTIVITIES	2002-03	2003-04
1.	Statutory inquiries held into serious railway accidents.	35	34
2.	Lines inspected and authorised (in kms.)		
	(i) New lines	186.421	130.228
	(ii) Double lines	99.261	186.163
	(iii) Section electrified	482.230	1168.900
	(iv) Conversion of guage	190.550	1097.915
3.	No. of applications for new major works sanctioned	3292	3107
4.	Periodic inspection conducted (in kms)	18059.601	20073.628
5.	New types of locomotives/ rolling stock recommended for placement and sanctioned for extended runs.	114	98
6.	Application for condonation of infringements dealt with	19	28
7.	No. of over dimensioned consignments authorised for movement	40	15

5.5 PROGRESS IN USE OF HINDI

All the circle offices of the Commission observed the 15th September, 2003 as Hindi Day and Rajbhasha Medals, Suruchi Medals and cash awards for various Hindi competitions viz. essay, typing debate etc., were distributed in the function. The officers of technical wing were presented with the cash award of Rs.1000/- each for producing technical circulars in Hindi. The Commission also publishes a quarterly newsletter. Its editorial team also received the letter of praise for its complete Hindi version.

5.6 POLLUTION CONTROL

All possible steps are being taken to control pollution in the offices of Commission of Railway Safety. The office premises are kept always neat and tidy. Smoking is strictly prohibited in the office premises. The vehicles used by the officers and staff are free from pollution.

5.7 HALF YEARLY JOURNAL

The Commission has started publishing half yearly journals of accidents inquiry reports after receiving the comments of Railway Ministry in abstract form as proposed by CCRS.

Indira Gandhi Rashtriya Uran Akademi

6

6.1 INTRODUCTION

Indira Gandhi Rashtriya Uran Akademi was set up to bring about a quantum improvement in the standards of flying and ground training of commercial pilots in the country. The Akademi is equipped with the most modern and sophisticated trainer aircraft, up-to-date audiovisual training aids and other facilities for effective ground training. It also has highly qualified flying and ground instructors, with long experience in the field of aviation and flying training. The aim is to reduce the workload of pilot to make him an effective systems manager. The graduate of the Akademi reach the standards required to transit with ease on the cockpits of the airlines.

The Akademi has excellent infrastructure with a fully furnished hostel (72 rooms) for the pilot trainees and staff quarters (88 Qrts.) inside the institutional area. In the operational area it has its own runway, ATC and two hangars and compliment of operational & maintenance staff. It is a premier institution of the country in the field of flying training.

6.2 OBJECTIVES

The objective of the Akademi is to conduct airline oriented flying training courses to the level of

contemporary international standards. The courses offered are:

- CPL training course fixed wing aircraft, i.e. TB-20 and King Air C90-A alongwith B.Sc. (Aviation) degree course.
- Ab-Initio to CPL Course alongwith B Sc.(Aviation) degree course.
- Multi Engine Endorsement Course
- Instrument Rating Course
- Simulator Training Course
- Standardisation Course for Chief Flying Instructor and Pilot Instructor In charge of Flying Clubs.
- Ground Training Course for Assistant Pilot Instructor (A) of Flight Instructor Rating (A)
- Skill Tests for renewal of Licence for Ex-students of IGRUA on requirement basis.
- To provide simulator and other facilities to outside aviation agencies for Pilots selection and interview.
- Practical Training to Diploma Holders in Aeronautical Engineering.

Of the above, first two courses are conducted on regular basis and the others on request.

6.3 ORGANISATION

The Akademi is an autonomous body under the control of the Ministry of Civil Aviation. The Governing Council is the supreme body of the organisation and the Secretary, Ministry of Civil Aviation is its Chairman.

The Akademi is headed by a Director who is assisted by Departmental Heads, such as, Chief Flying Instructor, Chief Ground Instructor, Chief Engineer and Chief Administrative Officer.

6.4 TRAINING

- **Commercial Pilot's Licence (CPL)**
Course: This is the main activity of the Akademi. This course is offered to pilots holding Private Pilot's Licence. Training for Commercial Pilots Licence with multiengine endorsement and instrument rating is imparted to the trainees along with training on Simulator.
- From October 2003, the Akademi has also started ab-initio to CPL Course.

6.5 GROUND TRAINING

The details of the Ground Training are as follows:

- **Basic Training**

On arrival at the Akademi, the students undergo ground training in basic aviation science subjects and also specific to TB-20 aircraft. Flying training commences after about 20-24 weeks. Ground Training in Aviation subjects comprises of 590/800 hours (depending upon the course) of lectures. It sets a sound foundation for Line Oriented Flying Training (LOFT) and prepares the pilots for adoption of fast developing needs of aviation industry.

- **Audio Visual Aids**

To impart ground training effectively, the Akademi has modern audio-visual aids including a large number of video training films and slides, cut-ways, working and schematic model of various aircraft components and systems, radio telephony and morse code training lab, a wind tunnel, Computer Based Training (CBT) system and Pilot Aptitude Test trainer.

- **Flying Training**

Pre-flight Preparation :- Flying training is carried out by experienced flying instructors. Group briefing on important exercises is carried out over and above thorough personal briefing and debriefing prior to and after each flight.

- **Aircraft**

The Akademi has 13 Trinidad TB-20 aircraft. Basic flying training is imparted on this aircraft, which is a piston single engine aircraft with variable pitch propeller, retractable undercarriage and is equipped with modern Nav Aids. The aircraft is ideal for Line Oriented Flying Training (LOFT) and instrument flying training.

The Akademi has two King Air C-90A aircraft. The final stage of training is carried out on this aircraft. This is a twin-engine turbo prop aircraft with pressurized cabin. The aircraft is equipped with modern and sophisticated radio navigational aids. Particular attention is paid to Line Oriented Flying Training. The students graduate with multi-engine endorsement and instrument rating.

- **Flying Training Syllabi**

The trainees fly a total of 170/230 hours on the TB-20 aircraft and 20 hours on the TB-20 cockpit procedure trainer. Of these 170/230 hours, the trainees do 50/70 hours dual and 120/

180 hours solo. In the next stage the trainees after 20 hours on King Air C-90A simulator, fly 20 hours on the aircraft. The trainees are given a CPL endorsement and instrument rating on both these aircraft. The endorsement on the later aircraft puts the IGRUA trainees at a distinct advantage to other trainees including those having trained abroad.

6.6 SIMULATOR TRAINING

The Akademi has a modern upgraded King Air C-90A simulator with visual system for giving intensive training to pilots in normal and emergency procedures and for instrument flying exercises. Two single engine TB-20 Flight Simulators and two touch panel trainers, one for King Air C-90A aircraft and one for Boeing-737 aircraft are also in operation. Over and above this, one HPT, which is a glass cockpit procedural trainer, is programmed to fly eight different types of aircraft and is available with visual systems.

6.7 COMMERCIAL HELICOPTER PILOTS LICENCE (CHPL) COURSE

This course was offered to pilots holding CPL and most of the helicopter pilots trained by this Akademi were absorbed by M/s Pawan Hans Helicopters Ltd. (PHHL) and Aviation Research Center (ARC). However, there has been no demand for training on helicopters since March 1992. The Akademi has two Robinson R-22 Beta Helicopter, which are likely to be disposed off.

6.8 MAIN ACHIEVEMENTS

The details of pilot's trained/under training in the Akademi during the last 7 years are as follows:

	Total No. of Trainees	
	Completed Training	Under Trng
Fixed Wing (CPL/IR/ME)	117	66
Multi-engine endorsement	52	02
TOTAL	169	68

Flying training of 20th, 21st & 22nd CPL and 1st IAF/FE CPL courses are in progress.

● Number of Hours Flown during the Financial Year 2002-2003

Type of aircraft	Hrs. flown
Trinidad TB-20	2703.55
King Air C-90A	634.00
TOTAL	3337.55

The standard achieved by the students during their training at the Akademi are comparable to international standards. The performance of the graduates of the Akademi, who have joined Air India, Indian Airlines and other private airlines has been appreciated by their respective employers.

6.9 POLLUTION CONTROL

Maintenance of aircraft and its equipments/spares is being done in the Akademi, which does not involve any production/manufacture. However, the following steps are taken in the Akademi for pollution control:

- **Control of Ambient Air Pollution**
 - (i) Vehicle engines are properly maintained within the prescribed limits.
 - (ii) Solid waste is burnt in a manner as to cause minimum fumes.
 - (iii) Forestation is actively pursued to maintain a green environment in the Akademi

- **Waste Water Disposal**

The Akademi has proper underground drainage and an efficient sewerage plant to ensure that the water sources are not polluted in any manner.

6.10 IMPLEMENTATION OF OFFICIAL LANGUAGE

The Akademi continues to take necessary steps for ensuring the implementation of all provisions of

the Official Language Act and Rules. Employees are given training in Hindi, Devanagari typing etc. Incentives are given to employees for successfully qualifying Devanagari typing test. Computers have been modified with software for use in Hindi and are in operation. Efforts are being made to implement Hindi as medium of instruction.

Airports Authority of India

7

7.1 INTRODUCTION

The Airports Authority of India (AAI) completed nine years of successful operation on 31st March, 2004. The Authority recorded all-round progress in its activities. The highlights of the performance during the period April 2003 to March, 2004 are given below:

- AAI paid a record dividend of Rs.62 crores to the Government for the year 2002-2003.
- A new modern terminal building capable of handling 400 passengers at a time has been commissioned at Bhuj in Gujarat at a cost of Rs.19.51 crores.
- AAI signed a Memorandum of Understanding with the Government of

Gujarat for the take-over and development of Surat airport for operation of ATR-72 type of aircraft at an estimated cost of Rs.35.30 crores.

- The NSCBI Airport, Kolkata, Sardar Vallabhbhai Patel Airport, Ahmedabad and Coimbatore Airport received the Certificate of Approval under ISO 9001.
- The Airports Authority of India (Amendment) Act, 2003 was passed by both Houses of Parliament.
- Reduced Vertical Separation Minima (RVSM) was introduced in November 2003.

7.2 ORGANISATION

The composition of the Board of AAI as on 31.3.2004 is given below:

1. Shri K. Ramalingam	- Chairman
2. Shri Satendra Singh	- DGCA & Ex-Officio Member
3. Shri V. Subramanian	- Additional Secretary & Financial Advisor, Ministry of Civil Aviation
4. Dr. S.N.A. Zaidi	- Joint Secretary, Ministry of Civil Aviation
5. Shri T.K. Mitra	- Commissioner of Security (Civil Aviation) Bureau of Civil Aviation Security
6. Shri Sunil Arora	-- Chairman & Managing Director, Indian Airlines Limited
7. Shri V.D.V. Prasad Rao	- Member (Finance), AAI

7.3 FINANCIAL PERFORMANCE

- The operating results for the year 2002-03 and the revised estimates for the year 2003-04 are as follow :

(Rupees in crores)

Particulars	2002-03(Actual)	2003-04(RE) (Provisional)
a. Revenue	2384.49	2462.67
b. Expenditure	1887.44	1947.18
c. Profit before tax	497.05	515.49
d. Profit after tax	282.05	293.83

- Financial Highlights

(Rupees in crores)

Particulars	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04 (Provisional)
a. Revenue	1279.64	1591.27	1691.28	1873.44	2244.84	2384.492	462.67
b. Expenditure	963.45	1255.49	1346.55	1514.36	1767.86	1887.44	1947.18
c. Profit before tax	316.19	335.78	344.73	359.08	476.98	497.05	515.49
d. Provision for tax	120.05	127.37	133.35	145.00	210.00	215.00	221.66
e. Profit after tax	196.14	208.41	211.38	214.08	266.98	282.05	293.83

- Capital Structure of AAI as on 01.04.2003 and 01.04.2004

(Rupees in crores)

Particulars	01.04.2003	01.04.2004(provisional)
Government capital	405.59	416.63
Reserves & surplus	2317.07	2537.85
Long term loans	225.73	203.64
Net worth	2370.93	2602.47
Capital employed	2534.68	2725.82

* The capital outlay for the year 2004-2005 (BE) is Rs. 795 Crores.

- Capital Structure

(Rupees in crores)

Particulars	1.4.98	1.4.99	1.4.2000	1.4.2001	1.4.2002	1.4.2003	1.4.2004
Government capital	325.13	337.63	350.13	365.09	388.79	405.59	416.63
Reserves & surplus	1104.61	1273.53	1534.73	1715.58	2023.49	2317.07	2537.85
Long term loans	442.06	466.06	445.82	394.77	315.81	225.73	203.64
Net worth	1224.45	1417.23	1691.15	1880.32	2142.01	2370.93	2602.47
Capital employed	1148.85	1437.03	1852.45	2047.89	2396.59	2534.68	2725.82
Working capital	147.92	261.45	404.59	492.50	741.62	820.52	870.00

- Contribution to Exchequer

(Rupees in crores)

Particulars	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
Income tax**	126.30	149.43	158.20	184.35	206.29	255.65	290.00
Dividend***	39.23	41.68	42.28	50.00	55.00	62.00	\$ 65.00
Tax on dividend	3.92	4.17	9.30	5.10	0.00	7.94	8.33
Interest payments on loan portion of budgetary support	6.07	6.41	7.83	5.93	2.42	2.83	1.90
Guarantee fees	2.98	3.18	2.96	2.74	2.55	2.18	1.70
Interest on loan portion of commencing capital	11.70	12.40	11.27	10.08	14.13	2.14	0.00
Total	190.20	217.27	231.84	258.20	280.39	332.74	366.93

** This represents Advance Tax & TDS.

*** Dividend shown for the year 2002-03 has been paid in 2003-04.

\$ Final dividend will be decided by the Board.

- Capital Expenditure in 2003-04

The Government of India had approved an Annual Plan outlay (BE) of Rs.800.00 crores for AAI for the year 2003-04. The same was revised to Rs.685.00 crores in RE 2003-04. The actual

expenditure incurred by AAI during 2003-04 on provisional basis is Rs.566.22 crores. The discipline-wise details of the capital expenditure and the source of funding thereof are given below:

(Rs. in crores)

PARTICULARS	BE 2003-04	RE 2003-04	Expenditure upto 31 st March, 2004
A. NATIONAL AIRPORTS DIVISION			
Aerodrome works	284.62	268.67	248.60
Aeronautical communication services	143.00	152.00	139.58
Ground and safety services	122.70	77.36	55.02
MATS-BD	1.36	5.00	0.00
Modernisation of CATC	1.00	0.97	0.67
TOTAL	552.68	504.00	443.87
B. INTERNATIONAL AIRPORTS DIVISION			
NITC (Phase-II) Chennai & Mumbai	9.14	8.00	8.50
New projects	2.80	0.33	0.73
Acquisition and development of land	0.05	4.76	1.33
Improvement of existing facilities	145.11	99.21	89.83
Facilitation and operational eqpts.	90.22	68.70	21.96
TOTAL	247.32	181.00	122.35
GRAND TOTAL (NAD + IAD)	800.00	685.00	566.22

PARTICULARS	BE 2003-04	RE 2003-04	Expenditure upto 31 st March, 2004
C) SOURCE OF FUNDS			
I Net internal resources & change in working capital (To the extent utilized for capital expenditure)	735.59	595.25	516.14
II Budgetary Support for NER projects and other remote area	34.96	22.08	22.08
III NEC grant	17.45	16.39	4.50
IV Schemes funded by A.P. Govt. for Vizag	0.00	8.50	8.50
V Schemes funded by Ministry of Defence for Vizag	0.00	39.00	15.00
VI Foreign loans drawal & capital grants	0.00	0.00	0.00
VII Grant from DONER for NER Projects	8.00	0.00	0.00
VIII Grant from HP Govt. for projects at Gaggal and Kullu	4.00	3.78	0.00
TOTAL FUNDS	800.00	685.00	566.22

7.4 TRAFFIC

Traffic handled during the year 2003-04 was:

Particulars	2002-03	2003-04	% Change
Aircraft movements (in nos.)			
International airports	132790	116442	14.0
Domestic airports	504157	444208	13.5
Total	636947	560650	13.6
Passengers (in nos.)			
International airports	16650117	14825799	12.3
Domestic airports	32041213	28897525	10.9
Total	48691330	43723324	11.4
Cargo (in tonnes)			
International airports	693362	646137	7.3
Domestic airports	375080	333222	12.6
Total	1068442	979359	9.1

7.5 MAJOR WORKS COMPLETED

(A) CNS / ATM facilities

- Replacement of Instrument Landing System at Agartala, Patna, Ranchi, Vadodra, Trichy, Varanasi and Jammu airports.
- Provision of Flight Information Display System at Agartala, Coimbatore, Pune, Hyderabad, Trichy, Ahmedabad (2), Bhopal, Indore, Goa and Nagpur airports.

- Provision of Surveillance Close Circuit Television (CCTV) at Ahmedabad, Amritsar, Goa and Srinagar airports.
 - Replacement of Automatic Message Switching System (AMSS) at Ahmedabad airport.
 - Replacement of Marker Beacon at Chennai, Jaipur, Kolkata and Nagpur airports.
 - Installation of Doppler Very-high Omni Range (DVOR) at Cochin and Gulbarga airports.
 - Installation of DVOR (replacement) at Madurai, Udaipur, Vadodra, Kanchipuram, Chennai, Mangalore and Jodhpur.
 - Commissioning of DVOR (new facility) at Leh.
 - Installation of AMSS at Cochin airport.
 - Installation and commissioning of Distance Measuring Equipment (DME) (replacement) at Jaipur, Leh, Lucknow and Patna airports.
 - Commissioning of Non-Directional Beacon (NDB) at Kadmath, Androth and Kalpeni airports at Lakshadweep Islands.
 - Commissioning of Monopulse Secondary Surveillance Radar System (MSSR) at Varanasi and Mangalore airports.
 - Upgradation of FDPS at Kolkata and Chennai airports.
 - Installation of FDPS at Trivandrum, Ahmedabad, Nagpur and Varanasi airports.
 - Installation and commissioning of automatic flight inspection system in AAI calibration unit.
 - Installation of radar simulator at Civil Aviation Training Centre (CATC) Allahabad.
 - Procurement of 300 nos. of Very High Frequency (VHF) transmitters and receivers with VDL capability for various airports for air to ground communication.
 - Procurement of 45 sets of VHF Frequency Modulation (FM) handheld walkie talkie sets for CISF personnel at various airports.
 - Procurement of 383 nos of VHF FM sets for various airports.
 - Procurement of 30 nos of Ultra High Frequency (UHF) link equipment for various airports.
 - Installation of High Frequency (HF) transmitters (replacement) at Chennai, Trivandrum and Delhi airports for providing air to ground HF communication.
 - Procurement of 48 nos. of non-directional beacon for replacement of existing equipment at various airports.
- (B) Aerodrome Works**
- Three additional security booths with exclusive gate commissioned at IGI Airport.
 - As part of synergised action under the ongoing 'Airport Improvement Initiative', two aquariums were installed at domestic terminal for improving the ambience at IGI airport.
 - Replacement of false ceiling in security hold No.3 of the international passenger terminal at IGI airport.
 - New state-of-the-art courier terminal commissioned and all courier bag operations shifted from the passenger terminal at IGI airport.
 - At Indira Gandhi International Airport, Delhi in a coordinated action, one acre



Entry to domestic departure, Mumbai

of prime land at Nangal Dairy area (opposite AAI residential colony, Mahipalpur) was retrieved after demolition of one factory and six shops. The chimney of another unit near the new Customs House was also demolished and the land and the main structure were taken over by AAI. CISF personnel have since been deployed to guard this area.

