

CPU No. 941

8

EIGHTH REPORT

**COMMITTEE ON PUBLIC UNDERTAKINGS
(2009-2010)**

(FIFTEENTH LOK SABHA)

Airports Authority of India

(Ministry of Civil Aviation)

(Action Taken by the Government on the recommendations contained in the Twenty-First Report (14th Lok Sabha) on Airports Authority of India – Review of Infrastructure and Operational Facilities (Based on Audit Report No. 17 of 2007 (Performance Audit) (Commercial) of C&AG of India)



Presented to Lok Sabha on 30- 4- 2010

Laid in Rajya Sabha on 30- 4- 2010

LOK SABHA SECRETARIAT

NEW DELHI

April, 2010 / Vaisakha 1932(S)

CONTENTS

		Page
COMPOSITION OF THE COMMITTEE (2009-2010)		(iii)
INTRODUCTION		(v)
CHAPTER I	Report	5
CHAPTER II	Recommendations that have been accepted by the Government.	15
CHAPTER III	Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.	28

APPENDICES

I	Minutes of the sitting of Committee on Public Undertakings	32
II	Analysis of the Action Taken by the Government on the recommendations contained in the Twenty-First Report (14 th Lok Sabha) on Airports Authority of India – Review of Infrastructure and Operational Facilities (Based on Audit Report No. 17 of 2007 (Performance Audit) (Commercial) of C&AG of India).	34

**COMPOSITION OF THE
COMMITTEE ON PUBLIC UNDERTAKINGS (2009 - 2010)**

SHRI V. KISHORE CHANDRA S. DEO - CHAIRMAN

Sl. No.	MEMBERS, LOK SABHA
2.	Shri K.C. Singh 'Baba'
3.	Shri Ramesh Bais
4.	Shri Hemanand Biswal
5.	Shri Anant Kumar Hegde
6.	Shri Sukhdev Singh Libra
7.	Dr. Charan Das Mahant
8.	Shri Baijayant Panda
9.	Shri L. Rajagopal
10.	Shri Nama Nageswara Rao
11.	Chaudhary Lal Singh
12.	Shri Ganesh Singh
13.	Shri N. Dharam Singh
14.	Shri Rajiv Ranjan Singh alias Lalan Singh
15.	Shri Bhisma Shankar alias Kushal Tiwari

MEMBERS, RAJYA SABHA

16.	Shri Birendra Prasad Baishya
17.	Shri Bharatkumar Raut
18.	Ms. Mabel Rebello
19.	Dr. T. Subbarami Reddy
20.	Shri Vijay Kumar Rupani
21.	Shri Tapan Kumar Sen
22.	Shri Amar Singh

Secretariat

1. Shri J.P. Sharma	Joint Secretary
2. Shri Rajeev Sharma	Director
3. Smt. Malvika Mehta	Senior Executive Assistant

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorized by the Committee to submit the Report on their behalf, present this Eighth Report on Action Taken by the Government on the recommendations contained in the Twenty-first Report of the Committee on Public Undertakings (Fourteenth Lok Sabha) on Airports Authority of India – Review of Infrastructure and Operational Facilities (Based on Audit Report No. 17 of 2007 (Performance Audit) (Commercial) of C&AG of India).

2. The Twenty-first Report of the Committee on Public Undertakings (2007-2008) was presented to Lok Sabha on 28th November, 2007. Action Taken Replies of the Government to the recommendations contained in the Report were received on 19th March, 2009. The Committee on Public Undertakings considered and adopted this Report at their sitting held on 28th April, 2010. The Minutes of the sitting are given in **Appendix – I**.

3. An analysis of the action taken by the Government on the recommendations contained in the Seventh Report of the Committee is given in **Appendix – II**.

New Delhi:
28th April, 2010
8 Vaisakha, 1932(S)

V. KISHORE CHANDRA SINGH DEO,
Chairman,
Committee on Public Undertakings.

Chapter I

Report

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Twenty-first Report (Fourteenth Lok Sabha) of the Committee on Public Undertakings on Airports Authority of India – Review of Infrastructure and Operational Facilities which was presented to Lok Sabha on 28th November, 2007.

2. Action Taken notes have been received from Government in respect of all the recommendations contained in the Report. These have been categorized as follows:

(i) Recommendations / observations which have been accepted by the Government: (Chapter II)

Sl. Nos.1, 3, 4, 6, 7, 8, 9 and 10 (Total 8)

(ii) Recommendations / observations in respect of which replies of the Government have not been accepted by the Committee (Chapter III)

Sl.Nos.2, 5 (Total 2)

(iii) Recommendations / observations to which the Government has furnished interim replies. (Chapter IV)

Nil Nil

(iv) Recommendations / observations which the Committee do not desire to pursue in view of the Government's replies: (Chapter V)

Nil Nil

3. The Committee will now deal with the Action Taken by the Government on some of the recommendations in succeeding paragraphs.

Recommendation (Sl. No. 2)

4. In the context of financial outlay on Infrastructure / Projects by AAI, the Committee had, in their Twenty-first Report recommended as follows:-

“The Committee regret to note that in the year from 2000-01 to 2005-06, there was a shortfall in actual expenditure vis-à-vis plan outlay on capital works executed by Airports Authority of India which resulted in non-creation / completion of projects after considerable time and cost overrun. Thus, the goal of creating capacity ahead of demand was not fully met.

The Committee take note that the shortfall in expenditure was registered at an all-time high at 58.35 per cent in 2000-01 which later on came down to 23.72% in 2004-05. The situation regarding utilization of funds has improved only since last two years. The Committee note that during the year 2006-07, funds to the extent of 90.46% were utilized due to various measures taken for improving the capital expenditure. The Committee also note that AAI has set up a project management cell at the headquarters headed by Executive Director to assess the progress of projects. The Committee recommend that this cell should periodically assess the work of ongoing projects so as to ensure that there is no cost and time overrun in the implementation of projects and the intended objective of creating adequate infrastructure and capacity to meet future demand is fully achieved.

The Committee further note that during the 11th Five Year Plan period, the Airports Authority of India proposes to spend about Rs.12,417.17 crore as compared to Rs.3,534.62 crore during the 10th Five Year Plan period, an increase of almost 250 per cent. The Committee would like to emphasise that Airports Authority of India fully utilize the allocated funds by way of creation and augmentation of infrastructure and operational facilities. Hence, the Committee recommend that the Authority should create an appropriate mechanism/framework through which full utilization of funds is planned and ensured.”

5. In their action taken reply to the recommendation of the Committee, the Ministry of Civil Aviation have stated as follows:-

“The observations / directions of the Committee have been noted. Sincere efforts will be made by AAI to execute the projects in a time-bound manner. Decision-making processes will be streamlined. As observed by the Committee, the utilization of funds has shown considerable improvement in the recent past. It is expected that with better coordination and monitoring, in future, the allocated funds shall be utilized fully by AAI.”

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

6. In this connection, Audit has given the following remarks on the reply of the Ministry:-

“The details collected from the AAI indicate the following:

(Rs. in Crore)

Year	2006-07	2007-08
Original Plan outlay	1149.82	1980.95
Actual Expenditure	1040.17	1980.23
Shortfall	109.65	0.72
Percentage of shortfall	9.54	0.04

It could be seen from above that the shortfall in actual expenditure vis-à-vis plan outlay has come down considerably.

Further in reply to audit query issued on this account, AAI stated (October 2008) that 'After recommendations by COPU in November 2007 no major time and cost over run on the projects has been observed so far'. However it was observed in the test checked cases involving civil and electrical works pending for the quarter ending September 2008 that:

1. Time over run cases are still evident for the projects awarded prior to COPU recommendation in November, 2007.
2. In test checked cases, it was found that Projects awarded even after COPU recommendation, had registered time over run.
3. The impact due to this time cases on cost of the Projects/works will be scrutinized on completion of these projects/works in the future audits."

7. The Ministry of Civil Aviation have furnished following information on the remarks of the C&AG:-

"As already indicated, the observations of the Committee have been noted and efforts made to execute the projects in a time bound manner. Technical instructions have also been issued for timely completion of projects and to avoid time overrun."

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Comments of the Committee

8. Taking note of shortfall in actual expenditure vis-a-vis planned outlay on capital works during the years 2000-01 to 2005-06 by AAI resulting in non-completion of projects even after considerable time and cost over-run, the Committee had in their earlier report made a recommendation that the project management cell in AAI should periodically assess the work of ongoing projects so as to ensure that there was no cost and time overrun in the implementation of projects. The Committee had also made a specific recommendation for creation of an appropriate mechanism for planning and ensuring full utilization of funds.

In their action taken reply, the Ministry have stated that sincere efforts would be made to execute the projects in a time-bound manner and decision making processes would be streamlined. The Ministry have further stated that it is expected that the allocated funds shall be utilized fully by AAI in future.

The fact brought out in Audit observations that instances of time over-run are still being noticed even in the projects awarded by AAI subsequent to examination of the subject by the Committee, is a clear indicator that no specific efforts seem to have been made by the project management cell in AAI to periodically assess the work of on-going projects as was recommended by the Committee in their earlier report. Strangely, the reply of the Ministry is also completely silent about the action taken by the Authority, in pursuance of the recommendation of the Committee, for creation of an appropriate mechanism for planning and ensuring full utilization of funds.

While emphasizing the need for timely completion of projects and full utilization of funds allocated for achieving the intended objective of creating adequate infrastructure and capacity to meet future demands, the Committee desire that AAI should take concrete action to ensure periodical assessment of the progress of ongoing projects by its project management cell and establish appropriate mechanism to plan and ensure full utilization of funds as had been specifically recommended in the earlier report on the subject matter. The Committee would like to be apprised of the specific steps taken in this regard.