- All unauthorised encroachments on the approach road, both on exit roads as well as at Cargo Import Warehouse have been removed at CSI Airport, Mumbai.
- Recarpeting of runway 09-27 was carried out in close coordination minimising hardships to the pilots as well as airlines at CSI Airport, Mumbai.
- Four lowering type apron lighting towers installed to illuminate rear bays from bay no.34 to 40A of Apron 1B were commissioned at Chhatrapati Shivaji International Airport, Mumbai.
- A mass removal / demolition was arranged and all the hutments numbering about 300 have since been removed at CSI Airport, Mumbai.
- Lounge for non-scheduled / private

operators run by M/s Taj Air was commissioned near gate No.8 on 3.6.2003 at Chhatrapati Shivaji International Airport, Mumbai.

- Two X-ray machines were installed at export general cargo shed at CSI airport, Mumbai.
- New international departure terminal was commissioned at Chennai airport.
- Recarpeting of runway 07-25 was carried out in close coordination minimising hardships to the pilots as well as airlines at Chennai airport.
- Construction of sewerage treatment plant and connected works completed at Chennai airport.
- Construction of aerolink and airside corridor for Bay No.26, extension and modification of Anna international terminal and construction of atrium at Kamraj domestic terminal completed at Chennai airport.
- Construction of new terminal complex at Bhuj airport.
- Construction of new terminal building at Jabalpur airport.
- New hanger at Kolkata airport was commissioned.

- Construction of fire station, E&M workshop, MTD building, work room at Sardar Vallabhbhai Patel (SVP) airport, Ahmedabad.
- Civil and electrical works for modification in T.B I/C canopy CCR, MT etc. and related works including engagement of consultant at Bangalore airport.
- Construction of terminal building at Gaggal (Kangra) airport.
- Strengthening and extension of apron, construction of new taxi track and isolation bay at Lucknow airport has been completed.
- Installation of Monopulse Secondary Surveillance Radar (MSSR) at Varanasi airport has been commissioned.
- Doppler Very High Omni Range (DVOR) was calibrated and put into operation at Leh airport.
- Mangalore airport has been certified to ISO-9001:2000 standards in respect of air traffic services, terminal services, Communication, Navigation and Surveillance (CNS) services with associated infrastructure w.e.f. 1.7.2003.
- A Memorandum of Understanding (MoU) was signed between Government of Gujarat and Airports Authority of India on 30.9.2003 for taking over of the Surat airport in Gujarat by AAI for further development and for operation of AB-320 / B-737 type of aircraft.

(C) **Passenger Facilities**

- A “New Airport Initiative” Programme has been launched at identified 25 airports (including 11 international airports) in order to give them a facelift and to improve the standard of facilities and passenger amenities that match up

to world-class standards. These are CSI-Mumbai, IGI- New Delhi, Goa, Chennai, Hyderabad, NSCBI-Kolkata, Bhubaneswar, Bangalore, Ahmedabad, Jammu, Trivandrum, Calicut, Guwahati, Agartala, Coimbatore, Amritsar, Varanasi, Lucknow, Patna, Ranchi, Jaipur, Udaipur, Pune and Aurangabad airports. AAI has prepared panels of landscape architects, interior designers, traffic consultants etc. for the purpose at most of these airports.

- Touch free security screening of passengers introduced on trial basis at IGI airport.
- Duty free shops for sale of handicraft items at the international passenger terminal (departure level transit area) have been refurbished. Further, the internet kiosk at the international terminal (visitors block) with facilities for internet browsing and telephony at IGI Airport has also been launched.
- Common User Terminal Equipment (CUTE) facility provided in baggage conveyor belt No.4 (out of the total 4 belts) with compatible check-in desks and electronic flight detail display system at the international departure wing at IGI airport.
- Length of two conveyor belts increased in international arrival terminal, thus improving baggage delivery at IGI airport.
- 16 state-of-the-art entertainment / flight information display televisions, including 6 plasma television sets were installed at the domestic and international terminals at IGI airport.
- Low height glazed partition in lieu of existing closed partition segregating

check in area and security holding area provided at the international and domestic terminals at IGI airport.

- All six baggage conveyor systems were replaced in the international arrival wing at IGI airport.
- 900 new imported trollies with brakes have been introduced at Chennai airport.
- Aerobridge has been provided at the newly constructed Bay 26 at Chennai airport as a passenger facilitation measure.
- In order to strengthen the security at international and domestic airports, 220 X-ray machines have been purchased and distributed to various airports. These X-ray machines are dual energy and coloured machines, which enable identification of organic and inorganic materials so that persons having explosives can be identified.
- Door frame metal detectors and 1060 hand held metal detectors have been procured and installed at various airports in India for screening passengers to ensure security.
- Cargo operations have been automated by introduction of computerised integrated cargo management system. This system has been connected with the customs.
- In accordance with United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN-EDIFACT) policies, AAI has installed EDI System to process International Cargo.
 - In Phase-I of the project, AAI has established connectivity for exchanging EDI messages with customs at all four metro airports in 2003.
 - In Phase-II, AAI has now established web based EDI system to connect all partners like airlines, bank, cargo agents, exporters, importers etc. The system has been tested at all the four airports and is now ready for commissioning.
 - In Phase-III of the project, AAI would introduce bar code system for automatic data capturing at all the four metro airports. Order for hardware has been placed. The target date of implementation of bar code system at the metro airports is 15th August, 2004.
 - AAI has invested about Rs.13 crores to implement the EDI project, which is expected to bring about qualitative change in the service and reduces processing and dwell time of International cargo.
- New imported trolleys with brakes have been introduced at Mumbai, Delhi, Kolkata airports.
- To improve the aesthetics of the airport, 150 sets of 3 seater cushioned chairs have been provided with beautiful multi-colored upholstery at CSI Airport, Mumbai.
- The Automatic Teller Machine (ATM) was commissioned at terminals 1B and 2C of CSI airport, Mumbai.
- 'May I Help You' counter commissioned at departure level, terminal IIA at CSI airport, Mumbai.
- One additional arrival conveyor has been provided at T-2C at Mumbai airport to facilitate speedy baggage clearance.
- New imported passenger baggage trolleys with brakes were inducted at IGI / CSI / Chennai / Trivandrum airports.

(D) Air Traffic Management

- **Reduced Vertical Separation Minima [RVSM]**

RVSM has been implemented in Indian FIRs including the Oceanic airspace between FL 290 and FL410 [both inclusive] with effect from 27th November 2003. Implementation of RVSM ensures the availability of more optimum flight levels to the aircraft transiting through Indian FIRs and also improves airspace capacity.

- **ICAO Universal Safety Audit Programme**

In accordance with the ICAO General Assembly Resolution in its 33rd Assembly Session in 2002 it was decided to extend the ICAO universal safety audit programme to include Annex—11, air traffic services and Annex—14, aerodromes. These safety audits to be conducted by the ICAO are scheduled to commence in 2004.

These audits are meant to demonstrate safety oversight capability of Airports Authority of India, the service provider to ensure conformity

with the ICAO Standards and Recommended Practices [SARPs].

International Civil Aviation Organisation through amendment No.4 to Annex 14 has defined a standard as of 27th November 2003 that states shall certify aerodromes used for international operations in accordance with the specification contained in Annex-14 as well as other relevant ICAO specifications. The ICAO has also recommended that states should certify aerodromes open to public use in accordance with these specifications.

AAI has taken appropriate initiatives in preparing the aerodrome manuals in accordance with the guidelines issued by the Cooperative Development of Operational Safety and Continuing Airworthiness [COSCAP] under ICAO technical cooperation programme.

Preliminary audit has been carried out and a detailed non-compliance report has been prepared. Action is being taken on various points to meet the ICAO requirements prior to the ICAO audit.



Air Traffic services, IGI Airport, New Delhi.

In accordance with the ICAO requirements, states are to establish Safety Management System to ensure safety standards. Action is being taken to establish Safety Management System.

- **GAGAN Project**

GPS and GEO Augmented Navigation

“GAGAN” is an augmentation system to enhance the accuracy and integrity of GPS signals to meet precision approach requirements in civil aviation and is being implemented jointly by AAI and ISRO in three phases. A technology demonstration system will be implemented in the first phase which will be upgraded to a full operational capability system in the second and third phase.

Most of the ground based elements of “GAGAN” would be outsourced while the navigation payload would be fabricated by ISRO and would be put in one of the Indian geo satellites of GSAT series. The footprint of this satellite will cover a vast geographical area from Africa to Australia and hence would facilitate expansion of the service area of “GAGAN” far beyond Indian airspace. When implemented, this would replace most of the ground based navigational aids and it would be possible to provide precision approach and landing guidance to aircraft at airports hitherto not available due to terrain conditions precluding the provision of Instrumental Landing Systems.

(E) Aeronautical Information Service

- AIP supplement 001 to 031 published and disseminated to all concerned.
- AIC 001 to 003 received from DGCA has been published and disseminated to all concerned.
- G series NOTAMs in respect of Aerodromes, enroute and general are prepared and being disseminated through AFTN from 001/03 to 00187/03.

- AIP Amendment 01/2003 consisting of 548 pages has been incorporated in the existing AIP –India Vth Edition Volume I and II.

(F) No Objection Certificate

During the year 2003, the following building and mast cases were received and processed for issue of NOC.

Buildings

New cases received	1250
Sites cleared and NOC issued	1250

Mast

New cases received	11500
NOC issued	14750

(G) Cartography

- By using the survey field data and other data, during the year 2003, about 125 ICAO and non-ICAO aeronautical charts including grid maps, aerodrome obstacle charts, IAL/ILS charts, 30NM charts, TMA charts, route charts, zoning maps, rescue and fire fighting maps etc. were produced, amended and updated for the use of pilots, airline operators and other aviation agencies for safe and efficient aircraft operations.
- During the year 2003, examination and calculation of a large number of NOC cases [about 17000 cases of mast height and 1400 cases of building height] was carried out in cartography unit and were put up to NOC section for finalisation.
- To work towards meeting ICAO requirements of GNSS and RNAV, Survey and cartography unit has indigenously conducted the detailed GPS survey of five major international airports viz. Delhi, Mumbai, Kolkata, Chennai and Trivandrum to achieve co-ordinates in WGS-84 system and had also covered 11

other major airports with reference station in WGS-84 system.

- Cartography unit has also worked in close co-ordination as a team member in implementation of ILS Category-III (A) at IGI airport, Delhi.
- To meet ICAO requirements of mapping, the cartography unit has been indigenously doing the automation of mapping process. After computerising the aerodrome charts and parking and docking charts of 15 airports (including international and domestic custom airports), it is now heading towards the computerisation of “ATS Routes Chart” of the Indian air space covering the FIRs.
- Detailed fresh / revision survey of 13 airports belonging to AAI, Navy and others was conducted and related chart were prepared.
- Consultancy services on payment basis were provided for the survey of proposed heliport site at Amby Valley, Sahara Lake City near Lonavala for M/s Sahara India Commercial Corporation Ltd. and Port Blair airport.
- GPS reference stations were established for 3 airports, normally, Lucknow, Kanpur and Pondicherry to achieve the co-ordinates in WGS-84 system.

(H) Developmental activities taken up in the North-East

- Extension of runway from 6000 ft. to 7500 ft. completed at Agartala airport.
- Construction of boundary wall completed at Lilabari airport.
- Commissioning of air operations at Shillong airport.
- Construction of boundary wall at Shillong airport.

- There are 24 airports / airfields in the eight states of North East region out of which Airports Authority of India maintains and owns 20 airports. Presently, schedule airlines are operating their services through 11 airports.
- Ground lighting facilities are available for night operation at Agartala, Guwahati, Jorhat, Tezpur, Dibrugarh, North Lakhimpur, Imphal and Dimapur airports. DGCA has approved night operation through Agartala and Guwahati airports only. There is a proposal to install ground lighting facilities at Silchar also during 10th Five Year Plan.
- Instrument landing systems are available at Guwahati, Agartala, Imphal, Dibrugarh and planned at Dimapur, Lilabari and Silchar. The works for installation of ILS at Lilabari and Dimapur airports are likely to be completed during 2004-05 and at Silchar during 2005-06.
- All the airports owned by AAI are having runway length of 7500 ft. and 9000 ft., where scheduled airlines are operating except airport at Shillong. The airports at Kamalpur and Tezu are suitable for operation by 50 seater type of aircraft.
- During 9th Five Year Plan, new terminal buildings were constructed and commissioned at Guwahati (1500 passengers), Dimapur (400 passengers), Imphal (650 passengers), Tezpur (400 passengers) and during 10th Five Year Plan – Agartala (500 passengers) and Lilabari (400 passengers).
- Construction of new terminal building for 500 passengers at Dibrugarh airport.

- Extension of runway to 7500 ft. with ground lighting and associated facilities at Dibrugarh airport.
- Extension of runway to 7500 ft. with ground lighting and associated facilities at Silchar airport.

- **Expenditure**

During the 9th Five Year Plan, AAI spent Rs.174.32 crores on the development and improvement of infrastructure facilities at the above mentioned airports. North East Council provided grant of Rs.72 crores @ 60% of executed cost and Ministry of Civil Aviation provided budgetary support @ 40% (Rs.61 crores).

During the first year of the 10th Plan i.e. 2002-03, AAI spent Rs.32.90 crores and Rs.12.44 crores till December 2003 and likely expenditure during 2003-04 is Rs.22.60 crores.

During current financial year, North East Council has released Rs.4.5 crores as share on development of airports in the North-East region.

7.6 POLLUTION CONTROL

Environmental plans for international airports / major domestic airports have been undertaken to improve the environmental quality in terms of following parameters:

- **Air Quality Management**

Incremental changes to the existing ambient air quality may produce detrimental effects on the health of human beings. Air quality assessment has been proposed to be carried out at the airports through expert agencies for important parameters e.g. TSPM (Total Suspended Particulate Matter), RSPM (Respiratory Suspended Particulate Matter), NO_x (Nitrogen Oxides), CO (Carbon Monoxide), HC (Hydro Carbon).

In case the pollution level is beyond the permissi-

ble limits laid down by Central Pollution Board, Ministry of Environment and Forest, necessary mitigation measures are to be adopted.

- **Noise Management**

Due to very high level of noise generated by aircraft (departure and landing), other airport operations, such as aircraft engine testing, use of auxiliary power units (APU's) of aircrafts etc. it has become necessary to assess and monitor the ambient noise level at airports. It is proposed to assess and monitor these by engaging experts.

- **Waste Water Management**

Waste water is generated from the airport activities eg. aircraft waste, dust and chemicals deposited on land surface, apron, taxiways, runways, terminal buildings and domestic activities, kitchen etc. Major pollutants in respect of water pollution are biochemical oxygen BOD, COD, pH, TSS, oil/grease, detergents etc. At major airports sewage treatment plant has been installed to treat the waste water.

- **Solid Waste Management**

At IGI Airport the solid waste is collected at the designated dumps and then it is transported to the corporation dumping ground / land fills. This system is not found satisfactory as day by day the space for the land fills is falling short. In addition to the above, Airports Authority of India, in the past has installed incinerators. The solid waste collected at the airport was segregated and the bio-degradable waste was burnt through the incinerators and non-bio-degradable waste was sent to land-fills.

- **Rain Water Harvesting Management**

The area covered under rainwater harvesting schemes at IGI airport is 5.59 sq. km approx., which includes terminal buildings, cargo complex,

airport residential colony, office buildings etc. where 33 rainwater harvesting structures have been constructed. The water level before onset of monsoon and after the initial rains was checked which has recorded an increase of 20-25 cm in ground water table, which is a good sign of replenishment of underground water aquifer. At Chennai similar schemes for rainwater harvesting for operational area, cargo complex, residential area, office complex have been got designed and are under execution. Similar schemes at other airports are under finalisation, in consultation with Central Ground Water Board.

- **Green Belt Development / Landscaping**

As one of the important components of Environment Management Plan (EMP), green belt development all along the approach roads shall fulfill the following objectives:

- i) Mitigation of air pollution
- ii) Noise pollution control
- iii) Balancing eco-environment
- iv) Improving aesthetics
- v) Optimum use of wasteland and environment conservation

At IGI airport, mass plantation over an area of 120 acres with 50,000 trees of different varieties has been done. Bougainvillea garden with 13 varieties along the approach road, vacant land pockets in between Indian Airlines and cargo complex have been created to give a green / colourful look. Plumaria garden in the vicinity of airport in an area of 5 acres has been developed which is unique in northern India. Plantation of trees / shrubs in the residential colony, playground area, ARC Complex and at the junction of NH-8 have been done to give green and pleasant view to the passengers. Moreover, a large rose garden over an area of 16 acres having 2400 roses plants with

250 varieties is being maintained by AAI, which give a very colourful and pleasant view. At Mumbai airport, development and maintenance of green belt / plantation / landscapes has been privatised and its maintenance has given a very lush green look to the airport. The same thrust has been given to development of landscape / plantation at other airports also.

- **Environment Friendly Air-conditioning System**

At the airport, most of the buildings are centrally air-conditioned and have water chilling units of large capacity. Accordingly, the water requirements for these air-conditioning plants are high and accounts nearly 40-50% of total requirement of airports. Considering the scarcity and quality of water at airports such as Chennai which is mostly obtained from tube wells, this concept has been reviewed and now onward at such places air cooled chillers shall be provided. Recently, air cooled chillers for the extended areas of Anna international terminal, Chennai have been installed.