Recommendation (Sl. No. 5)

9. In connection with problems in land acquisition and encroachment, the Committee had, in their original report recommended the following:-

“As per Audit, as on March 2006, land under encroachment was 702 acres in 20 airports and during the five years ending 2005, the Authority was able to remove encroachment from only 30 acres of land while incurring an expenditure of Rs. 24.35 crore. The Committee also observe that the land has been under encroachment at different airports for periods ranging from 5 years to 40 years and there is not much progress as regards status of removal of encroachments. The Committee also take note of Audit observation that AAI’s efforts to resolve land acquisition issues were held up due to procedural delays and litigation.

In view of the fact that land is a key resource for Airports Authority of India to implement its programme of expansion, modernization and augmentation of facilities, the Committee need hardly emphasize that the issues of land acquisition and encroachment need to be addressed on top priority.

The Committee note that though AAI Act 1994 was amended in 2004 to include Chapter 5A empowering them to take necessary action for eviction of encroachments on their land, yet it has not helped in achieving the intended objectives. It is true that AAI is fully empowered and competent to deal with issues of land acquisition and removal of encroachments on its land but the Committee feel that these are very sensitive issues involving various agencies

and State Governments. The Committee are, therefore, of the opinion that the Ministry should not abdicate themselves of their responsibility and provide all necessary support to AAI to resolve all such contentious issues. The Committee, therefore, recommend that in order to resolve this vexatious problem, an institutional mechanism consisting of senior officials from AAI and the Ministry of Civil Aviation be formed to periodically liaise with concerned agencies and State Governments so that the problems can be addressed in a far more pragmatic manner. The Committee also desire that a nodal officer should also be appointed in the Authority to pursue these issues.”

10. The Reply of the Ministry to the recommendation is given below:-

“The observations / directives of the Committee have been noted. It is submitted that State / Local authorities have a key role in the encroachment removal. Ministry of Civil Aviation would endeavour and support AAI in resolving these issues by following them up with the concerned State Governments.”

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

11. In this regard, Audit has given the following remarks on the reply of the Ministry:-

“The area under encroachment as on 31st March 2008 was 838.22 acres, when compared to 680 acres in 2006-07. As the area under encroachment increased during the year, concrete action as recommended by COPU needs to be taken.

Further as per the recommendation of the Committee ‘in order to resolve this vexatious problem, an institutional mechanism consisting of senior officials from AAI and the Ministry of Civil Aviation be formed to periodically liaise with concerned agencies and State Governments so that the problem can be addressed in a far more pragmatic manner. The Committee also desired that nodal officer should also be appointed in the Authority to pursue these issues’. But no action in this regard has been taken so far (October 2008).”

12. The Government has further replied on the remarks of Audit as under:-

“Action for appointing Nodal Officers in Airports Authority of India to pursue these issues is under process.”

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Comments of the Committee

13. In their original report, the Committee had observed that the sensitive issues of land acquisition and encroachment involving various agencies and State Governments needed to be addressed on top priority. They had accordingly recommended that an institutional mechanism consisting of senior officials from AAI and Ministry of Civil Aviation be formed to periodically liaise with all concerned so as to address and resolve the vexatious problems in a far more pragmatic manner. The Committee had also desired that a nodal officer should be appointed in the Authority to pursue these issues.

The Ministry have in their reply, stated that they would endeavour and support AAI in resolving these issues by following them up with the concerned State Governments and that the action for appointing nodal officers in AAI to pursue these issues was under process.

The Committee are dismayed to find that the action taken reply of the Ministry is conspicuously silent about the steps contemplated by them for establishing an institutional mechanism comprising of senior officials from AAI and the Ministry of Civil Aviation. Undoubtedly, the Ministry have tried to absolve themselves of their responsibility by confining and limiting their role to merely extending support to AAI in resolving the relevant issues with the concerned State Governments.

As pointed out in the original report, the Ministry must realize that land being the key resource for AAI to implement its programme of expansion, modernization and upgradation of facilities, the issues related to land acquisition and removal of encroachments require utmost attention. Apparently, inaction on the part of the Ministry and AAI has resulted in increase of land under encroachment as brought out in Audit observations that the area under encroachment in airports had increased from 680 acres in 2006-07 to 838.22 acres as on 31st March 2008. The Committee also find it disturbing that their recommendation for appointment of nodal officer in the Authority to pursue these issues is stated to be still under process.

While deprecating the lack of responsibility being displayed by the Ministry of Civil Aviation and AAI in this matter, the Committee strongly reiterate their earlier recommendations and desire that the Ministry should expeditiously initiate all necessary steps to set up an institutional mechanism consisting of senior officials from AAI and Ministry of Civil Aviation to address the twin evils of land acquisition and encroachments in an efficacious manner as well as for appointment of nodal officer in the Authority to pursue these issues.

Recommendation (Sl. No. 7)

14. On the issue of passenger facilities infrastructure, the Committee had, in their original report, recommended the following:-

“In view of the fact that there has been unprecedented growth of more than 20% in passenger traffic ranging from 21.5% in 2004-05 and 23.7% in 2005-06 to 31.4% in 2006-07, the Committee note that the Airports Authority of India has failed in achieving the objective of providing capacity ahead of demand at airports with regard to services such as check-in, immigration, security, customs and baggage delivery etc.