- **Dissemination of Environment Information**

AAI has also taken up a proposal for setting up a ENVIS (Environment Information Centre) for civil aviation at NIAMAR where all the information for all airports such as noise levels, the bird hits, air attributes, occupation and health aspects, risk hazards and land use, land cover in and around the airport, height restrictions and building code regulations to be implemented in the airport zones will be documented from the point of view of environmental hazards. This facility will be helpful in the development of aviation sector. This project is assisted by the World Bank along with the other ENVIS (Environment Information Centres) being established all over India.

7.7 CONSTRUCTION OF MARTYR'S PLATFORM

Construction of martyr's platform at various airports in India has been taken up as homage to martyrs, who sacrificed their lives for the nation.

7.8 I.S.O. CERTIFICATION

Airports Authority of India has been awarded certificate of approval under ISO 9001 for the Coimbatore airport, NSCBI airport, Kolkata and Sardar Vallabhbhai Patel international airport, Ahmedabad.

7.9 RESTRUCTURING OF DELHI AND MUMBAI AIRPORTS

- On 11th September 2003 Government approved the restructuring of Delhi and Mumbai airports by adopting the Joint Venture route.
- The Hon'ble Finance Minister in his budget speech for the year 2003-04 announced that two airports at Delhi and Mumbai will be renovated/modernised alongwith the modernisation of certain selected sea ports at an estimated cost of Rs.11000 crores. The funding mechanism aims at leveraging public money through private sector partnership, wherever possible. The two airports at Delhi and Mumbai will be renovated/modernised by incorporating two separate companies.
- The AAI (Amendment) Act, 2003 enables AAI to transfer the operations and management of its existing airports by way of long-term lease to private parties. The Act, inter alia provides for exclusion of private airports (like BIAL)

from the ambit of AAI Act, excepting security and ATC functions, which will continue to be discharged by AAI. The Act also authorises AAI to charge Advance Development Fee (ADF) for the development/upgradation of existing airports and for the setting up of greenfield airports. In addition, the Act also seeks to prevent and remove encroachments on airport land.

- AAI is currently in the process of setting up two separate companies for Delhi and Mumbai airports.
- The Government decided to constitute an Empowered Group of Ministers (EGOM) to take up decisions on various issues connected with the restructuring of Mumbai and Delhi airports. Further, to oversee the process of privatisation, Government constituted an Inter-Ministerial Group (IMG). The group is chaired by Addl. Secretary & Financial Advisor of Ministry of Civil Aviation (MoCA) and has representatives from the Ministry of Civil Aviation, Ministry of Finance, Department of Dis-investment, Ministry of Law, Justice & Company Affairs and AAI.
- Based on the timetable approved by Government of India (GOI), it is anticipated that the Joint Venture Project (JVP) for both the Joint Venture Companies (JVCs) will be in position within 8 months from the financial closure excluding the time required for obtaining the approvals of the Government of India at certain stages of the transaction.
- To assist the Ministry of Civil Aviation/AAI in the restructuring process, AAI invited technical and financial bids for

the appointment of Financial Consultants. M/s ABN Amro have been appointed as the Financial Consultant for the transaction.

- Action is in hand for obtaining the approval of EGOM for appointment of legal consultant.
- After obtaining the approval of EGOM, Expressions of Interest (EOI) have been solicited from interested parties and the complete documentation, in this regard, was uploaded in the websites of AAI and MoCA on 17.02.2004. The last date for submission of EOI is 20.07.2004. Actions for finalisation of information memoranda, concession agreement and RFP document are in hand.
- It is also proposed to appoint a Global Technical Adviser(GTA) to advise AAI/MoCA on all technical aspects of the transaction. Request for proposals (RFP) have been sought through advertisement in the media and the RFP has been uploaded in the MoCA/AAI websites.
- Action is also in hand for the selection of Accounting and Tax Advisor.

7.10 GREENFIELD AIRPORTS

• Bangalore International Airport

A greenfield airport at Devanahalli near Bangalore is being implemented on build, own and operate (BOO) basis with public private participation. Government of Karnataka (GoK) through Karnataka State Investment and Industries Development Corporation (KSIIDC) and AAI together are to hold 26% equity and the strategic joint venture partners are to hold the

balance 74%. The consortium lead by Siemens, Germany with Unique Zurich, Switzerland & Larsen & Toubro India Ltd as other members, are chosen as the strategic JV partners.

The Working Group constituted by the Prime Minister Office (PMO) (comprising the MoCA, MoF, MoL and GoK) finalised the draft concession agreement, which has since been approved by the Government. The draft concession agreement for the Bangalore airport project has been approved by Cabinet on 20th January 2004. Certain concerns raised by GoK/ Bangalore International Airports Ltd. (BIAL) in the approved version are being examined in consultation with Ministry of Law.

The Land Lease Agreement and State Support Agreement have been finalised and are awaiting the finalised version of the Concession Agreement, whereafter, appropriate amendments will be carried in these agreements before execution. BIAL has appointed ICICI as the lead lender and they have commenced their preliminary work. Other agreements such as Operation & Management service agreement, CNS / ATM agreement etc. are in the process of finalisation. The financial closure is expected to be achieved shortly. The target opening date for the airport is 33 months from the date of financial close.

• Hyderabad International Airport

The Government of Andhra Pradesh (GoAP) have selected a consortium led by M/s GMR Infrastructure Ltd. with Malaysian Airport Holding Berhard (MAHB) as the Developer for greenfield airport at Shamshabad near Hyderabad. A shareholders' agreement was executed by the parties viz. M/s GMR, M/s MAHB, AAI and GoAP on 30th September, 2003. GoAP has also entered into the state support agreement and the land lease

agreement with the GMR led consortium on the same day. Further action has been initiated by the GMR-MAHB consortium to prepare a Detailed Project Report (DPR).

7.11 PERSONNEL & INDUSTRIAL RELATIONS

● Human Resource Management

Both in executive and non-executive cadres, employees are well qualified. There are a number of officers with management and technical qualifications from reputed management institutions and IITs. Under continuing education scheme, employees and officers are encouraged to acquire further professional qualifications in their field of specialisation and on successful completion, they are given attractive incentives. In addition, employees and executives are exposed to continuous in-house training, job rotation and job enrichment programmes. As a result of these measures, AAI has vast reservoir of well qualified and technically trained manpower, with high motivation and morale.

● Employee Relations

AAI Policy to have '*one industry one union*' has paid rich dividend in harmonising good industrial relations over the years. Cordial industrial relations were maintained, as a result of which the airport operations went on smoothly throughout the year. This was possible also due to continuous interaction with the representatives of the recognised union at all levels i.e. corporate headquarter, regional headquarters and airports level. In order to resolve various issues pertaining to employees' service matters, regional joint consultative meetings were held between union representatives and management at Guwahati CATC, Allahabad,

Chennai and Goa for Western Region and CSI airport during the year.

● Scheduled Castes And Scheduled Tribes

It is a continuous endeavour on the part of the management to implement, in letter and spirit, the presidential directives on reservation of SCs and STs. Interactions with the representatives of AAI SC & ST Employees Welfare Association and National Commission for SCs & STs have helped in achieving not only the requisite percentage in recruitment and promotions but has also helped in resolving grievances of employees in time. This year, AAI launched special recruitment drive to fill-up backlog of vacancies which will further improve the percentage of SCs & STs in the services.

7.12 TRAINING

● National Institute of Aviation Management & Research (NIAMAR)

National Institute of Aviation Management & Research, popularly known as NIAMAR, imparts training in all disciplines of airport management, except air traffic control and fire training, for which AAI has dedicated institutes established at Allahabad, New Delhi and Kolkata.

NIAMAR conducts specialised courses in airport operations, airport engineering, construction, commercial, cargo and personnel management. NIAMAR is a member of the ICAO-TRAINAIR programme and has developed Standardised Training Packages (STPs) on 'Bird Hazard Control Management' and 'Airport Pavements Maintenance'. NIAMAR also conducts IATA recognised 'Dangerous Goods Regulations' course. To work together in the training area, NIAMAR has

signed MOU with CATC, Thailand, Airport De Paris Training Centre, France and MDI, Gurgaon. NIAMAR is fully equipped with the latest training aids, a residential complex with 30 fully furnished air-conditioned rooms and recreation facilities etc.

During the year 2003-04, NIAMAR trained 1414 employees in 110 training programmes, trained 50 CISF officers through a programme on 'Customer Care & Passenger Facilitation', 50 foreign participants in 11 programmes for foreign participants.

50 foreign participants from different countries like Bangladesh, Brunei, Cambodia, China, Hong Kong, Japan, Maldives, Nepal, Phillipines, Republic of Korea, Singapore, Sri Lanka, Thailand, Tonga, Vietnam attended the programmes at NIAMAR.

- **Civil Aviation Training College, Allahabad**

The Civil Aviation Training College (CATC), popularly known as CATC-Allahabad, is another training establishment of AAI dedicated to training in the area of Air Traffic Management (ATM) and Communication, Navigation and Surveillance (CNS). CATC-Allahabad is fully equipped with modern training aids and has 19 fully air-conditioned classrooms, 22 lab rooms for CNS equipment, 7 labs for ATM, library and auditorium.

CATC-Allahabad also has a TRANAIR unit for STP development and has developed 7 STPs. A new STP titled "Senior Assistant ATC – STP" has been handed over to ATM faculty for implementation on regular basis. Job specific training is imparted using STPs based on ICAO-TRAINAIR methodology. During the period April 2003 to March 2004, 163 employees have been trained in

CNS stream in 26 courses and 250 employees have been trained in ATM stream in 29 courses. 413 trainees have been trained at CATC in the year 2003-04.

- **Fire Services Training College (FSTC), Kolkata**

The Fire Services Training College (FSTC), Kolkata is engaged in providing basic, refresher and advance fire fighting training to all grades of fire service personnel and prepares them for handling aircraft and airport installations fire protection. The training curriculum is upgraded from time to time to include requirement of latest aviation technology to conform to ICAO requirements.

The courses offered at FSTC consist of – basic course for newly recruited fire & rescue operator (FRO), ARC-I (fireman ship course) for promotion from FRO to fire foreman, junior fire officer course, refresher course for FRO, refresher course for fire foreman and refresher course for senior fire foreman.

During the year, the total number of trainees passed out from the Fire Services Training College, Kolkata are AAI - 218, IIPM - 163 and CIAL-13. In addition, fire protection category at eight airports, namely, Calicut, Vijayawada, Lengpui, Amritsar, Kargil, Nagpur, Jabalpur, Bhubaneswar, Amritsar, Guwahati, Jaipur and Ahmedabad has been upgraded.

- **Fire Training Centre (FTC), New Delhi**

Fire Training Centre (FTC) at New Delhi has been established to provide training to airport fire service personnel as per ICAO guidelines. FTC imparts training with the prime objective of preparing fire personnel for dedicated roles and responsibilities, upgradation of knowledge, skills,

understanding and attitude to enable them to perform their role effectively, competently and safely, minimising the likelihood of accidents and injuries to personnel and handling and maintaining equipment in order to deal with the major aircraft fire by means of a most carefully planned and rigorously followed programme of training. To achieve these aims, drills, simulation and mock exercises are conducted. The trainings imparted at FTC are registered in the ICAO Directory.

7.13 PUBLIC GRIEVANCE REDRESSAL MACHINERY

Public grievance redress machinery is functional both at the corporate headquarters, the regional offices and airports by appointment of duly designated Public Grievance Officers. The objective is to provide easily accessible machinery for quick redressal of grievances.

The grievances received from individuals and nodal ministries / departments of Government of India, VIPs, associations, etc. are processed with promptitude within a time frame.

With the introduction of computerised system of PGRAMS, direct access has been established with the Cabinet Secretariat (Directorate of Public Grievances) and Ministry of Civil Aviation.

Another initiative taken to redress the public grievances and to solicit their suggestions is by including separate page on public grievances in AAI's Website.

A Public Grievance Officer has been appointed at each airport. Besides, in order to ensure proper monitoring, Executive Director level officer in CHQ has been appointed as Public Grievance Officer for AAI as a whole. Similarly, Staff Grievance Officers are appointed at each airport

and monitoring is done at the level of General Manager in CHQ.

7.14 VIGILANCE

In an endeavour to give impetus to the ongoing efforts to check malpractices and misconduct, emphasis was laid on expeditious disposal of disciplinary cases and strengthening of preventive vigilance measures through prompt redressal of complaints. The newsletter 'UPDATE' continues to be appreciated as a platform for exchange of news and views amongst AAI executives.

As a proactive effort, four 3-day workshops on disciplinary proceedings were organised at NIAMAR in the current year with special module on work ethics, moral values, integrity and excellence at work place in each of the awareness programmes.

Vigilance awareness week-2003 (from 3rd November to 8th November) was observed at all the 124 AAI airports. Special intensive campaign was launched at 69 of AAI's commercially important airports and involved AAI's officers and staff, their families and general public to increase the sphere of awareness on issues of corruption, inculcate sound value system and bring in large-scale sensitisation. As part of vigilance awareness week, activities such as seminars, talks and lectures by eminent personalities and spiritual teachers were highly appreciated. In addition, various competitions like debates, elocutions, essay writing in English and Hindi, painting contests on vigilance related topics and 'PANTOMIME – Street Play' to create a visual impact were also organised drawing an overwhelming response.

Special emphasis was laid on effecting systematic changes to provide an efficient and transparent

work ethos. Suggestions were given to streamline recruitment procedures, cargo functioning, tendering processes. Old cases with high financial and administrative implications were diligently pursued for realisation of outstanding dues to the authority.

7.15 PROGRESSIVE USE OF HINDI

Implementation of Official Language and rules made thereunder was ensured in the authority. During the year, workshops and seminars on Hindi were held at the corporate headquarters, regional headquarters and at various airports throughout the country, so as to propagate and

increase use of Hindi in office work. Employees were provided training in Hindi typing, stenography and computers on continuous basis. Noting, drafting, debate, essay writing competitions were held for the employees and executives during the celebrations of Hindi fortnight. The Second Subcommittee of the Parliamentary Committee on Official Languages inspected airports. The '*Rajbhasha Shield*' was awarded to NSCBI airport, Kolkata for remarkable performance in the field of implementation of Hindi as Official Language and their house journal '*Chetna*' was awarded, for the second consecutive year, prize for the best in-house Hindi magazine among the public sector undertakings.

Air India Limited 8

8.1 INTRODUCTION

Air India was established in 1953 under the Air Corporation Act, 1953 to provide safe, effective, adequate, economical and properly coordinated international air transport services.

The undertaking of Air India was transferred to and vested in Air India Limited, a public limited

company registered under the Companies Act, 1956, with effect from 1.3.94, after the Air Corporations (Transfer of Undertakings and Repeal) Act, 1994 came into effect.

8.2 FLEET STRENGTH

As on 31st March, 2004, Air India has the following aircraft in its fleet.

	Total Fleet	Owned	Avg. Age (Owned)	Leased	Avg. Age (Leased)
B747-200	4	4	24.3 yrs	-	-
B747-300	2	2	15.4 yrs	-	-
B747-400	9	6	11.0 yrs	3	14.3 yrs
A310-300	19	8	14.6 yrs	11	12.97 yrs
TOTAL	34	20		14	

Note : It is proposed to induct 2 more B747-400 aircraft on dry lease – 1 in June 2004 and 1 in November 2004.



Air India's B747-400 Aircraft

8.3 DEBT EQUITY RATIO

The debt equity ratio of the company as on 31st

March 2003 was 4.4 : 1 against 7.5 : 1 as on 31 March 2002 and is expected to improve further to 3:1 .

8.4 SUMMARY OF FINANCIAL PERFORMANCE FOR THE LAST 7 YEARS:

Particulars	Units	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04 Revised Budget Estimates
Financial Performance								
Operating revenue	Rs.Crores	3837.21	4135.26	4448.05	4927.45	4751.36	5275.91	5897.30
Operating expenses	Rs Crores	4029.84	4139.84	4372.00	4924.35	4805.89	5465.63	6049.70
Operating profit/(loss)	Rs.Crores	(192.63)	(4.58)	76.05	3.10	(54.53)	(189.72)	(152.40)
Total revenue	Rs.Crores	4174.16	4236.72	4772.62	5278.84	5032.94	5689.88	6110.60
Total expenses	Rs.Crores	4355.17	4411.20	4810.25	5323.24	5017.50	5556.02	6090.10
Net profit/(loss)	Rs.Crores	(181.01)	(174.48)	(37.63)	(44.40)	15.44	133.86	20.50
Yield per rtkm (sched serv rev per rtkm)	Rs.	21.95	22.90	24.43	26.02	26.38	25.80	25.73

8.5 OTHER REVENUE GENERATING ACTIVITIES

The revenue earned by the Engine Overhaul Department during the period April 2003 to March 2004 was Rs.23.49 crores.

- The estimated ground handling and security revenue for the fiscal year 2003-04 will be approx. Rs. 305 crores and Rs. 46 crores respectively.

8.6 HIGHLIGHTS OF THE YEAR

- A special flight B747-400 aircraft was operated for mentally and physically challenged/cancer afflicted/ terminally ill people (total on board 389) on October 15, 2003, route Mumbai/ Mumbai for 1 hour and 25 minutes. The operating and cabin crew as also the film personality Mr. Javed Jaffery helped to create a happy atmosphere on board.
- Iftar meals were uplifted for passengers on India /Gulf, Gulf/India sectors

effective October 26, 2003 during the Ramadan period.

- Air India has been awarded the prestigious International Flight Catering Association Mercury Award (Bronze), which was held at Frankfurt on 23rd February, 2004.
- A basmati rice festival was organised on board on flights ex-Delhi from 15th February, 2004 to 29th February, 2004. This rice was supplied by Agricultural & Processed Food Products Export Development Authority which comes under Ministry of Commerce & Industry.
- Fuel contract for Salalah was awarded to M/s Shell for the period 01/04/2004 to 31/05/2005.
- For winning the Rajbhasha Award continuously for last 3 years, Air-India was awarded the Special Rajbhasha Puraskaar by 'Ashirwad', a socio, literary and cultural organisation of Mumbai on 26th September, 2003.