The Audit have also observed that the overall customer satisfaction index has hovered around 74-75% and in some cases, the ratings went below 70%. As per the latest customer satisfaction survey report from February to April 2007 at top 40 airports, which handles 98% of total traffic, shows that the Customer Satisfaction Level at Indian Airports varied from 70% to 87% with an average of 75%. The Committee, therefore, observe that infrastructure created at the airports is not commensurate with the growth in passenger traffic thereby resulting in lower customer satisfaction level.

The Committee take note of umpteen number of measures taken by AAI to improve its facilities. In view of the fact that Passenger traffic is expected to grow at a compound annual growth rate (CAGR) of 12% from 96.4 million now to 280 million in 2020 and cargo traffic would grow at a CAGR of 14% per annum to 9 million tones, the Committee would like to emphasise that AAI need to gear up its functioning from achieving the twin objectives of providing capacity ahead of demand and improving customer satisfaction index.

The Committee recommend that a dedicated in-house cell be created by the Airports Authority of India which would make a realistic assessment of the rate of growth of passengers and the need of passenger facilities on a holistic basis over the next 20-40 years based on which requisite infrastructure should be created in terms of technology, passenger facilities, airport management, areas of safety and security etc. The Committee further desire that this cell may study the international and domestic airports in other countries for more efficient management of Indian airports.

The Committee note that to make airports user-friendly, Airport Advisory Committees have been constituted by AAI at 46 major airports. The Committee desire that these committees should meet at regular intervals as they can play a crucial role in improving facilities at airports for passengers.”

15. The Reply of the Ministry to the recommendation is as under:-

“There is a dedicated Corporate Planning and Management Services Department in AAI which undertakes dedicated traffic forecasts as well as projections for future. This Department maintains all information / data and also regularly monitors the traffic trends on a continuous basis.

Instructions have been sent to all the Regional Executive Directors / Airport Directors to ensure that meetings of the Airport Advisory Committees are convened regularly.”

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

16. In this connection, Audit has given the following remarks on the reply of the Ministry:-

“Customer Satisfaction Survey was conducted during 2007-08 and is also being conducted during 2008-09 on half yearly basis. The results, in term of overall Customer Satisfaction Index (CSI) of passenger terminals are furnished below:

Survey Period	CSI percent
Feb.07-March 07	74
Aug.07 to Oct.07	76
Feb.08 – March 08	76

Fourth round of survey is being conducted during August 2008-October 2008 and the results are expected by third week of December 2008. It could be seen from above that CSI from February 2007 to March 2008 was 76 % when compared to 75% as per survey report from February 2007 to April 2007. Hence there is no significant improvement in this regard. Action is needed to be taken to increase the CSI.

So far, no study has been conducted by the Authority at the International and domestic airports in other countries for more efficient management of Indian airports.

As intimated by AAI, Airport Advisory Committee Meetings are held in regular intervals.”

17. The Government has further replied on the remarks of Audit as under:-

“Consumer Satisfaction Index has improved from 76 to 78% during August to October 2008. While conducting the study the bench marking with reference to

International Standards laid down for various Airports published by Airport Council International (ACI) are generally considered. Hence the need for conducting study by Airports Authority of India in other countries may not be necessary.”

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009

Comments of the Committee

18. In the light of Audit observations that the overall customer satisfaction level at Indian airports stood at 75% of total traffic, the Committee had observed that infrastructure created at the airports was not commensurate with the growth in passenger traffic thereby resulting in lower customer satisfaction level. The Committee had therefore recommended that a dedicated in-house cell be created by AAI which would make a realistic assessment of the rate of growth of passengers and the need of passenger facilities on a holistic basis over the next 20-40 years based on which requisite infrastructure should be created. The Committee had also desired that such a cell might study the international and domestic airports in other countries for more efficient management of Indian airports. The Committee had also observed that the Airport Advisory Committees could play a crucial role in improving facilities at airports for passengers and had therefore, desired that such committees should meet at regular intervals.

The Ministry of Civil Aviation have, in their action taken reply, stated that there is a dedicated Corporate Planning and Management Services Department in AAI which undertakes traffic forecasts as well as projections for future and also regularly monitors the traffic trends on a continuous basis. The Ministry further stated that the need for conducting study by AAI in other countries may not be necessary as such studies undertaken by the Authority for benchmarking are generally conducted with reference to International Standards laid down for various Airports published by Airport Council International. The Ministry have also stated that customer satisfaction index has improved from 76 to 78% during August to October 2008. As regards meetings of the Airport Advisory Committees, the Ministry have stated that instructions have been sent to all Regional Executive Directors/Airport Directors to ensure that such meetings are convened regularly.