8.7 SUMMARY OF PHYSICAL PERFORMANCE FOR THE LAST 7 YEARS.

Physical Performance		1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Revenue hours flown (Total)	No.	89573	84065	84391	79289	80380	84468	91318
ASKM (Total)	Million	18041.1	18067.3	18591.7	17821.5	17915.6	17680.1	18715.6
ATKMs(Total)	Million	2404.3	2445.7	2540.9	2415.4	2419.2	2392.6	2495.5
Pax load factor	%	65.7	67.5	66.9	70.3	73.1	66.6	71.6
Overall load factor	%	60.5	63.4	61.6	65.1	67.4	60.8	64.6

8.8 OPERATIONS

• Daily flights to Dubai with effect from Summer Timetable 2003

Air India introduced daily standardised departure flights to/from Dubai to Mumbai, Delhi and Kochi. In addition, it has also enhanced its frequencies from Thiruvananthapuram and Kozhikode to a daily operation effective 26 October, 2003 to 27 March 2004. As a result, AI has daily flights to Dubai from Mumbai, Delhi, Kochi, Kozhikode and Thiruvananthapuram with standardised departures effective Winter 2003. Effective the Summer Timetable which comes into effect from 28th March, 2004, the following new additional flights have been introduced :

- 1 SINGAPORE/KUALA LAMPUR
- 1 NAIROBI/DAR-ES-SALAAM
- 1 MUMBAI/HYDERABAD/JEDDAH vice-versa
- 1 MUMBAI/JEDDAH vice versa
- 1 LUCKNOW/ DELHI/ JEDDAH vice-versa
- 1 additional flight to RIYADH
- 1 AL -AIN flight extended to SALALAH (effective 01st April 04)
- 2 LONDON terminators MUMBAI/AHMEDABAD /LONDON vice versa
- 2 DELHI/AMRITSAR/DELHI (effective 16th April 2004)

• Code Sharing Arrangements

In addition to its own network of flights, Air India offer its passengers several more destinations and flights through codeshare arrangements with other airline partners:

Thai Airways	-	Los Angeles
Asiana	-	Seoul and San Francisco
Swiss	-	Zurich
Aeroflot	-	Moscow
Austrian Airlines	-	Vienna
Singapore Airlines	-	Los Angeles and San Francisco
Malaysia Airways	-	Los Angeles
Turkish Airlines	-	Istanbul
Air France	-	Amsterdam, Berlin and Geneva

• More Flights to Existing Destinations

Shanghai, Bangkok, Hong Kong and Tokyo with Thai Airways
 Paris with Air France
 Dubai with Emirates & Thai Airways
 Kuwait with Kuwait Airways
 Frankfurt with Lufthansa
 Singapore with Singapore Airlines & Silk Air
 Kuala Lumpur with Malaysian Airlines
 London with Virgin Atlantic.

• Improved Connectivity

With the objective of improving the product for interior cities in India, some of the incoming flights from Newark and Chicago have been

extended to Ahmedabad and Bangalore. Thus, for a passenger boarding in New Jersey (Newark), no

change of aircraft is required for travel to the end destination i.e Ahmedabad.

8.9 THE PATTERN OF OPERATIONS TO DIFFERENT DESTINATIONS 2003-04

Routes	Summer 2003	Winter 2003
India/London/New York	7	7
India/London(T)	1	—
India/London/Chicago	3	—
India/Paris	—	—
India/Bangkok/Tokyo	2	2
India/Tokyo	2	2
India/Bangkok/(Guwahati)	2	—
India/Hong Kong/ Osaka	2	2
India/Hong Kong	3	3
India/Singapore	9	5
India/Singapore/Jakarta	3	3
India/Kuala Lumpur/Singapore	2	6
India/Nairobi/Dar – Es-Salaam	2	2
India/Gulf	103	104 (102 in Jan. / Feb. 2004)
India/Paris/New York	5	7
India/Frankfurt	3	3
India/Frankfurt/Chicago	—	3 (Effective Dec. 2003)
India/Bangkok/Shanghai	—	2 (Effective Dec. 2003)

8.10 MARKETING STRATEGY

● Special Prorate Agreements

Air-India has recently entered into a very attractive Special Prorate Agreements (SPA) with Lufthansa whereby the payout has reduced considerably and AI retention has increased substantially. Air India have also improved upon its existing SPAs with Cathay Pacific, Emirates, Malaysia, Royal Jordanian, Singapore and Thai Airways which will enable a wider choice of destinations and better connections.

● Flying Returns Programme (FRP)

The FRP was launched in India in June 1994 and was extended to the Gulf in February 1997. It was further extended to the USA, Canada and UK

on November 1, 2001, to Hong Kong, Singapore, Thailand, Malaysia, Indonesia, on July 15, 2002 and launched to Sri Lanka in April, 2004. The FRP will shortly be launched to Japan Region. Residents of the above countries will be offered free enrollment into the FRP.

The membership base is as under:

Region	31 Mar 2003	1 Mar 2004
India	1,52,729	1,81,018
Gulf	10,239	13,452
USA/UK	21,425	43,138
Far East & SE.Asia	3,444	5,406
TOTAL	1,87,837	2,43,014

Revenues earned from Long & Short Term Partnership Alliances - American Express Bank, ITC

Welcome Group Hotels, LKP Forex Ltd. Hutchinson Max Telecom, ABN-AMRO, ICICI Bank, Diners & Citibank, Club Mahindra, IBTC, from April 01 2003 to March 31,2004 are as under:

	01 April 2003/ March 31, 2004 Rs. (in lacs)
Long Term Promotions	116.00
Short Term Promotions	4.77
Enrolments/Renewals/ Duplicates	40.00
TOTAL	160.77

- **The Maharajah Club (TMC) & the Leading Edge Club (LEC)**

TMC and the LEC are two elite clubs of Air-India. Membership to both the clubs is by invitation only with certain criteria laid-down. Members enjoy exclusive benefits and privileges such as upgrades, lounge facilities, priority check-in, baggage clearance, limousine service, excess baggage tele-check-in and value-added benefits and privileges from partnership alliances such as ITC Welcome Group, Diners & Citibank, American Express, LKP Forex, DBS Instant Office Worldwide, Westside Stores and Club Mahindra Holidays.

The Clubs will be re-launched in August, 2004. The membership base from August, 2001 - 31 March 2004 is as under:

The Maharajah Club (TMC)	1590
Leading Edge Club (LEC)	1195
Total	2785

- **Companion Free Scheme**

The Companion Free Scheme is also available to/ from Far East/South East Asia in J class. The scheme is valid up to 31st March, 2005.

- **Additional Mileage Points Scheme**

The scheme was valid up to 31st March, 2004. Eff. 1st April 2004, the additional mileage points scheme has been extended till 31 March 2005. Free Membership with flying returns will be awarded to non-members. The scheme is valid upto 31 March 2005.

- **Short Term FFP Promotions – “Fly More Get More”**

This scheme has been launched effective January 2004 and will be valid up to 30th September 2004. Any individual residing in India aged 12 years and above can become a member of the Flying Returns Programme by travelling on any single sector on Air India during the validity period. Membership is subject to fulfillment of eligibility criteria and terms and conditions of the flying returns programme.

- **Net benefits at www.airindia.com (India FFP)**

Frequent Flyer members can now earn double mileage points for tickets purchased in India through Air India’s website www.airindia.com. Those who are not members of Flying Return will be offered free membership for enrolling as a member in India. The incentives were valid up to 31st March, 2004.

- **Air ticket auctions through Indiatimes.com**

The concept of online auctions has been successfully introduced in the Indian market for various products. This new concept has been launched for air travel by a leading internet portal Indiatimes.com and has been successfully used by Air-Sahara and Indian Airlines. Air-India has also commenced auction of seats through Indiatimes.com. From a marketing view-point, the auctions are meant to generate interest and excitement in the market about the Air India

product and also fill up vacant seats in the lean season.

- **The salient features are as follows**
 - The auction is available on specific flights and dates in the economy class, which will be pre-determined.
 - It is also available in executive class in the India/Paris-Newark route.
 - The auction will be open 60 days before flight departure and will close 14 days prior flight departure.
 - The auction is for a very limited number of seats on each flight.

The Marketing division depending on demand and the seasonality selects the specific sectors and flights.

At the end of each day, the winners of the auctions are advised by Air-India and the tickets are issued by the YATRIK cell in Mumbai and couriered to the passenger by India Times.

- **“YATRIK” – Your Airline Travel Reservation Internet Kit**

Air-India has launched its online booking facility “YATRIK” – Your Airline Travel Reservation Internet Kit on 1st January 2002 for passengers buying tickets in India. This facility was extended to the U.S. on 1st July 2002 and has been extended to all Air India online points abroad from 2nd August 2002.

Passengers from all Air India online points globally can now log on to the AI website, check availability and fares, make reservations, pay for them online using credit card and have the tickets delivered to them. They can also request their seat and meal preferences while booking. Hence the objective is to provide value-added service, which is accessible, available and affordable to the end customer. It is available 24/7, interactive can be accessed from anywhere in the world and comes at an attractive price.



Executive Class Cabin of B747-400

From April 2003 to February 2004, Air India has earned revenue of Rs.10.74 crores from this online booking facility.

8.11 AIR-INDIA'S FUTURE STRATEGY

Air India has sent a proposal for acquisition of 10 medium capacity long-range (A340-300) aircraft and 18 small capacity short-range (B737-800) aircraft at an estimated cost of Rs.10,859 crores. With this acquisition, Air India will phase out its older B747-400/A310-300 aircraft. The project report is presently under consideration of Government.

8.12 HAJ OPERATIONS 2004

Haj 2004 operations were successfully carried out by Air India with its own aircraft in association with Indian Airlines and Saudi Arabian Airlines. A total of 71,691 Haj pilgrims were carried. The first phase of Haj operations was from December 24th 2003 to January 26th, 2004 and the second phase from February 04th, 2004 to March 06th, 2004. Jaipur was added as new embarkation point during Haj 2004.

8.13 HUB AND SPOKE FLIGHTS

Capacity has been leased from Indian Airlines with a view to providing seamless connections to various cities in India from the gateway points at Mumbai and Delhi. These hub & spoke flights operate with Air India flight numbers and provide seamless connectivity to international passengers between various points in the Gulf as well as Europe/UK/USA to interior domestic points in India via the international hubs of Mumbai and Delhi. The passengers are able to clear customs and immigration at the final point of destination. This has proved to be an effective marketing tool and convenient for passenger.

8.14 ENGINEERING

- **Fleet Utilisation & Despatch Reliability**
Aircraft utilisation and technical despatch reliability for the period April 2003 to February 2004 is given below. Utilisation is given in terms of average daily utilisation per aircraft in block time. The technical delays of duration 15 minutes and above are considered for the technical despatch reliability.

Aircraft Type	APR'03-FEB'04	
	Utilisation/day/acft(Hrs)	Tech. Despatch Reliability (%)
B747-200	6.0	96.0
B747-300	8.3	95.1
B747-400	12.0	97.4
A310-300	9.2	98.7

- **Aircraft Availability**

On the average, 85.9% of the fleet was made available for service during April'03 - March'04.

- **Additional Operations**

During the period under consideration, 104 additional flights were operated over and above the schedule, to cater to commercial requirements,

resulting in an additional 528 hours of operations.

- **Extra Section Operation**

Eight VVIP operations were undertaken during the period under consideration.

- **Maintenance of two Ariana Afghan Airlines A300B4**

Engineering has undertaken maintenance (including repair / snag rectification) of two A300B4 aircraft of Ariana Afghan Airlines. The first aircraft was attended to in May-June 2003 and the second aircraft was attended to in June-July 2003. Ariana's technical personnel also accompanied the aircraft to gain experience.

8.15 GROUND SERVICES DEPARTMENT (GSD)

During the period April 2003 – March 2004, Air India handled –

AI Flights	-	21111
Flights of Foreign Carriers	-	20944
Other flights	-	1245

- GSD successfully handled the Haj flights totalling 665 at Mumbai, Delhi, Chennai and Kolkata.
- Equipment serviceability during the year April 2003 – March 2004 on an average was 96.34% respectively.
- On time baggage delivery statistics for the period April 2003 – March 2004 on average at Mumbai and Delhi are 94.17% and 97.89% respectively.

As on 31st March 2004, Air India provided ground handling services to a total of 79 customer airlines at different airports:-

Mumbai	-	24
Delhi	-	21
Chennai	--	13
Kolkata	-	07
Thiruvananthapuram	-	03
Kochi	--	11

- During the the year 2003-04, Air India secured new ground handling contracts of Sri Lankan airlines, Air Sahara and Gulf Air at Cochin, KLM Royal Dutch Airlines, Gulf Air, Royal Jordanian (FF), Singapore Airlines(FF) and Alitalia at Kolkata, China Airlines(FF), Turkish Airlines and Air Canada at Delhi, Silk Air at Trivandrum, Thai Airways at Chennai and Aeroflot at Mumbai.

8.16 SPORTS ACTIVITIES

Air India has a long tradition for supporting sports and sportsmen since the time of inception. Air India has provided financial assistance, transportation facilities as well as contract employment to a number of outstanding up-coming sportsmen and helped them in their formative years. Air India has set up a sports division, which specialises in promotion of sports headed by a controller of sports and officers from the sporting disciplines. Air India has also set-up a National Hockey Academy at National Stadium in Delhi, which has produced a number of players who are today doing duty for the country in senior as well as junior teams.

8.17 POLLUTION CONTROL MEASURES

The Materials Management Department has arranged for the disposal of garbage and waste items regularly so as to ensure that such accumulations do not create any pollution problems.

8.18 CITIZEN'S CHARTER

Air India brought out its revised citizen's charter in August 2002. It is a complete, handy reference guide to everything a passenger wants to know

about Air India. Information on reservations, check-in-procedures, lounge facilities, baggage allowance, cargo handling, in-flight services, security regulations and the frequent flyer programme-flying returns and special promotional schemes on Air-India are provided concisely in this brochure.

8.19 WELFARE OF SENIOR CITIZENS

Senior citizens traveling from India to USA, UK and Europe were offered special discounted fares for travel on Air-India flights. These return fares, which were up to 25 per cent, lower than normal fares were valid for outbound travel from India till March 31, 2004.

Travel on these concessional tickets was not permitted out of India during January 2004 and from USA-UK-Europe to India between November 15 to December 31, 2003 and July 2004.

Air India have also offered very attractive fares on its domestic routes to senior citizens, blind people, cancer patients and armed forces personnel.

8.20 HUMAN RESOURCES MANAGEMENT

• LWP & SWWS

In order to control staffing, two new schemes, viz. 'Shorter Working Week Scheme (SWWS)' and 'Leave Without Pay Scheme (LWP)' were launched in 1998. As per SWW scheme, employees have the option of working for 3 days in the week for 60% of their present emoluments. As per LWP scheme, employees can avail of leave without pay for a period of 2 years, which is extendable upto 5 years. As on 01.03.2004, 24 employees have availed of SWWS and 133 employees have been released under the 2 years LWP Scheme. The above schemes on redeploy-

ment, LWP and SWWS have been discontinued effective 1st April 2004.

8.21 VIGILANCE

The Vigilance Department is responsible for the implementation of anti-corruption measures of the Central Government and for maintenance of high degree of purity, integrity and efficiency in the organisation. Apart from dealing with vigilance cases, the department also undertakes regular and surprise inspections of sensitive areas, reviews the same and recommends means for streamlining of procedures for minimising the scope for corruption or misconduct. Air India observed the Vigilance Awareness Week from 3rd to 8th November 2003 during which essay and slogan competitions were organised.

8.22 STEPS TAKEN TO IMPROVE PUBLIC GRIEVANCE REDRESSAL MACHINERY

Redressal of public grievances is handled in accordance with the laid down procedures. All complaints are speedily and effectively adhered. A system to handle complaints worldwide is already in place and the procedure followed is aimed at providing maximum passenger satisfaction. All complaints are replied to passengers within 72 hours of receipt of the complaint. Air India Limited is committed to improve its ground and onboard services and every attempt is made to extend maximum comfort by way of professional handling with efficiency and respect to passengers. The office of the Manager-Passenger Relations at Mumbai is provided with a direct telephone number 282 6295 to speak to the passenger directly and settle the matter. In addition the travel related problems of the passengers can also be conveyed to Air India Limited.

8.23 ESTABLISHMENT DIVISION

The staff strength of the Company as on 01.03.2004.

RegularStaff Strength	India Based	Trainees Posted Abroad	TOTAL	LocalStaff	GRAND TOTAL
14805*	140	167	15112	395	15507

* Excluding 133 staff on two years leave without pay and 3 staff who are on deputation to DGCA/ ICAO/ MOCA.

* 217 Employees have superannuated between October 2003 to March 2004 and 203 employees will superannuate between the period April 2004 to September 2004.

8.24 TRAINING FACILITIES

The company has been imparting training in various fields depending upon the need to technical and general categories of officers and staff.

The management has also nominated women employees to WIPS (Women in Public Sector) an organisation, which has been constituted under the aegis of SCOPE.

During the period under consideration, 37 technical courses were conducted in which 760 personnel were trained. After a decade, the Inflight Service Training & Development Centre is involved in an intensive training programme for cabin crew recruits. Presently, 120 cabin crew are undergoing the ab-initio training.

A 3-day Induction training programme was conducted for approximately 50 In-flight Supervisors.

In-flight Service Training & Development centre constructed a training module for Indian Airlines VVIP crew.

8.25 AIR INDIA CHARTERS LIMITED

● Introduction

Air India Charters Limited (AICL), after having

obtained certificate of commence, started business in 09th September, 1971, was registered as a wholly owned subsidiary of Air India Limited under the Companies Act, 1956. During the year under review, the company has earned net profit of Rs.13.28 lakhs.

● Operations:

The company continued to provide security services to foreign airlines. At present, the company is providing security services to 13 foreign carriers with 60 flights per week. In addition to security handling, AICL is also providing passenger and cargo handling services to Kuwait Airways at Mumbai.

The company has entered into a commercial and ground handling agreement with M/s. China Airlines Limited of Taiwan. The ground handling agreement is for Delhi, where China Airlines is operating 3 frequencies per week with A 300 aircraft. The estimated handling revenue would be Rs.3.4 crores per annum.

The company has also started providing ground-handling services at Cochin International Airport and for this purpose has recruited Customer Agents, Ramp Agents and Security Agents on contract basis.

Indian Airlines Limited

9

9.1 ORGANISATION

Indian Airlines was set up under the Air Corporations Act, 1953 with an initial capital of Rs.3.25 crores with its corporate headquarters at Delhi. The undertaking of Indian Airlines was transferred to and vested in Indian Airlines Limited with effect from 1st March, 1994 in pursuance of the Air Corporations (Transfer of Undertakings and Repeal) Act, 1994. It has four regional offices located at Mumbai, Kolkata, Delhi and Chennai. Its main objective is to provide safe,

efficient, adequate, economical and properly coordinated air transport service. It operates to 58 domestic stations (including the operations by its wholly owned subsidiary Alliance Air) and 17 international stations in 14 countries Kathmandu (Nepal), Colombo (Sri Lanka), Male (Maldives), Dhaka (Bangladesh), Bangkok (Thailand), Sharjah, Fujairah, Ras-al-Khaimah, Dubai (U.A.E.), Doha (Qatar), Bahrain, Muscat (Oman), Kuala Lumpur (Malaysia), Yangon (Mynamar), Kuwait, Singapore and Lahore (Pakistan).



Indian Airlines aircraft - celebrating 50 years of flying.

9.2 OPERATIONAL FLEET

The operational fleet of Indian Airlines / Alliance Air at present is as under:

	No. of Aircraft	Average age as on 31 st Mar., 2004 Years
Airbus A-300	04	22.1
Airbus A-320	30	12.7
Boeing 737-200	11	22.6
Dornier DO-228	02	18.8
Total	47	16.1

Excludes 11 A320 aircraft and 4 ATR 42-320 on dry lease.

The Boeing 737-200 and ATR 42 aircraft are being operated by Alliance Air.

9.3 OPERATIONS

- **New Flight**
Delhi-Goa-Delhi with 3 flights per week with A320 aircraft
- **New sectors introduced on international network**

Sector	Date of introduction	Freq./Week(Aircraft)
Jaipur-Bangkok/Singapore	15.10.2003	2 A320
Delhi – Lahore	09.01.2004	2 A320

- **New Sectors Introduced on Domestic Network**

Sector	Date of Introduction	Freq. /Week(Aircraft)
Guwahati-Dimapur	02.01.2003	7 ATR
Guwahati-Aizwal	05.04.2003	3 ATR
Kolkata-Shillong	07.04.2003	3 ATR
Agartala-Silchar	15.04.2003	3 ATR
Raipur-Chennai / Vizag	26.10.2003	4 B737

- **HAJ FLIGHTS**

Indian Airlines operated 28 A300 services between Srinagar and Jeddah in Phase-I during December'03 – January 2004 to carry 5896 Haj pilgrims.

During January'04, 16 A320 services were operated between Gaya and Kolkata to carry 1379 Haj pilgrims as part of Hub & Spoke arrangement with Air India for onward carriage to Jeddah.

In Phase II, 28 A300 services were again operated between Srinagar and Jeddah to bring back Haj

Pilgrims during February-March 2004.

16 A320 services were also operated between Kolkata and Gaya to bring back Haj pilgrims during March 2004.

Hub & spoke flights During the winter schedule 2003-2004, 23 flights per week with A320 aircraft operated on domestic routes as hub & spoke arrangements with Air India.

Presently, Indian Airlines and Alliance Air jointly operate to 58 domestic stations and Indian Airlines operates to 17 international stations in 14 countries.

9.4 CAPITAL STRUCTURE

The equity capital of the company has increased from 105.19 crores as on 31.3.2002 to Rs.107.14 crores as on 31.3.2003. The increase is on account of allotment of equity share to Government of India in lieu of sale of assets of Agro Division belonging to Vayudoot. Rs.107.14 crores includes loan capital of Rs.50.04 crores converted into equity capital in June, 1995.

9.5 FINANCIAL PERFORMANCE

There has been a net loss of Rs.196.56 crores during the year 2002-03 compared to net loss of Rs.246.75 crores during the year 2001-2002. The net loss is lower mainly because of improved physical performance and strict cost control measures undertaken by the company.

The Company incurred losses for the year 2002-03 mainly due to extraneous factors beyond its control, which interalia include the following :

- There was virtually no growth in the domestic market over the past few years. At a time, when the air travel market was still recovering from the impact of 11th September attacks in the US, it had to face the adverse impact of Iraq war and SARS.
- The ATF cost gone up significantly as fuel price increased by almost 20% on an average

during the year 2002-03. The ATF price touched a historical high of Rs.25,200 per kilolitre in March, 2003.

- There was increase in flying cost due to closure of Pakistani airspace as flying time of service to Gulf destinations increased.
- The aviation insurance cost increased threefold post Sept'11 US WTC incidents.
- The company continues to deploy larger capacity on category II (North-East, J&K, Leh, Andaman & Nicobar) and category III (state capitals, tourist destination and other non-trunk metro) routes, in excess of Route Dispersal Guidelines issued by DGCA for socio-economic reasons. The excess deployment of capacity in category II and category III routes affect the profitability of the company to the tune of Rs.200 crore annually.

Reasons for losses in the year 2002-03:-

(Rs. Crores)	
Particulars	Amount
▪ Increase in ATF cost	147.00
▪ Loss due to closure of Pak airspace	9.00
▪ Decline in seat factor	55.00
Total	211.00

Financial Results for the year 2001-2002 and 2002-2003 and for the period April-September, 2003 vis-à-vis April-September, 2002 are summarised below:-

(Rupees in Crores)

	2001-2002	2002-2003	Apr-Sept., 2002	Apr-Sept. 2003
Operating revenue	3769.91	4071.73	1992.85	2214.55
Operating expenses	3990.56	4206.45	2235.30	2278.50
Operating profit/(loss)	(220.65)	(134.72)	(242.45)	(63.95)
Non-operating revenue	107.38	42.51	3.25	3.20
Non-operating expenses	133.48	104.35	54.95	42.75
Profit/(loss) before tax	(246.75)	(196.56)	(294.15)	(103.50)
Profit/(loss) after tax	(246.75)	(196.56)	(294.15)	(103.50)
Foreign exchange earnings	1320.90	1409.74	594.15	625.00

In order to partially offset the huge increase in input cost and to contain the losses, the company increased its domestic rupee fares by 10% in November 2002. Another hike of 15% in domestic rupee fares was effected in March 2003 as ATF prices touched an all time high of Rs.25,200 per kilolitre. However, the additional revenue generated due to the hike of 15% effected in March 2003 became available to the company only in the fiscal year 2003-04. The

additional revenue generated by the upward revision of domestic rupee fares in November 2002 was however, available only from November till the end of fiscal year 2002-03.

9.6 RESERVES & SURPLUS

The position of the reserves and surplus, loan funds as on 31.3.2002 and 31.3.2003 are summarised below:

(Rupees in crores)

Particulars	As on 31.3.2002	As on 31.3.2003
Equity capital	105.19	107.14
Reserves & surplus	559.34	562.45
Secured loans	275.86	442.07
Unsecured loans	1104.44	723.59
(Liability for aircraft & spares)Net worth	(255.44)	(446.94)

9.7 PERFORMANCE RATIOS

The financial performance ratios of Indian Airlines for the last 7 years are as follows:

Particulars	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Ratio of operating profit/(loss) to operating revenue (%)	4.75	7.98	8.59	5.63	(2.25)	(5.85)	(3.31)
Ratio of net profit (before tax) to equity capital	-	44.94	13.46	48.88	-	-	-
Ratio of net profit (before tax) to capital employed	-	1.89	0.64	2.84	-	-	-
Ratio of current assets to current liabilities	0.68	0.66	0.61	0.53	0.50	0.49	0.48
Ratio of net profit (before tax) to net worth	-	59.22	15.01	36.08	-	-	-
Operating ratio (ratio of operating expenses to operating revenue)	95.25	92.02	91.41	94.37	102.25	105.85	103.31
Available tonne kilometers per employees	50166	51656	53209	54072	57474	62240	67963
Revenue tonne kilometers per employee	32574	33106	33632	35484	38348	38781	44007

9.8 PHYSICAL PERFORMANCE

Particulars	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Available tonne kilometers (ATKms) (million)	1075.238	1094.132	1122.922	1120.926	1153.684	1200.315	1308.018
Revenue tonne kilometers (RTKms) (million)	698.116	700.896	709.079	740.285	777.342	755.547	845.097
Overall load factor (%)	64.9	64.1	63.1	66.0	67.4	62.9	64.6
Revenue passenger carried (million)	7.098	6.363	6.069	5.927	5.992	5.525	5.654
Freight including excess baggage (tonnes)	85766	82150	86317	91392	91418	80236	92135

9.9 PHYSICAL & FINANCIAL PERFORMANCE: 2003-04

The company formulated its budget estimates for the year 2003-04 on the assumption of carriage of 17027 passengers per day on an average.

During the period April to September, 2003, the company has earned a total revenue of Rs.2217.75 crores and incurred total expenditure of Rs.2321.25 crores resulting in net loss (provisional) of Rs.103.50 crores which is lower by Rs.190.65 crores i.e. 64.8% when compared to the loss of Rs.294.15 crores incurred in the

corresponding period of previous year 2002-03. Similarly the net loss (Prov.) of Rs.103.50 crores is lower by Rs.31.41 crores i.e. 23.3% from the budgeted loss of Rs.134.91 crores during this period. The loss is lower due to various cost control measures initiated by the company. The year is now projected to end up with an operating profit of Rs.12.50 crores and a net loss of Rs.56.00 crores.

The estimated financial performance during the year 2003-2004 compared to budget estimates is as follows:

	Budget Estimates	Anticipated
Available tonne kilometers (million)	1340.334	1289.000
Revenue tonne kilometers (million)	897.440	875.000
Passenger load factor (%)	63.0	62.6
Overall load factor (%)	67.0	67.9
Passenger carried (million)	6.232	5.760
Operating revenue (Rupees in crores)	4951.50	4688.80
Operating expenses (Rupees in crores)	4977.00	4676.30
Operating profit/(loss) (Rupees in crores)	(25.50)	12.50
Total revenue (Rupees in Crores)	4958.00	4695.30
Total expenses (Rupees in crores)	5068.50	4751.30
Net profit/(loss) (before tax) (Rupees in crores)	(110.50)	(56.00)
Foreign exchange earnings (Rupees in crores)	1400.00	1310.00

9.10 ANNUAL PLAN 2003-2004 – A REVIEW

The company's annual plan for the year 2003-2004 was approved by the Government with an outlay of Rs.280.00 crores. The company has formulated the capital budget estimates for 2003-2004 reworking its requirement at Rs.280.00 crores.

It is expected that against the original budget estimate of Rs.280 crores, the anticipated outgo

will be Rs.263.76 crores (approx.). The main reason for variation is reduction in the exchange rate and resultantly less outgo under the provision made for aircraft fleet. The expenditure under building projects, ground support equipment, corporate computerisation and others is lower due to economy measures undertaken whereby capital expenditure has been restricted to operational requirements only.

- Details of the expenditure for the year 2003-04 (budget estimates) vis-a-vis outgo (provisional) are as under:

(Rupees in crores)

	Budget Estimates 2003-2004	Provisional 2003-2004
Aircraft fleet	243.11	236.26
Building projects	9.93	6.10
Computer/communication	2.00	1.60
Corporate computerisation	5.96	6.00
Ground support equipment Including vehicles	12.25	9.55
Others (renovation of booking office, furniture & fixture & unforeseen expenses etc.)	6.75	3.75
Grant in aid to IGRUA	-	0.50
Total	280.00	263.76

9.11 WORKSHOP BUILDINGS, OPERATIONS BUILDINGS, BOOKING OFFICES AND STAFF QUARTERS

The hangars at Chennai, Mumbai, Kolkata, engine run-up bay and blast fence at Mumbai, Avionics shop at Delhi, GSD Hangar Engine Run up Bay, blast fence and apron at Hyderabad engineering base, structural repairs and protective/water proofing treatment of the old cantilever pre-stressed hangar at Mumbai, service complex for GSD/engineering at Calicut airport, stores

building and commercially important persons (CIP) lounge at Delhi airport, have been completed and commissioned.

Renovation work of CIP lounges at Mumbai, Hyderabad and Bangalore airports is under progress.

9.12 HRD INITIATIVES

- **Customer Service Excellence Programmes**

Programme developed for delivery of high levels of customer service delivery spontaneously and

routinely. Programme design includes identifying, monitoring and addressing deviations in performance from laid down standards and taking corrective steps. The proposal is also to transfer the training expertise to internal facilitators. At the first instance, about 18 programmes will be held for Northern Region frontline staff at Delhi airport.

Two trial modules have been conducted and meeting of internal resource persons, with the faculty have been held to set performance standards.

Roll out of the regular programme has commenced from 2nd March, 2004. 8 three day programmes are scheduled till the end of April 2004.

- **Sales And Marketing Programmes**

Special week-long sales and marketing sessions developed for existing sales personnel and the Area Marketing Managers. Such programmes to include officers/staff at international stations, as also employees of GSA. These programmes are being carried out by an outside agency. Two such programmes have been held for core sales personnel and five programmes for Area Marketing Managers and other sales personnel, in all covering over 150 sales personnel. Eight more five-day modules will be held which would cover more than 200 personnel. These would also include special programmes designed for international stations.

- **Backroom Coordination**

Special programme has been developed for coordination amongst non-frontline departments to ensure effective handling of departure and arrival activities to ensure on time performance. Pilot programme has been conducted for Northern Region employees in two phases between September, 2003 and March, 2004.

- **Personal Grooming Workshops**

A two-day module has been developed with the help of an outside agency of repute for cabin crew. After testing a pilot module, 10 such modules have subsequently been conducted at New Delhi covering a total of about 140 cabin crew from all over India. This module will now be taken up at the regional levels for covering all cabin crew, which includes a separate module for male cabin crew.

Roll out of the regional programme has commenced with the first programme in Delhi in March, 2004.

- **Voice Culture Workshops**

Two pilot programmes of five days on voice culture and announcements each have been held at the Staff Training Institute, Prasar Bharati at Delhi. An adapted version of three days will be administered at the regional levels. The regional roll out commenced with the first programme at Kolkata in February, 2004.

- **Ab-Initio Training**

Indian Airlines recruited 120 trainee cabin crew on all-India basis. They were trained in five batches four of which were at CTE Hyderabad and one at Chennai. The duration of training was of 8 weeks. The module consisted of mandatory technical subjects, soft skills, cabin services, grooming/etiquette and personality development, announcements/voice culture, first aid, yoga/physical fitness etc.

- **Business Management Workshops**

A special ten-day programme was developed for executives of line departments especially engineers and pilots for exposing them to various management concepts on their taking over managerial positions tailor made with the help

of Amity Business School, NOIDA. Four such programmes have been held in which about 56 middle and senior managers have participated.

- **PC Familiarisation Training**

In collaboration with NIIT, Indian Airlines has organised a 40 hours PC familiarisation training at our premises at Safdarjung airport for employees of headquarters and Northern Region posted at Safdarjung airport. 12 batches have completed this training till the end of March.

- **Training for Stores Personnel**

Two programmes were organised for stores officers and staff on stores procedures. These programmes had inputs from both internal and external faculty.

- **MTC programmes**

The Management Training Centre Hyderabad, conducts regular training programmes.

Some of the new programmes conducted by MTC in 2003-2004 are:-

- Orientation programmes for:
 - Asst Manager (IFS)
 - Grade 9A and 10/12
 - Asst Manager (Commercial)
- Induction training for the 23rd batch of Management Trainees (Commercial)
- Effective presentation skills
- Personal branding
- Communication IQ for managerial excellence
- Leadership development through self awareness
- Occupational health and stress management
- Effective skills for strategic negotiation
- Leadership for women executives
- Human factors – interpersonal relationships
- Seven spiritual laws for success

- Leadership for transformation

Besides the above, the following regular programmes were also held

- Problem solving and decision making
- Business management workshops
- Consultative sales training
- NLP for executive development
- Performance appraisal
- Seven habits of highly effective people
- Effective personality development
- Internal audit workshop
- Effective trade union management

In all, during 2003-2004, 42 programmes were held, which were attended by 756 participants.

- **MOU**

As per the MOU signed with the Ministry, the benchmark for achieving an “Excellent “ rating under the parameters of organisational development is to train a total number of 5600 employees. This figure has been achieved at the end of February, 2004 itself.

9.13 SCHEDULED CASTE/TRIBE WELFARE

Special cells have been formed under the direct supervision of Liaison Officer (Corporate) at headquarters and one each in the four regions viz. Northern, Southern, Eastern and Western. Adequate number of Scheduled Caste/Tribe employees man these cells and are primarily responsible to ensure implementation of reservation orders in the organisation and also to deal with individual grievances and representations submitted by Scheduled Caste/Tribe employees. Periodical meetings are held with Scheduled Caste/Tribe Associations both at the central and regional level.

9.15 SPORTS

● Hockey

S/Shri Dhanraj Pillay, Dilip Tirkey, Vikram Pillay, Arjun Halappa, Prabodh Tirkey, Mukesh Kumar and Bimal Lakra were members of the Indian team which won the second leg of the four nation tournament in Australia. Shri A.B. Subbaiah was nominated as the goalkeeper's coach.

S/Shri Dhanraj Pillay, Dilip Tirkey, Bimal Lakra, V.S. Vinay and Vikram Pillay were members of the Indian team which won the four nation Panasonic Cup at Hamburg, Germany.

S/Shri Dhanraj Pillay (Captain), Dilip Tirkey, Bimal Lakra and Vikram Pillay were members of the Indian team for the Champions' Trophy at Holland.

Shri A.B. Subbaiah was nominated as the goalkeeper's coach.

S/Shri Prabodh Tirkey (Captain), Girish Pimplae and Hari Prasad were members of the junior India team, which won the six nation tournament at Poland. Shri Harendra Singh was nominated as the chief coach of the team.

Shri Virendra Bahadur Singh was appointed as an umpire by the F.I.H. to officiate in the Champions' Trophy at Holland.

S/Shri Dhanraj Pillay, Dilip Tirkey, Bimal Lakra and Vikram Pillay were the members of the Indian team which won the "Asia Cup" for the first time at Kuala Lumpur. Shri S.B. Subbaiah was nominated as the goalkeeper's coach.

S/Shri Dilip Tirkey (Captain), Bimal Lakra, Arjun Halappa, Vikram Pillay and Prabodh Tirkey were members of the Indian team which won the inaugural Afro Asian Games held at Hyderabad.

Shri A.B. Subbaiah was nominated as the goalkeeper's coach.

Indian Airlines won the Mumbai Gold Cup and finished runner up in the Jawaharlal Nehru Hockey Tournament and Lal Bahadur Shastri Hockey Tournament.