While appreciating the steps being taken for realistic assessment of the rate of growth of passengers as well as future projections of traffic, the Committee express their dissatisfaction over the fact that there has been no perceptible improvement in the customer satisfaction index which showed a marginal increase from 75% in April 2007 to 78% in October 2008. The Committee

would, therefore, like to emphasize upon AAI the need for taking concrete and result-oriented steps for improving infrastructural facilities to enhance the customer satisfaction level in a time-bound manner. At the same time, the Committee wish to point out that mere issuance of instructions for regularly convening the meetings of Airport Advisory Committees is not sufficient until and unless appropriate follow-up action is taken to draw a time schedule within which the Airport Advisory Committees should meet.

Chapter II

Recommendations / Observations that have been accepted by Government.

Recommendation (Sl. No. 1)

Corporate Plan

The Airports Authority of India came into existence on 1st April, 1995 by merger of IAAI and NAAI. As per Audit report, the Authority did not have a Corporate Plan. An unsuccessful attempt was made in January 2004 for finalizing such a plan, which was revived again in May 2005 when the Indian Institute of Technology was appointed to prepare a Corporate Plan for the Authority who submitted their report in February 2006. The Committee note that the Corporate Plan has now been finalized and approved by the AAI Board.

The Committee regret to note that AAI has taken more than a decade in preparing and finalizing a very important document like Corporate Plan which inter alia includes the vision of the organization for the short term as well as long term perspectives. The Committee feel that by not having proper Corporate Plan in place, AAI had to resort to segmented approach to the issues arising from time to time rather than having holistic approach to such issues. The Committee are of the view that early preparation and implementation of Corporate Plan was imperative in view of unprecedented growth in aviation sector and to meet various challenges like modernization of airports in the wake of boom in civil aviation sector and also the emerging economic scenario in the country.

Now that the Corporate Plan has been finalized and approved, the Committee desire that concerted efforts should be made for its implementation in a time bound manner. Therefore, the Committee would like to be apprised by the Authority about the follow-up action taken to implement the Corporate Plan, and its impact in handling the exponential increase in the aviation sector in a more systematic and organized manner.

Reply of the Govt.

AAI has drawn Corporate Plan for a period of 10 years i.e. from 2007 to 2016. In line with the broad objectives outlined in the corporate plan document, AAI has taken initiatives for achievement of these objectives. The exponential growth in air traffic has posed challenges for AAI in terms of infrastructure development and has also created new opportunities.

The main focus of the Corporate Plan is the development of airport infrastructure in the country. In line with the objectives in the corporate plan, Airports Authority has taken up the following initiatives for infrastructure development:

- a. With a view to develop them into world class airports, Delhi & Mumbai airports have been restructured and leased out for up gradation and development to joint venture Companies in which AAI holds 26% equity stake and also gets revenue share @ 45.99% and 38.7% respectively.
- b. Master Plans have been prepared for modernization / development of Kolkata and Chennai airports by AAI at a cost of Rs.3749.5 crores.

Kolkata	-	Rs.1941.5 crores
Chennai	-	Rs.1808 crores

		Rs.3749.5 crores

- c. AAI has taken a 13% stake in Greenfield airports being developed at Hyderabad and Bangalore with a cap of Rs. 50 crore for each of these airports. These new airports are likely to become operational in March 2008.
- d. For development of other airports, AAI has prepared modernization and upgradation plan for 35 airports. The work on these projects is likely to be completed by March 2010. It is expected that by that time, the demand will spread to other smaller airports and AAI will take up the task for developing the next level of airports.
- e. To facilitate the trade through air, existing cargo terminals at Kolkata and Chennai are being expanded and modernized for smooth handling of cargo. Cargo handling facilities are also being provided / upgraded at Amritsar, Jammu, Indore, Patna and Coimbatore airports.
- f. AAI will implement Satellite based CNS / ATM facilities by 2011.
- g. AAI has been assigned the responsibility of development of three Greenfield airports in the North-Eastern region namely Pakyong near Gangtok (Sikkim), Chiethu near Kohima (Nagaland) and Itanagar (Arunachal Pradesh). In addition AAI has to undertake development / upgradation of several existing airports in this region. Substantial funding for these projects would come to AAI from the Central Government and North-Eastern Council (NEC).

These initiatives shall help in achieving the objective of creating state-of-the-art infrastructure at airports in the next five years.

The other strategic initiatives planned / taken by AAI are as follows:

- a. AAI has taken security as a continuous challenge and will keep on adjusting its strategies as per the changing threat perceptions. The control of security measures rests with Bureau of Civil Aviation Security and AAI will provide the necessary infrastructure.

- b. For the benefit of passengers / customers and to improve the operational efficiency at airports, a three phase plan using IT enabled services is being implemented.
- c. Provision of safe air space and ground operations at airports is a top priority for AAI and AAI will take up the certification of aerodromes in accordance with the specifications contained in Annex. 14.
- d. AAI has taken initiatives for taking consultancy assignments in airport development / management, CNS/ATM in India and abroad for generating additional revenue.
- e. Major thrust has been given to generate non-aeronautical revenue. This aspect has been one of the objectives in the infrastructure design in the upcoming development plans.
- f. On Human Resource Development, AAI's strategy is as follows:
 - a. Aiming at high performance and high accountability by creating performance oriented culture.
 - b. Speed of action, innovation and creativity.
 - c. Lever-aging on human resources.