S/Shri Dhanraj Pillay (Captain), Girish Pimplae, Arjun Halappa, V.S. Vinay, Vikram Pillay and Sandeep Singh were members of the Indian team for the Sultan Azlan Shah Hockey Tournament at Kuala Lumpur.

Shri Harendra Singh was the Chief Coach and Shri A.B. Subbaiah was nominated as the Goalkeepers Coach.

S/Shri Dilip Tirkey (Captain), Bimal Lakra, Vikram Pillay and Arjun Halappa were the members of the Indian team for the pre-olympics at Madrid and qualified for the Athens olympics to be held in August 2004.

● Cricket

S/Shri Harbhajan Singh and Yuvraj Singh were members of the Indian team for the Asia Cup at Dhaka.

S/Shri V.V.S. Laxman and Harbhajan Singh were members of the Indian touring team for the four test series against Australia.

Indian Airlines won the Lala Hariram Cricket Tournament, 1st SAARC Cricket Tournament at Kathmandu, Jailal Solanki Memorial Cricket Tournament, All India Rani Surya Mukhi Memorial Cricket Tournament, Sadbhavna Cup and Smt. Susheela Devi Cricket Tournament and finished runner up in the Maharaj Padam Singh Cricket Tournament, Buchi Babu Cricket Tournament, All India Public Sector and Shahibzada Ajit Singh Cricket Tournament.

● Carom

Shri R.M. Shankara won the SAARC carom championships held in Dhaka in September 2003. Shri R.M. Shankara won the U.S. open carom

men's singles championships held in October 2003 and he along with Mariya Irudayam also won the men's doubles championships.

S/Shri M. Natraj and E. Mahimairaj defeated R.M. Shankara and Maria Irudayam in the doubles finals of the senior national carom championships at Goa.

Shri M. Natraj won the Federation cup held in Akola.

● **Chess**

Ms. S. Vijayalakshmi won the Commonwealth chess championships for women held in Mumbai. Shri G.B. Joshi won the Delhi state championship in April 2003.

Shri Rahul Shetty won the first International rating chess tournament at Kathmandu.

Ms. Vijayalakshmi finished runner-up in the National 'A' championship for women at Calicut in November 2003.

Shri V.S. Negi finished runner-up in the Bangkok open chess tournament.

Ms. Meenakshi won the Asian women's chess championships in Dhaka and qualified for the women's world chess championships to be held in Georgia.

Ms. S. Meenakshi became the sixth women Grandmaster in India.

Ms. S. Vijayalakshmi won the silver and S. Meenakshi won the bronze in the Commonwealth championships at Mumbai. Master Parimarjan Negi won the silver medal in the under-14 category of the same tournament.

Shri Tejas Bakre became the eleventh Grandmaster in India.

● **Shooting**

Shri Birendeeep Sodhi won the Bronze Medal in the Asian Junior Trap Grand Prix event in the World cup shooting event held at Lonato, Italy.

Indian Airlines participated in the 47th National shooting championship at Hyderabad in December 2003 and won 19 gold, 15 silver and 15 Bronze medals.

9.16 ENGINEERING

● **Delhi**

Significant achievements made by Engineering Department during the year are as below:

- 'C' check life of A-320 aircraft has been enhanced from existing 4600 flying hours / 3500 cycles / 18 months elapsed time to 5000 flying hours / 3800 cycles / 20.5 months elapsed time whichever occurs first, with the concurrence of DGCA. This will result in lesser number of groundings for 'C' check inspections and consequential savings on expenditure on major checks.
- 5 leased A-320 aircraft (EY series) have been successfully inducted into IAL fleet without necessitating any significant augmentation of existing infrastructure facilities. Enhanced serviceability requirements of A-320 fleet are being met successfully by managing additional workload through adequate planning/provisioning.
- Major check performance for A-320 aircraft in the last two years shows an improved performance in 2003 as follows:

	2002	2003
'A' Check*	53	58
'C' Check	19	20

(*Data pertains to 1st Jan – 15th Nov period for each year)

Further three 'C' Checks were planned to be outsourced in 2003, however, on account of

improved performance in A-320 major maintenance, only 2 aircraft were required to be sent abroad for 'C' check in 2003.

- Cockpit door reinforcement (phase II) retrofit has been completed on the entire A-320 fleet within the stipulated deadline. 31 A-320 aircraft including 11 leased aircraft were covered for this modification during the period under reference.
- EGPWS and SSFDR retrofit was carried out within the stipulated time frame on the remaining 6 aircraft along with grounding for 'C' check. Now, this modification stands complied with on the entire A-320 fleet including leased A-320 aircraft.
- Aircraft security modification related to cockpit door surveillance system and remote air traffic control are currently under progress.
- Essential service bulletins SB B 397 BAM-22-012, C 5569-22-008 and C 5569-22-006 were required to be complied with on all FAC units through Vendor's facility, @ US\$3254 per unit.

As the material cost of this modification is only US\$68 per unit, the vendor was requested to demonstrate the procedure to us and the SB was carried out in-house on 76 FAC units. Besides a quantum improvement in reliability and upgrading of skills, a saving of US\$2,20,780 has been achieved in this exercise.

- Lap joint modification has been undertaken on the entire B-737 fleet. VT-EGI, the last aircraft is currently undergoing this modification along with 'D' check.
- A steady progress has been achieved in computerisation of engineering functions. Software for feeding A-320 flight sector report from 6 metro stations has been installed on Q.C. computer to receive required flight information instantly. Computerisation of work order opening / closing and compilation of technician man-hour data has also been done. In the second phase computerisation of other PPC functions viz. repair order cycle, component tracking, loans and exchanges, scrap and salvage,



An engineer carrying out inspection on Airbus A320 systems in cockpit.

major check arising / planning etc. will be taken up.

- A-320 aircraft were made available for 11 VVIP charters during this period without adversely affecting the scheduled operations of flights.

- **Mumbai**

- Besides complete major maintenance on A300 aircraft, with effect from 17.11.2003 'A' check of A320 aircraft has been re-started at Mumbai. Three 'A' checks were carried out during November, 2003 as per following details:

Aircraft Regn. No.	VT-ESE	VT-EPS	VT-EVQ
Grounding days	2	2	2
Tech. Manhrs. booked	423	423	423

The norms for grounding days and man-hours are 2 days and 750 hours.

- Engineering services provided to outside parties
- Rs.20.80 lacs earned by Oil Test Lab during April to November, 2003.
- 1610 tech man-hrs. booked on outside party jobs (equivalent to Rs.22.76 lacs).
- Technical support to foreign airlines = 21 flights/week (Oman Air = 10, Air Lanka = 5, Qatar Air = 6)
- Hub & Spoke flights (Air India) = 18/week

Product Upgradation

- After every 'C' check, carpets are replaced with better quality imported carpets.
- Improved quality wall papers are being used for toilets on A300 aircraft.
- For better external appearance of the aircraft, external cleaning/washing upto cabin window level is carried out during major checks.
- To minimise cabin defects on A320 aircraft, float of items required for

attending to passenger complaints with respect to cabin defects has been increased.

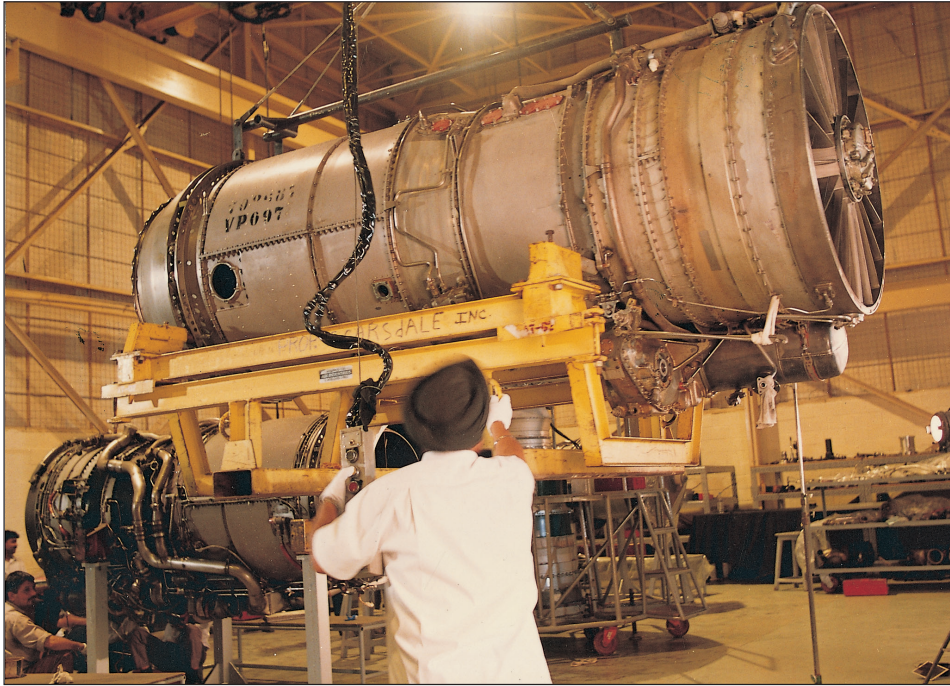
9.17 JET ENGINE OVERHAUL COMPLEX (JEOC)

Jet engine overhaul complex is servicing P&W JT8D-9A/17/17A engine fitted on Boeing B-737 aircraft and V 2500 – A1 engine fitted on Airbus A320 aircraft of IAL fleet.

Till March'2004, a total of 519 engines (332-JT8D & 187-V2500) have been successfully serviced by the Jet Shop. The capacity has increased from an average of 35 engines (both JT8D + V2500) in year 1994-97 to 55 engines now.

JEOC has acquired FAA (Federal Aviation Administration) certification of its facilities. This has brought JEOC at par with international engine repair agencies.

A fully air-conditioned stores building meeting DGCA and FAA requirement has been commissioned and various stores located at different locations in JEOC have been shifted to this centralised stores building.



An engine under repair at Jet Engine over haul Complex, Delhi

9.18 COMPUTERISATION

The **Departure Control System (DCS)** is now available at 39 stations comprising 29 domestic and 10 international stations on the IA network. During the year 2002-03, 100% up time of IBM main frame at the two central sites was achieved thereby ensuring the availability and reliability of system access for all users.

- Boarding card to have frequent flyer number and Honourable Members of Parliament information.
- Computerised check-in facility extended to Agartala and Mangalore airports.
- Computerised check-in facility through IC Host System extended for the IC handled airlines, Qatar Airway, Silk Air at Hyderabad and Qatar Airway, Silk Air at Thiruvananthapuram.
- Through check-in facility extended to Gulf Air and Qatar Airways.
- Frequent flyer system to capture the frequent flyer accrual data automatically

from all the sources i.e. Indian Airlines, Alliance Air, Air India and Air France flights.

- Online redemption and FFP award letter issuance for both Indian Airlines and Air India flights at Members Service Centre (MSC) outlets in India.
- Dynamic system access to IC host from all Member Service Centre (MSC) outlets to carry out various FFP functions like query, retro credit mileage point etc. All new schemes under the FFP are being incorporated in the Frequent flyer system.
- Monitoring of various promotional and discount fares offered on domestic sectors by tracking on-line data from reservation and departure control systems. This system is now being used for strategic decisions like continuation of a particular promotion scheme, modifications to the scheme, termination of scheme etc.
- www.indian-airlines.com has been enhanced to store information pertaining to tenders released by Indian Airlines. The

website is also being used to disseminate information such as hot seat winners, written test results and advertisement of pilot vacancies.

- Computerised Public Grievances Redress and Monitoring System (PGRAMS) has been implemented at IAL corporate office to process the public grievances filled through the Ministry.
- RAPID (Real-time Automated Passenger Information Dissemination) systems have been installed at Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad to quickly disseminate passenger related information.
- Indian Airlines Call Centre has been made operational with 75 workstations connected online to the IC host for processing passenger queries.

9.19 PRODUCT IMPROVEMENT

• Marketing Initiatives

1. IA Hot Seat

Period of offer – 19th March, 2004 to 19th May, 2004

- Daily computerised “lucky draw” for all

No. of	Price Travel	Class of Per Ticket	Award Points
4	Rs.24,000/-	Y	250
4	Rs.32,000/-	J	350
8	Rs.44,000/-	Y	500
8	Rs.58,000/-	J	700

3. The Smart Voyager

Period of Offer 1st Oct- 31 Dec 2003.

- The scheme attempts at a synergistic promotion between the two national carriers of our country .
- The short-term promotional scheme has two components:
 - Smart Voyager 1, 2 : Specifically aims at

revenue travellers on IA network.

- Daily draw will pick the “HOT SEAT” i.e. a seat number of a flight and a sector.
- Awardee gets four return (2 coupon) tickets which can be availed on any IA sector on the network.

2. Smart Super Saver (SSS)

Period of offer – 20th January, 2004 to 20th July, 2004

- Short term promotional scheme where passenger gets discounts on bulk advance purchase (Relaunch of the Super Saver Scheme with additional benefits).
- A four/eight coupon ticket is available for executive/economy class, by paying a fixed amount.
- The coupons can be utilised on any of IA's/Alliance Air's domestic sectors with the exception of Delhi-Trivandrum, Delhi-Kozhikode, Delhi-Coimbatore, Delhi-Cochin.

Passengers earn SSS award point on each SSS ticket, which can be redeemed for free international return ticket(s) or upgrade voucher(s), both transferable.

Details of the scheme are as follows:

promoting travel on IA's 6 metros while at the same time promoting travel on Air India's international sectors as a passenger earning one free ticket on Air India, is likely to purchase the ticket for his companion.

- Smart Voyager 3: A lucky draw aimed at attracting all revenue passengers on

IA's domestic network. The 1st mega prize is a holiday for two in Paris with 50 consolation prizes offering free return tickets on any domestic or international sector of IA.

4. Executive Edge :

Period of offer – July 24 to October 31, 2003.

- Rs.80,000/- worth of J class travel : one free domestic or international return sector ticket.
- Rs.30,000/- worth of J class : one executive class upgrade voucher.

5. Fortune 50 Offer :

Period of offer – 01st August to 19th September 2003

- A daily lucky draw which was two free return tickets on any international / domestic sector of Indian Airlines .

- At the end of the 50 day period, out of all these 300 winners, a mega draw for the grand prize of a Mercedes Benz car was offered.

6. Super Saver:

Period of offer 15th May - 31st Oct 2003.

- Short term promotional scheme where passenger gets discounts on bulk advance purchase.
- A four/eight coupon ticket is available for executive / economy class, by paying a fixed amount.
- The coupons can be utilised on any of IA's / Alliance Air's domestic sectors with the exceptions of Delhi-Trivandrum, Delhi-Kozhikode, Delhi-Coimbatore, Delhi-Cochin.

Details of the scheme are as follows:

Number of coupons	Price	Class of travel
4	Rs.25,000/-	Y
4	Rs.35,000/-	J
8	Rs.50,000/-	Y
8	Rs.65,000/-	J

• Marketing Initiatives – Tie-ups to offer value for Money

1. Frequent Flier Programme:

Since 1994, IA and AI have run a joint frequent flier programme, flying returns

- Indian Airlines has taken over the management of the frequent flier programme with effect from April 2003.
- A new domestic FFP mileage table was introduced in July 2003. The mileage points have been computed based on the earn-burn ratio of 1:12 to 1:30. This flexible mileage earn-burn ratio has been worked out to make the programme more attractive, customer oriented and dynamic and create a preference for the IA loyalty programme over competition.

- A premium club called the Golden Edge club has been launched to provide special benefits, privileges and recognition to the higher end loyal customers.
- Satellite offices of the member service centre have been opened at Delhi and Mumbai airports w.e.f. 1st July, 2003.
- Instant on-line redemption from 6 major metro satellite offices and two at the airports (Delhi and Mumbai) introduced for GEC members on IA and CD flights w.e.f. 15th November 2003. On Air India flights instant on-line redemption w.e.f. 1st February'04.
- Instant retro-credit of mileage points w.e.f. 15th March'04.

- ‘Fly More Get More Scheme’ launched w.e.f. 1st January’04 to 30th September’04.

2. Indian Airlines Taj Offer

Period of offer : Ongoing offer being extended till 31st October, 2004.

- Offer targets the business traveller,
- IA tie-up with premium hotel chain Taj group provides discounted overnight hotel stay. This offer now is extended to cover 28 Taj properties.
- Passengers pay only Rs.1500/- or Rs.2500/- as per the hotel availed.
- The IA-Taj offer is also available in combination with APEX fares at special rates.

3. Holiday Packages - Flyaways

Period of offer : Ongoing offer extended till 31st October, 2004.

- IA has re-launched the holiday packages “IA Flyaways – Holiday Packages” to more than 30 destinations and more than 60 properties.
 - The packages cover favourite tourist destinations both domestic as well as international (e.g. Ootacamund, Kerala, Goa, Sharjah, Yangon, Kathmandu etc.). These packages are economically priced. On most sectors, a 3 nights/4 day holiday in a 4-5 star hotel, including pick-up drop, meals, sightseeing, welcome drink are provided within the cost of the air-fare only.
 - Details of all the packages are available on the website www.indian-airlinespackages.com
- **Marketing Initiatives – Other Initiatives–Ongoing**
 1. **Indian Airlines – Co-Brand Cards**
 - Indian Airlines has tied up with American Express for Co-Brand Credit Cards –

The IA – Amex Gold Card and the IA Amex Silver Card.

- Indian Airlines has also tied-up with ABN AMRO for a co-brand Debit Card.
- Passengers using their co-brand cards for buying Indian Airlines tickets for self are offered attractive discounts in both Y and J Class.

The other value offers to co-brand card holders are – free enrolment in the frequent flier programme, upgrade vouchers at the time of enrolment, excess free baggage allowance of 10 kgs., check-in privileges etc.