Through these initiatives, following results are expected during the plan period:

- a. All the airports in the country shall have sufficient capacity to meet the air traffic demand with facilities comparable to the best airports in the world. Customer Satisfaction Index is expected to go upto 90% from the current level of 75%.
- b. Aeronautical Revenue will grow at a rate of about 15% on year to year basis up to 2008-09, 13% for the period covering 2009-12 and 10% for the period 2012-15.
- c. The average profit will grow at a rate of 14% on year to year basis.
- d. Expenditure will come down to 50% of revenue in a phased manner.
- e. It is aimed to achieve a significantly higher growth in generation of such revenue @ 15% during 2008-09, 16% till 2011-12 and finally 18% during the remaining plan-period.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

No further remarks except that the compliance of initiative taken for achievement of objectives would be watched in future.

Further reply of the Govt.

Noted for future compliance.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Recommendation (Sl. No. 3)**Non Traffic Revenue**

The Committee note that the Audit in their Report have observed that the share of non-traffic revenue out of the total revenue of the Airports Authority of India was only 11.90% in 2001-02 (Rs. 267.20 crores) increasing marginally to 14.04 % in 2005-06 (Rs. 489.96 crores). In view of the the fact that out of 90 operational airports being managed by AAI, only 12 airports were profit making and the remaining operational airports generate very meagenon-traffic revenue, the Committee emphasize the need for taking adequate measures for augmenting the shares of non-traffic revenue of the airports to strengthen and augment the existing infrastructure at the airports.

The Committee are happy to note that AAI has identified the development of 35 non-metro airports for commercial exploitation based on the reports which *inter-alia* provide for creation of flying schools at various airports, ground handling services to be provided to airlines and development of non-traffic revenue through city side development. The Committee emphasize that the work of development for these non-metro airports should be completed within a time bound programme. The Committee also desire that mechanism for commercial exploitation of other non-metro airports should be explored and steps be taken with due promptitude for augmentation of non-traffic revenue from these airports as well.

Reply of the Govt.

The observation/directives of the Committee have been noted. All the Airport Directors / Regional Executive Directors have been advised to explore every possible avenue to enhance non-aeronautical revenue. A comprehensive plan is under implementation for commercial exploitation of lands on the city-side of 24 out of 35 non-metro airports.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

Regarding augmentation of non traffic revenue, AAI has proposed setting up of flying school at 28 airports, negotiations with oil companies for levy of through put charges, city side development of 24 non-metro airports, setting up of MRO (Maintenance, Repair and Overhaul) facility at Begumpet, Hyderabad and additional site for setting up of AFS station at Chennai. The Terminal Building and Airside works for 35 non-metro airports were planned to be completed by March 2010. But there is no significant improvement for the development of 35 non metro airports so far (October 2008). During 2008-09, development works for non metro airports estimating Rs.2193 crore have been proposed to be taken up during 2008-09. Out of the 35 non metro airports, the city side development of 24 non-metro airports is being undertaken by AAI with private sector participation following PPP route. The process has been initiated for Amritsar and Udaipur airports only. Model Concession Agreement in this regard is being finalized in coordination with Ministry of Civil Aviation/Planning Commission. For the remaining airports it will be extended afterwards. Further it has been informed by the Authority that the Nagpur airport is being handed over to Maharashtra Airport Development Company Ltd., State Govt. Undertaking as per Govt.'s decision and remaining 10 non metro airports are either defence owned where AAI operates civil enclaves or have no land available for commercial development.

However, the progress of steps taken for the augmentation of non traffic revenue and development of 35 non-metro airports in the time frame as mentioned in the reply to the recommendation no.1 (d) of the MOCA would further be examined in future audits.

Further reply of the Govt.

Action is in hand to explore every possible avenue to enhance the non aeronautical revenue. A comprehensive plan is also under implementation for commercial exploitation of land on the city side.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Recommendation (Sl. No. 4)

Operational Area Infrastructure-Timely Completion of Projects

The Committee note that Audit from a test check of major works executed by AAI during 2004-05 at many airports have found cases of time overrun up to 75 months due to reasons like absence of clear possession of land before taking the work leading to delay and foreclosure of work, poor performance of the contractor etc. Audit has also noticed cost overrun of Rs. 3.47 crore due to changes in scope of work.

As already pointed out by the Committee in their earlier recommendation, they would again emphasise the imperative need of timely execution of projects to

strengthen the existing infrastructure which is woefully inadequate to meet the growing demand which has risen due to high growth in Civil Aviation Sector.

The Committee note that AAI has taken several steps to avoid time and cost overrun in future projects. The Committee desire that a strong mechanism should be put in place to ensure that all these steps are scrupulously adhered to, to obviate any chance of cost and time overrun in implementation of future projects.

Reply of the Govt.