2. On-Line Booking / Flight Information

- On-line booking facility through internet enables passenger to make his / her own booking through the web for flights upto four days before departure of the flight.
- Bookings, flight information, information on schemes is available through the IA website www.indian-airlines.com

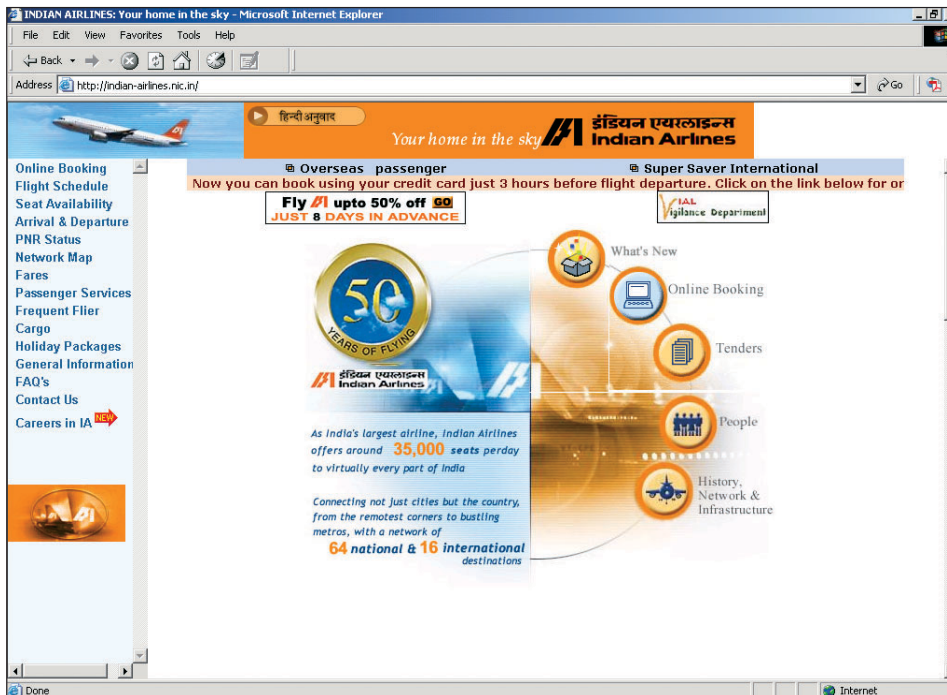
3. BID and FLY – On-line auction

- IA introduced this scheme with effect from December 2002.
- Seats are offered for auction on the internet at discount.
- The on-line auction of seats on specific flights and sectors is available between 12 days to 8 days (both days inclusive) before scheduled flight departure and is for economy class only.

4. Corporate House Scheme

In recognition of the fact that most corporates, because of their own pressures on margins and costs, look for best value for money.

- IA offers special slab based incentives based on quantum of business.



A highlight of the new IA web page displayed on line, accessed through its address www.indian-airlines.com of {HYPERLINK <http://www.indian-airlines.nic.in>} giving details of latest IA marketing incentives.

- Corporate help desks have been set up at metros to facilitate the corporate clients.
- The IA sales teams regularly service the corporate clients.

▪ Flexi Fares

The flexi fare policy enables Indian Airlines to offer fare variations on a sector to sector and on a season to season basis, depending on a variety of factors including market size, seasonality, price sensitivity and other market and service related factors. With the 'FLEXI FARE POLICY', fares become market based rather than cost based and fare changes occur in response to market conditions. Passengers thus get the benefit of attractive fares and this in turn promotes domestic travel.

▪ APEX Fares

- An advance purchase scheme for travel on select domestic sectors in economy class.

- Indian Airlines re-launched SMART APEX SCHEME in June, 2003.
- The re-launched scheme covering two tier Smart APEX-7 and Smart APEX-21 seeks to deliver value to the two ends of the air passenger segments and seeks to deliver value to the two ends of the air passenger segments and those with luxury of time to plan in advance and those who have but a week to plan.
- With effect from 10th March, 2004, Indian Airlines has launched an advance purchase scheme for foreign tourists / NRIs. APEX fares in USD are available for sale worldwide except in India. Passengers are required to purchase confirmed tickets 45 days prior to departure.
- Indian Airlines had initially introduced APEX fares, an advance purchase scheme on select domestic sectors in the economy class for travel between 1st

August and 31st October, 2002. The scheme was valid till 31st March, 2004 and has been extended until further notice.

- These fares are substantially lower than normal fares, and are aimed at generating a new market by encouraging surface traffic (primarily rail) to shift to air.
- APEX fares had been introduced on select 54 domestic sectors out of a total of 168 sectors. These sectors for which such fares have been introduced are based on capacity, market and competitive conditions. APEX fares had not been introduced, in view of these factors on 114 sectors.
- The broad conditions governing the scheme are:-
 - Tickets to be purchased at least 21 days before departure. Modified to 15 days before departure w.e.f. 15th November, 2002.
 - Initially change in bookings, flight / date were not permitted. Subsequently permitted till 15 days prior to the date of departure, re-issuance charge of Rs.100/- or a refund fee of Rs.100/- levied, as the case may be.
 - Cancellation of ticket attracts 50% charge.
 - FFP accrual points and other promotional schemes are not permitted.
 - Available for individual travel only, group bookings are not permitted.
- Seats available under this scheme are limited on each flight, which are monitored so as to optimise revenue. Presently two types of APEX fares are being offered i.e. a D-7 day fare and a D-21 day fare, replacing the earlier D-15

day fares. In order to attract the business traveler, 50% FFP points are offered under the D – 7 scheme only.

9.20 CARGO PROMOTIONAL ACTIVITIES

- Indian Airlines has signed Special Pro-rate Agreement (Cargo) with Ethiopian Airlines, Vietnam Airlines Federal Express, Air France, Kuwait Airways and China Southern Airlines.
- Cargo website – www.ia-cargo.com was launched on 1st February 2004.
- Awareness for cargo website was done through advertisements in leading newspapers, trade magazines and Golden Jubilee issue of Swagat magazine.
- Flight specific promotional cargo rates for high, medium and low demand flights were introduced on all India basis.
- Re-certification of ISO 9001:2000 being undertaken as per the revised updated standards.
- Strategic tie-ups with M/s. European Cargo Services (Asia) Pte Ltd and M/s. EAS International Transportation (S'Pore) Pte Ltd on Singapore / India route were executed.
- Indian Airlines Cargo participated in the Air Cargo Agents Association of India (ACAAI) Conference at Dubai from 26th – 29th November, 2003.
- 'City Specific Direct Shipper' scheme in major metros and non-metros was introduced in order to promote direct sale on Indian Airlines.

9.21 USE OF HINDI

In order to ensure progressive use of Official Language Hindi in official work, 57 Official

Language Implementation Committees have been constituted at corporate headquarters, regional headquarters and all stations and their Official Language Implementation Committee meetings were held regularly. All efforts were made to achieve the targets laid down in the annual programme issued by the Ministry of Home Affairs for the year 2003-04.

During this period, the IInd Sub-Committee of the Committee of Parliament on Official Language carried out official language inspection of Indian Airlines offices located at corporate headquarters, Ranchi, Srinagar, Agra, Mumbai, Kolkata and Ahmedabad and appreciated the progress made in the field of Hindi. The Ministry of Civil Aviation also carried out inspection of Goa, Pune, Lucknow and Jodhpur stations of Indian Airlines. The Official Language Department of corporate headquarters also carried out inspection of 8 stations and 16 departments. With a view to creating a congenial atmosphere for the use of Hindi in Indian Airlines, Hindi fortnight was celebrated with great zeal at all India level. To mark the occasion, a Hindi fortnight was also celebrated at headquarters from 2nd September, 2003 to 13th September, 2003. Dy. Managing Director gave prizes to the winners of the various competitions organised on this occasion. A Rolling Rajbhasha Shield for excellent official language implementation in official work was awarded to ground supports department of headquarters. Recruitment & promotion section of personnel department at headquarters was also awarded a special Rajbhasha Shield for issuing all notifications in bilingual form. One employee each from corporate headquarters, Central Training Establishment, Hyderabad base and all regions was awarded Sarvashretha Vayaktigat

Puruskar for doing maximum work in Hindi in day-to-day working.

In order to facilitate officers/employees doing their official work in Hindi, as many as 222 officers and employees were trained in 14 Hindi workshop training programmes.

Hindi books worth Rs.10,000 were purchased by the corporate headquarters. Similarly, the other regional headquarters viz. Northern, Southern, Eastern, Western region and CTE Hyderabad/base also purchased Hindi books.

Advertisements of all India nature were published bilingually. To mark the golden jubilee year of Indian Airlines, all publicity material including special inflight announcements were made in Hindi and English. Indian Airlines aircraft displayed a special "50 years of flying" design painted in Hindi and English.

In-house magazine VIMANIKA has been awarded the IInd prize from Town Official Language Implementation Committee (Undertaking), Delhi for excellent publication in Hindi.

During the period under review Pune, Mangalore, Port Blair, Kolkata, Ahmedabad, Jodhpur, Varanasi, Gwalior and Raipur stations of Indian Airlines were awarded Rajbhasha Puruskar by their respective Town Official Language Implementation Committees.

9.22 VIGILANCE

During the year 2003-2004, Vigilance Department and Fraud Prevention Unit carried out a number of important activities including streamlining the systems & procedures, scheduled/surprise inspections, vigilance awareness/fraud prevention programme.

Central Vigilance Commissioner, Shri P. Shankar, inaugurated a topic on vigilance on the

website of Indian Airlines. Indian Airlines has thus become the first airline to introduce this topic for ensuring transparency in administration and redressing grievances of the passengers and public.

- **Achievements**

Observance of Vigilance Awareness Week: Secretary, Central Vigilance Commission intimated that the Commission was pleased to place on record its appreciation of the efforts made in Indian Airlines to spread vigilance awareness amongst its employees while observing awareness week.

- **System improvements**

- Intimation by employees involved in police case.
- Continuation of inquiry proceedings after retirement of an employee.

During the period from April 2003 to March 2004, Vigilance department took up investigation of 64 complaints and completed investigation of 42 complaints. As on 31.3.2004, 22 complaints were pending for investigation. A total of 29, Departmental Enquires were pending as on 1.4.2003 and during the period from April 2003 to March 2004, 21 DEs were added. Out of these 49 DEs, 20 DEs were completed and 28 were pending as on 31.3.2004.

During the period from 1.4.2003 to 31.3.2004, a total of 87 surprise checks and 14 scheduled inspections were conducted, resulting in recovery of Rs.10,37,238/- and Bangladesh Takas 88,000/-.

9.23 GROUND SUPPORT DEPARTMENT

Market Role and growth

The present ground handling business of foreign airlines in India is approx. Rs.500 crores. Indian

Airlines present share of ground handling business is approx. Rs.128 crores. Our endeavour is to make ground handling department a dominant force in ground handling business. At present our competitor in ground handling are Cambata and Air India at Delhi/Mumbai and AI/HAL Joint Venture at Bangalore.

Ground Handling Revenue

Ground support department is one of the major foreign exchange earner for Indian Airlines.

Ground handling revenue of foreign airlines / other carriers increased from Rs. 38.3 crores in 1994-95 to approx. Rs.128.00 crores in 2002-03.

Ground support department at present provides ground handling services to the following foreign airlines.

Delhi	Srilankan Airlines, Pakistan International Airlines, Uzbekistan Airways (ATQ), Kyrgyzstan, Air India (Hub and spoke) Malaysian Airlines, Tajikistan, Ariana
Kolkata	British Airways, Lufthansa Cargo.
Chennai	Srilankan, Oman Air, LH Cargo/ LH Pax, British Airways
Bangalore	Singapore (Cargo Freighter), Lufthansa (Cargo Freighter)
Trivandrum	Oman Airways, Srilankan Airlines, Monarch, Qatar Airways,
Trichy	Srilankan Airlines
Hyderabad	Air India, Malaysian Airlines, Emirates, Silk Air, SV Haj Charters
Calicut	Air India, Air India (Hub & Spoke)
Mumbai	Srilankan Airlines, Pakistan International Airlines, Oman Air, Qatar Airways, Air India (Hub & Spoke)
Ahmedabad	Air India, Saudi Arabian Haj Charters

Goa Finnair, Monarch, A-2000, Nova Air, Bell Air, Condor, My travel and Air India etc.

Gaya Srilankan Airlines, Silk Air Charters, Druk Air, Phuket Air

**operations suspended at present.*

Ground Support Department also makes special arrangements for handling of charter/VVIP flights at important tourist destinations in India and also provides ground handling services to Alliance Air throughout the network of Indian Airlines. GSD is providing ambulift and other equipment at a very short notice at various airports visited by Hon'ble Prime Minister of India.

ATR Station : Ground Support Departments contribution in operationalising ATR aircraft project is commendable. The equipment like ground power unit with TR units and other GS

equipment was provided at eight stations of North East.

Apart from handling of above regular flights of foreign airlines, Indian Airlines provide handling to number of charter/freighter/technical half flights at the following stations:

Northern Region: Delhi, Agra, Jaipur, Jodhpur, Udaipur, Varanasi, Khajuraho

Western Region: Mumbai, Ahmedabad, Aurangabad, Goa

Eastern Region: Kolkata, Ranchi

Southern Region: Chennai, Bangalore, Hyderabad, Trivandrum & Vizag

• **Additional business contracts**

Ground support department has executed new ground handling contract with the following foreign airlines, as additional business, in 2003-04 :-

S.No.	Scheduled Airlines	Location	Estimated amount value per year (INR)
1	Saudi Arabian Airlines	AMD/HYD	1.90 crores
2	British Airways	Chennai	2.00 crores

• **Continuing business contracts**

Indian Airlines has also entered into long term agreements of three year period effective 1st October, 2003 to 30th September, 2006 with the seasonal charter parties operating their flights every year to Goa airport starting October to March.

9.24 MEDICAL

During the period of outbreak of SARS in some of the South East Asian countries, the medical department played an important role in educating our crew/commercial staff to take care of SARS suspects and also advised engineering department about disinfection of the aircraft by means of fumigation.

In August 2003, during the outbreak of Eye-Flu conjunctivitis, medical department issued health bulletin to educate the staff and also issued guidelines for crew and commercial staff dealing with passengers suffering from conjunctivitis.

In October, 2003, when there was an outbreak of dengue fever Medical Dept. issued notice/guidelines to inform about the preventive measures on this disease.

In an international conference organised by Indian Society of Aerospace Medicine Indian Airlines was awarded corporate membership. Dr. A.K. Dewan, General Manager (Medical) chaired a scientific session in the above conference.

Indian Airlines received the best 'Civil Paper Award' in 44th annual ISAM conference.

Six doctors from Indian Airlines were nominated to attend a training programme on “Aviation medicine for civil doctors” organised by Institute of Aerospace Medicine, Indian Airforce, Bangalore.

9.25 AIRLINE ALLIED SERVICES LIMITED

Indian Airlines had set up a wholly owned public limited company in 1983 known as Airline Allied Services Limited (AASL). The objectives of the company as enumerated in the Memorandum and Articles of Association envisaged providing support services to the core activities of Indian Airlines for e.g. setting up of hotels, flight kitchen etc. In the year 1988 Memorandum and Article of Association of AASL were amended to include the following mandate:-

- To establish, maintain operate international and domestic air transport services, scheduled and non-scheduled, for the carriage of passengers, mail and

freight and for any other purpose.

- To buy, sell, hire, let on hire and deal in aeroplanes, flying machines, aircraft and the component parts and all kinds of machinery and appliances for use in connection therewith.

Airline Allied Services Limited started airline operations with B-737 aircraft under the brand name of ‘Alliance Air’. The company commenced its operations effective 15th April 1996. Alliance Air is at present, operating services to 41 stations with 11 B-737 aircraft taken on lease from Indian Airlines. There is a complete synergy and cooperation between Indian Airlines and Alliance Air operations such as engineering, ground handling, marketing, ticketing facilities etc.

• Physical Performance of Alliance Air

The physical & financial performance of Alliance Air during the years 2000-2001, 2001-02 and upto September in the years 2001-02 and 2002-03 is as under:

PARTICULARS	2001-02	2002-03	Apr- Sept. 2002	Apr-Sept. 2003
Available tonne kms.(million)	177.77	169.91	85.03	85.52
Revenue tonne kms.(million)	107.67	101.81	49.21	51.7
Available seat kms.(million)	1842.60	1791.18	902.76	924.65
Revenue passenger kms. (million)	1529.12	1058.39	510.59	532.27
Load factor %	60.30	59.92	57.87	60.46
Seat factor %	61.20	59.09	56.56	57.56
Number of passengers(million)	1.529	1.419	0.682	0.733
Effective fleet during the year	11	12.19	11	15

- Financial Performance of Alliance Air

Rupees in crores

	2001-02	2002-03	Apr-Sept. 2002	Apr-Sept. 2003
Operating revenue	503.52	500.05	232.92	295.88
Operating expenses	560.18	592.34	282.98	332.51
Operating profit/(loss)	(56.66)	(92.29)	(50.06)	(36.64)
Prior period items	(0.31)	-	-	-
Non-operating revenue	-	7.29	-	-
Non-operating expenses	-	-	-	-
Profit/(loss) before tax	(56.97)	(85.00)	(50.06)	(36.64)
Profit/(loss)after tax	(56.97)	(85.00)	(50.06)	(36.64)

- ATR – Operations to North East

Alliance Air has taken on lease 4 ATR-42-320 aircraft for dedicated operations in the North Eastern Region.

These aircraft will be deployed exclusively in the North East for a period of 5 years on dry lease basis. The lease period commenced from December, 2002.

During the lease period, the total expenditure estimated is Rs.417.35 crores.

The estimated revenue is Rs.227.21 crores, resulting in a deficit of Rs.190.14 crores.

The leased aircraft are to be operated in the North Eastern region on the basis of agreed budgetary grant of Rs.35 crores per annum i.e. Rs.175 crores during the five-year period, to be contributed by Department for Development of North Eastern Region. The deficit, if any, will be met by Alliance Air / Indian Airlines with increase in fares and other concessions expected from the Government like reduction of ATF prices, lowering of airport charges, including savings from landing and navigation charges etc. in the North East.

Pawan Hans Helicopters Limited **10**

10.1 INTRODUCTION

Pawan Hans Helicopters Limited was incorporated in October, 1985 (under the name of 'Helicopter Corporation of India Limited') as a Government company under the Companies Act, 1956. The corporation commenced its operations within one year of its formation with the primary objective of providing helicopter support services to the oil sector in offshore exploration, operate in hilly and inaccessible areas and make available charter flights for promotion of travel and tourism.

Pawan Hans is the first aviation company in India to get ISO 9002-2000 Certification for its entire gamut of activities.

10.2 ORGANISATION AND CAPITAL STRUCTURE

Pawan Hans is headed by Chairman & Managing Director, who is also the Chief Executive. The registered office of the company is located at New Delhi and its regional offices are at Mumbai and New Delhi. It has a team of dedicated highly motivated and skilled manpower which includes pilots, engineers, executives and support staff. The company's authorised capital is Rs.120.00

crores. Against this, the present paid up capital is Rs.113.76 crores. Out of the present subscribed capital of Rs.113.76 crores, Rs.89.26 crores is held in the name of President of India and Rs.24.50 crores in the name of Oil & Natural Gas Corporation Limited.