The observations / directions of the Committee have been noted. Instructions have been issued for awarding the work only after acquisition of land for the projects. Land matters are being vigorously pursued with the concerned State Governments.

Action has been initiated to shortlist experienced contractors which would greatly help in timely execution of projects.

It is expected that with above measures and regular monitoring by the Project Monitoring and Quality Assurance (PMQA) Department, the projects would be completed on time.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

Instructions were issued by AAI during Dec. 2006 to monitor the progress of projects. Concerned Executive Director (Engineering), Executive Director (Communication, Navigational and Surveillance-Planning), Corporate Hqrs. shall be responsible for tendering action for packages more than Rs.5.00 crore. Concerned Project Managers shall ensure timely completion of projects and he should tender progress report till be project is fully commissioned and handed over for operation. Project Monitoring and Quality Assurance directorate will coordinate and collect the information/data and prepare a concise report for informing the AAI Board. The effect of implementation of these guidelines in the working of the AAI would further be seen during future audits.

Further reply of the Govt.

Noted for compliance during future audit.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Recommendation (Sl. No. 6)

Air Traffic Management, Communication Navigation and Surveillance Facilities Infrastructure

The Committee note that undue delays occurred in procurement/commissioning of various equipments viz Visual Simulator, Voice Communication System, Dedicated Satellite Communication Network, UHF links, Instrument Landing System(ILS) and Doppler Very High Frequency Omni Range (DVOR) at various airports.

The Committee further note that AAI incurred avoidable expenditure to the tune of Rs.7.65 crore by deciding to enter into an agreement with BEL (Bharat Electronics Limited) without assessing their capability to upgrade technology and produce Radars at a reasonable price. Also, Flight Inspection System produced for Rs.19.50 crore in November,2004 had not been installed as the procurement of the aircraft in which it was to be fitted was delayed.

The Committee highly deprecate lack of perspective planning on the part of AAI in foreseeing procedural problems such as delayed decision in procuring equipment, non-synchronisation of allied activities and poor contract management. The Committee view these aspects very seriously and would like to hold Airports Authority of India responsible for non-synchronisation of the various above-quoted activities.

The Committee recommend that the Authority should develop more expertise in planning and synchronizing its various activities so as to avoid losses on account of delay in procurement and installation of various systems.

Reply of the Govt.

The Committee's concern about delays in installation of CNS equipments has been noted. Following steps are being taken by AAI to avoid such delays –

1. It has been decided to deal with the procurement process in a time bound manner. Dedicated teams would be deployed to evaluate the tenders so as to ensure that the purchase-contracts are finalised within the prescribed time-frame.
2. With a view to ensure the synchronization of the site readiness with the availability of equipment, it has been decided, that, to the extent possible, the purchase order will be placed only for those systems where the sites are readily available or are likely to be available before the arrival of the equipment.
3. In view of large infrastructure creation requirement for the CNS systems, AAI would augment its staff strength and create dedicated regional groups. These regional groups will coordinate the activities at the regional level for timely identification of suitable sites and completion of civil & electrical works ahead of arrival of the equipments.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

Instructions were issued during September 2008 for synchronizing the activities in order to avoid losses on account of delay in procurement and installation of various systems. The effectiveness of these instructions in the working of the AAI would be seen during future audits.

Further, MOCA stated in their reply that 'In view of large infrastructure creation requirement for CNS systems, AAI would augment its staff strength and create dedicated regional groups. These regional groups will coordinate the activities at the regional level for timely identification of suitable sites and completion of civil & electrical works ahead of arrival of the equipment'. No such dedicated regional groups have been formed so far (October 2008).

Further reply of the Govt.

Action has been taken to coordinate the activities wherever necessary through the concerned Executive Director/General Manager in Airports authority of India, who would be the Nodal Officers for reviewing the procurement of systems.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009

Recommendation (Sl. No. 7)

Passenger Facilities Infrastructure

In view of the fact that there has been unprecedented growth of more than 20% in passenger traffic ranging from 21.5% in 2004-05 and 23.7% in 2005-06 to 31.4% in 2006-07, the Committee note that the Airports Authority of India has failed in achieving the objective of providing capacity ahead of demand at airports with regard to services such as check-in, immigration, security, customs and baggage delivery etc.

The Audit have also observed that the overall customer satisfaction index has hovered around 74-75% and in some cases, the ratings went below 70%. As per the latest customer satisfaction survey report from February to April 2007 at top 40 airports, which handles 98% of total traffic, shows that the Customer Satisfaction Level at Indian Airports varied from 70% to 87% with an average of 75%. The Committee, therefore, observe that infrastructure created at the airports is not commensurate with the growth in passenger traffic thereby resulting in lower customer satisfaction level.

The Committee take note of umpteen number of measures taken by AAI to improve its facilities. In view of the fact that Passenger traffic is expected to grow at a compound annual growth rate (CAGR) of 12% from 96.4 million now to 280 million in 2020 and cargo traffic would grow at a CAGR of 14% per annum to 9 million tones, the Committee would like to emphasise that AAI need to gear up its functioning from achieving the twin objectives of providing capacity ahead of demand and improving customer satisfaction index.