10.3 FLEET STRENGTH

PHHL has emerged as one of Asia's largest helicopter operator having a well balanced operational fleet of 30 helicopters consisting of 18 SA-365N Dauphin, 2 Dauphin AS-365N3, 3 Bell 206 L4, 2 Bell 407, 2 Robinson R-44 and 3 MI-172 helicopters.

10.4 OPERATIONS

The company achieved flying of 3,20,000 hours and 11,50,000 landings on its fleet since its formation. The company achieved a total revenue flying task of 18506, 20,173 and 22,780 hours during the financial years 2001-02, 2002-03 and 2003-04 respectively.

- PHHL generates over 60% of its revenue from ONGC at Mumbai and other locations for transportation of its men & material.

- PHHL operates to 35 Rigs (mother platforms and drilling rigs) and 100 production platforms (wells) within a radius of 130 nm. from the main land at Mumbai.
- 8 Dauphins operate daily from Mumbai carrying out 17-20 sorties with a monthly utilization of 800 hours. In addition, 2 Dauphin operates from other locations of ONGC as well. One Mi-172 is also flying on contract with ONGC.
- 30 landings daily per helicopter during production sorties. 250 men are carried to various ONGC off-shore locations every day.
- 2 Dauphins are stationed overnight at the main platforms in addition to a dedicated Night Ambulance to meet any emergency evacuation.

10.5 DEPLOYMENT OF THE HELICOPTER FLEET

The company operates ten Dauphins and one MI-172 helicopter on contract basis to ONGC for carrying its men and vital supplies round the clock to drilling rigs situated in Bombay off-shore platforms.

In addition, PHHL provides helicopter support services to several State Governments namely Arunachal Pradesh, Punjab, Meghalaya, Tripura, Sikkim, Lakshadweep, Andmans & Nicobar. It is also providing helicopter services to some PSUs like Oil India, NHPC and GAIL, Ministry of Home Affairs (MHA), Guwahati and Hardy. Pawan Hans started inter-island helicopter services by a Dauphin helicopter in Andman & Nicobar Islands since March 2003. On an experimental basis, PHHL had run the helicopter

services from Augustmuni to the holy shrine of Kedarnath in May-June and September-October, 2003.

Pawan Hans also provides maintenance & operations support for one Bell 206L4 of a private company, a Dauphin AS-365N3 helicopter of Government of Karnataka and a Robinson R-44 helicopter of a religious organisation at Delhi.

10.6 HELICOPTER SERVICE IN THE NORTH EASTERN REGION

• Arunachal Pradesh

PHHL has provided a Dauphin helicopter SA365N to Government of Arunachal Pradesh from December 1995 which is being utilised by the State Government for services connecting Itanagar with Guwahati, Mohanbari, Pasighat, Roing, Tezu, Ziro, Namsai, Along, Yingklong, Roing, Miao, Changlang, Daporijo etc. In addition one MI-172 helicopter has been deployed from August 2002 for ferrying passengers and carrying cargo (air maintenance).

• Meghalaya

PHHL has leased one Dauphin helicopter on wet lease to the Government of Meghalaya w.e.f. 15th February 1999. The State Government has been operating daily passenger flights on the Guwahati-Shillong-Tura sector and other sectors within the State.

• Sikkim

PHHL has provided a 5-seater Bell helicopter on wet lease to the Government of Sikkim since 31st October 1998. The State Government has been operating daily passenger/tourist flights on Gangtok-Bagdogra-Gangtok sector (6 days in a week) and other flights (joy ride to Kanchanjunga) for carrying tourists.

- **Ministry of Home Affairs**

MHA has been utilising PHL's Dauphin helicopter since 1996 every year. The helicopter is based at Guwahati and being utilised for transportation of ministers and senior officers of the Central Government to important centres in the North East.

- **Tripura**

PHHL has provided a Bell 407 helicopter on wet lease to the Government of Tripura w.e.f. 25th September 2002. The State Government has been utilising this helicopter for regular passenger services within the State.

- **NHPC**

PHHL has provided a 5 seater Bell helicopter to NHPC w.e.f. 27th October 2000. The helicopter is

based at Itanagar, Arunachal Pradesh and is being utilised by them to meet their own requirements.

- **Oil India Ltd.**

PHHL has provided a 3 seater Robinson R-44 helicopter to Oil India Ltd. w.e.f. 10th May 1994. The helicopter is based at Guwahati, Assam and is being utilised by them to meet their own requirements.

10.7 FINANCIAL PERFORMANCE

The financial performance during 1996-97, 1997-98, 1998-99, 1999-2000, 2000-2001, 2001-2002, 2002-03 and 2003-04 is as under:-

(Rupees in crores)

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04 (Prov.)
A) Revenue estimates	185.87	157.37	178.54	175.85	191.96	195.86	205.02	215.25
B) Expenditure estimates								
i) Operating & non-operating expenses	114.88	100.32	106.19	99.38	129.17	115.59	131.33	148.25
ii) Depreciation & obsolescence reserve	<u>7.08</u>	<u>5.65</u>	<u>7.78</u>	<u>7.44</u>	<u>9.98</u>	<u>11.06</u>	<u>14.21</u>	<u>16.78</u>
	121.96	105.97	113.97	106.82	139.15	126.65	145.54	165.03
C) Profit before prior period/extraordinary adjustments	63.91	51.40	64.57	69.03	52.81	69.21	59.48	50.22
D) Prior period/extraordinary adjustments	(8.53)	24.09	22.48	38.16	22.19	22.25	4.20	11.35
E) Interest on GOI dues including arrears of earlier years.	-	-	-	(288.33)	(11.69)	-	(39.31)	-
F) Profit/(loss) after adjustments	55.38	75.49	87.05	(181.12)	63.31	91.46	24.37	61.57
G) Provision for income tax	9.25	13.75	15.00	42.50	25.30	32.15	8.98	20.00
H) Net profit/(loss) after tax	46.13	61.74	72.05	(223.62)	38.01	59.31	15.39	41.57
I) Dividend (paid/payable)	9.39	12.51	14.79	10.52	11.38	13.65	13.65	Not yet decided



Bell helicopter flying in North East

Pawan Hans has been appointed as an approved Maintenance Centre to carry out services on Dauphin series helicopters and is part of the Eurocopter's network of authorised maintenance centres world wide.

To meet the acute shortage of residential accommodation in Mumbai, the company has constructed 242 flats out of which 50 flats have been allocated to Airports Authority of India on land acquired from them on lease.

10.8 FUTURE PLANS

- Pawan Hans is making efforts to venture into the area of hotline washing of transmission lines by helicopters in collaboration with Power Grid Corporation.
- Pawan Hans has signed an agreement with M/s. Eurocopter for purchase of 2 new Dauphin AS 365N3 helicopters in August, 2003. With this acquisition the total fleet strength would be enhanced to 32 helicopters. Pawan Hans has in October 2003 floated a tender for acquisition of one light and two medium helicopters.

- An agreement has been signed with Tata Consultancy Services for development of a crucial integrated software solution at a cost of Rs.1.50 crores. that would cater to the core functional areas viz. Flight Data and Scheduling, Component Health Monitoring & Maintenance, Material Management and Financial Accounting.

10.9 STEPS TAKEN TO IMPROVE PUBLIC GRIEVANCE REDRESSAL MACHINERY

Pawan Hans does not have direct services for the general public and is dealing mainly in long term contract with selected customers like ONGC, Oil India Ltd. State Governments and PSUs etc. Therefore, complaints received are minimal and are being dealt with promptly within the stipulated time. Pawan Hans has a prescribed public grievance procedure including PGRAM to settle any public grievance. Further there exists a Public Grievance Redressal Machinery dealing with the complaints by Director at Corporate Office and Grievance Officer at Regions.

10.10 IMPLEMENTATION OF POLICY STATEMENT FOR ABATEMENT OF POLLUTION.

Pawan Hans is endeavouring to maintain a pollution free environment and has been planting trees around its office premises in Delhi and Mumbai.

10.11 VIGILANCE

The Vigilance Department is headed by the Chief Vigilance Officer. The thrust of the activities of the Department are on preventive vigilance whereby the employees are made aware of the extant rules and procedures of the Company and are motivated to abide by them. The rules themselves are also scrutinised in order to fill up the gaps where rules are either non-existent or are antedated or are considered to be inadequate to deal with a give situation. Instructions are issued from time to time for better documentation and filing procedures, and proper upkeep of records. Identification of and plugging the sources of pilferage, if any, is an on-going exercise. The emphasis is on regular inspections and greater interface with the staff so as to streamline functioning and enlighten the staff about the serious consequences of adoption of shortcut methods and deviation from established procedures. Periodic counselling of the staff regarding greater transparency in their decision making, is an important activity of the Vigilance Department that is expected to bring about an attitudinal change for

the betterment and to improve the work culture and discipline in the company.

10.12 USE OF OFFICIAL LANGUAGE

More than 80% of officers and staff members possess a working knowledge of Hindi and as far as possible most of them do their official work in Hindi. Hindi dictionaries and other help literature have been provided to officers and staff to facilitate their working in Hindi. All documents covered under section 3(3) of the Official Languages Act were issued bilingually i.e. both in Hindi and English. Provisions of Rule 5 of the Official Languages Rules were also complied with.

10.13 EFFORTS TOWARDS ACHIEVING EXCELLANCE

The operating and maintenance standards of Pawan Hans are one of the highest in the world. All aircrew must pass proficiency tests every six months. Maintenance crew undergo regular refresher courses. Meticulous maintenance checks on helicopters are carried out and extensive workshops with in-house facilities provide the back up. Maintenance capability has been upgraded to carry out major 'G' Inspections (airframe overhaul) totally in-house, without any foreign assistance.

PHHL has laid a strong foundation in terms of trained manpower and excellent safety standards. The company looks forward to a bright future.

Hotel Corporation of India

11

11.1 INTRODUCTION

Hotel Corporation of India Limited is a Public Limited Company wholly owned by Air India Limited and was incorporated on July 8, 1971 under the Companies Act 1956, when Air India decided to enter the hotel Industry in keeping with the prevalent trend among world airlines. The objective was to offer to the passengers a better product, both at the international airports and at other places of tourist interest, thereby also increasing tourism of India.

11.2 SALE OF REMAINING UNITS

For sale of Centaur Hotel, Delhi Airport (including Chefair Flight Catering Delhi), and Chefair Flight Catering Mumbai, Government re-initiated the process of disinvestment to which 46 parties

responded; 39 were shortlisted who fulfilled the criteria and, thereafter, Earnest Money Deposit (EMD) of Rs.100 lakhs for the hotel and Rs.5 lakhs for the Flight Kitchen were called. Finally 20 parties submitted the Earnest Money Deposit and signed the Confidentiality Agreement. For the due diligence, 2 Data rooms, one each at Delhi and Mumbai, were set up and Qualified Interested Parties(QIPs) accessed the Data Rooms in April/May,2004. The QIPs have interacted with the management and had site inspections of the properties. Among the QIPs, five have since withdrawn their interest and EMDs of four of them have been refunded. Finally 17 parties have been left out. Draft Transaction Document, duly compiled by the Global Advisors, is ready to be considered by the IMG for its approval

11.3 FINANCIAL RESULTS

(Rs. In crores)

Particulars	Actuals 2001-02	Actuals 2002-03	Unaudited 2003-04
Operating revenue	77.95	51.77	39.93
Total expenditure	105.90*	63.02	44.90
Operating profit/(loss)	(27.95)	(11.25)	(4.97)
Extra-ord.exp(VRS-378 employees)	-	11.21	3.00
Interest	4.95	0.73	1.80
Depreciation	3.63	1.90	1.55
Prior period adjustments	0.30	(1.60)	-
Net profit/(loss)	(36.83)	(23.50)	(11.32)
Net sale proceeds of units	3.91	197.38	-
Net profit/(loss) before tax	(32.92)	173.88	(11.32)

* Wage revision arrears Rs.Crores

11.4 DISPOSAL OF CENTAUR LAKE VIEW HOTEL, SRINAGAR.

Centaur Lake View Hotel is a 252 room 5 star hotel located on the bank of Dal lake, Srinagar. There is a proposal for transferring the ownership of this property to the Government of Jammu &

Kashmir. A Committee of Central and State Government officials have been set up to address the core issues involved in taking over of the hotel. The core issues have been identified, the assets evaluated by the Asset Valuers and submitted to the State Government for their views. The State Government is examining the issues involved.

Women Welfare 12

12.1 INTRODUCTION

In accordance with the instructions of the Department of Women and Child Development, a cell headed by a lady Deputy Secretary as Nodal Officer, is in existence in the Ministry of Civil Aviation, for overseeing the work relating to women's welfare and for taking suitable measures to provide convenient and hassle free work environment to the women members of the staff. Further, as per the guidelines of the Hon'ble Supreme Court of India, a complaint committee headed by the same lady officer has also been constituted to examine complaints relating to sexual harassment of women at work places and to suggest remedial measures to prevent such harassment. All the organisations under the Ministry have also set up similar cells and complaints committees to look after matters relating to women welfare and to look into complaints relating to sexual harassment of women employees. Instructions received from Department of Women and Child Development, National Commission for Women etc. from time to time, are circulated to all organisations under this Ministry, for necessary implementation. The position of women's welfare/ cases of sexual

harassment in the Ministry and its organisations is being monitored periodically and necessary action is taken wherever called for.

12.2 DIRECTORATE GENERAL OF CIVIL AVIATION

In the DGCA, Women's Cell has been constituted in order to identify the issues relating to Women's welfare. It is headed by a senior lady employee as Convener. Its meetings are conducted every quarter to resolve the grievances of lady employees. In compliance with the guidelines of Hon'ble Supreme Court, a 'one person cell' has been constituted to deal with the cases of sexual harassment in the office.

12.3 BUREAU OF CIVIL AVIATION SECURITY

A separate common room has been earmarked for women for attending to their needs during medical emergency and for rest. Problems of the women employees, if any reported, are promptly attended to and resolved amicably, keeping in view the policy of the government in this regard. As a part of modernisation of work procedures,

women employees of the Bureau are also being imparted training on computers and in using various other modern office equipments.

12.4 COMMISSION OF RAILWAY SAFETY

Offices of the Commission are generally located in Railway Office Complexes and the facilities provided therein such as toilets, creche, tiffin room etc. are availed by the female employees of the Commission also. The women employees also participate and hold office in Mahila Samiti, the women's welfare organisation of railways. The instructions on welfare of women employees, issued by Government of India from time to time are being implemented.

12.5 AIRPORTS AUTHORITY OF INDIA

Kalyanmayee is the Women Welfare Association of Airports Authority of India. This is a welfare body consisting of women working in Airports Authority of India and the wives of those working in it. Its aim and objectives are to carry out activities in social, cultural and educational fields for the benefit of members and their families. Kalyanmayee units are spread over the entire country including far-flung areas and have over 1500 life members. Kalyanmayee undertakes various activities to promote and inculcate the feeling of harmony and belongingness within the organisation. It also carries out charitable, social and upliftment work for the less privileged in the society. Apart from Kalyanmayee, a committee has also been constituted in Airports Authority of India to redress the grievances relating to sexual harassment at work place.

12.6 AIR INDIA LIMITED

In Air India Ltd., 1612 women are working under workmen category and 1013 women in officers category. There is a Women Cell in Welfare Section of HRD Department where women employees of both the categories can represent if they have any grievance regarding any sexual harassment. Further, Air India Management in terms of Hon'ble Supreme Court Judgment in case of Visakha Vs. State of Rajasthan, has already constituted a Committee for prevention of sexual harassment, which is headed by senior women executive of the company. Committees have also been formed at the Departmental level to look into such grievances/complaints. Air India has made suitable amendments to the Air India Employees' Service Regulations as well as to the Certified Standing Orders by including sexual harassment as one of the misconducts. Air India nominates its women employees to various training programmes/seminars and conventions both in India as well as abroad. It has also nominated social service volunteers in Medical Services Department to counsel the women employees on their individual problems. Currently, a lady specialist social worker carries out these activities. The Medical Services Department also organises lectures for women staff on issues related to health. Women employees are encouraged to take active part in various organisational, cultural, sports and educational activities and are recognised with awards and momentos for excellence. Air India management has also removed the age bar for flying duties to Air Hostesses. Now, Air Hostesses are being allowed to fly up-to the age of 58 years. Further, the designation of Air

Hostesses has been changed to Cabin Crew, which includes male counterparts.

12.7 INDIAN AIRLINES LIMITED

Indian Airlines is amongst the very few organisations in the world to employ women in highly skilled vocations such as flying and maintenance of aircraft. It is the first scheduled airline in the world to enroll a woman pilot (Durba Banerjee) in August 1966, who later became the first woman pilot on the wide-bodied Airbus-300. Indian Airlines created world history by operating a flight with all women crew in January 1986 with Saudamini Deshmukh commanding an F-27 flight from Kolkata to Silchar and back. Indian Airlines has as many as 31 women pilots, of which 3 are executive pilots. There are 9 women Aircraft Engineers and 30 Aircraft Technicians. As per the guidelines issued by the National Commission for Women, Indian Airlines has formed Women Cells at headquarters and in each of the four regions to follow up development activities for women. These cells are functioning effectively. In pursuance of the orders of the Hon'ble Supreme Court in the case of Visakha and Others Vs. State of Rajasthan, separate cells to look into the complaints regarding sexual harassment have also been formed at the headquarters

and in all the regions. The two sets of Standing Orders concerning Discipline & Appeals have been amended to include sexual harassment in the list of misconduct. Women constitute approximately 15.6% of the total workforce in the airline.

12.8 PAWAN HANS HELICOPTERS LIMITED

Women Cells have been set up separately in all offices of the company. Pawan Hans has been making consistent efforts to promote all round development and ensure provision of all essential amenities for the women employees. The company has also been sponsoring women employees for in-house training as well as to outside specialised institutions for their skill upgradation.

12.9 HOTEL CORPORATION OF INDIA

A women's Cell has been constituted at the head office of the company, which looks into the issues concerning women's welfare.

12.10 INDIRA GANDHI RASHTRIYA URAN AKADEMI

IGRUA has three women employees and their welfare is being looked after through normal administrative channels.