The Committee recommend that a dedicated in-house cell be created by the Airports Authority of India which would make a realistic assessment of the rate of growth of passengers and the need of passenger facilities on a holistic basis over the next 20-40 years based on which requisite infrastructure should be created in terms of technology, passenger facilities, airport management, areas of safety and security etc. The Committee further desire that this cell may study the international and domestic airports in other countries for more efficient management of Indian airports.

The Committee note that to make airports user-friendly, Airport Advisory Committees have been constituted by AAI at 46 major airports. The Committee desire that these committees should meet at regular intervals as they can play a crucial role in improving facilities at airports for passengers.

Reply of the Govt.

There is a dedicated Corporate Planning and Management Services Department in AAI which undertakes dedicated traffic forecasts as well as projections for future. This Department maintains all information / data and also regularly monitors the traffic trends on a continuous basis.

Instructions have been sent to all the Regional Executive Directors / Airport Directors to ensure that meetings of the Airport Advisory Committees are convened regularly.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

Customer Satisfaction Survey was conducted during 2007-08 and is also being conducted during 2008-09 on half yearly basis. The results, in term of overall Customer Satisfaction Index (CSI) of passenger terminals are furnished below:

Survey Period	CSI percent
Feb.07-March 07	74
Aug.07 to Oct.07	76
Feb.08 – March 08	76

Fourth round of survey is being conducted during August 2008-October 2008 and the results are expected by third week of December 2008. It could be seen from above that CSI from February 2007 to March 2008 was 76 % when compared to 75% as per survey report from February 2007 to April 2007. Hence there is no significant improvement in this regard. Action is needed to be taken to increase the CSI.

So far, no study has been conducted by the Authority at the International and domestic airports in other countries for more efficient management of Indian airports.

As intimated by AAI, Airport Advisory Committee Meetings are held in regular intervals.

Further reply of the Govt.

Consumer Satisfaction Index has improved from 76 to 78% during August to October 2008. While conducting the study the bench marking with reference to International Standards laid down for various Airports published by Airport Council International (ACI) are generally considered. Hence the need for conducting study by Airports Authority of India in other countries may not be necessary.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009

Comments of the Committee

Please see paragraph no.18 of Chapter I of the Report.

Recommendation (Sl. No. 8)

Cargo Facilities Infrastructure

The Committee note that Audit in their Report have pointed out that a new cargo complex was constructed at Amritsar despite a recommendation to the contrary by a Committee. The Committee regret to note that though the complex was completed in November, 2004 at a cost of Rs.2.93 crore, yet it had not been commercially utilized till June 2007. Further, the construction of integrated cargo complex at Kolkata also suffered a time overrun of more than a year. Now that New Cargo Complex have been constructed, it is imperative that they are commercially exploited so as to augment the revenues of the AAI.

Beside above, a Bar Code System to be implemented at the airports for better monitoring and tracking of cargo was not operational even after two years of the issue of the work order leading to non-utilisation of investment to the tune of Rs.5.15 crore. The Committee strongly deplore the inaction on the part of AAI to activate an important system like Bar Code.

The Committee recommend that in future before taking a decision for construction of new facilities, an assessment regarding gainful utilization of existing facilities should be invariably done. The Committee further recommend that the Bar Code system be implemented at the earliest as it is crucial to have a sound system of monitoring and tracking cargo.

Reply of the Govt.

Assessment Study

Instructions have been issued to the Regional Officials as well as to the major airports to ensure that an assessment regarding gainful utilization of existing facilities is invariably done before taking up construction of new facilities.

Bar Code System

Bar Code System is working operating satisfactorily at Export Complex and as per the availability of IGM message (from Customs) at import complex of Delhi and Mumbai airports.

The integration with the newly upgraded ICMS database server work is in progress at Chennai airport and is expected to be completed in February 2008.

The shifting of ICMS, bar Code and Customs EDFI System hardware to the equipment room at the newly built Cargo Terminal was completed on 31.12.2007 at NSCBI Airport, Kolkata. Presently, the Bar Code Hardware and Software Engineers are working to integrate the Bar Code System with the ICMS data base. This work is expected to be accomplished in February 2008.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

The integration with new upgraded Integrated Cargo Management System (ICMS) data base server has been completed at Chennai Airport including migration of data on Oracle 10g data base server. Further Bar Code System has also been implemented in Export Cargo Operations at Chennai Airport in respect of export cargo tendered with Bar Code label w.e.f. 1st Aug. 2008. As regards implementation of Bar Code System at Kolkata Airport is concerned, the job of weighing scale integration with local ICMS is in progress and on completion of this, Bar Code System shall be made functional.

Further reply of the Govt.

No further comments are required.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009

Recommendation (Sl. No. 9)

No Uniformity between NAD and IAD Contracts

The Committee note that though the Airports Authority of India was created by merging the erstwhile International Airports Authority of India with the National Airports Authority in 1995, a common works manual for both the IAD and the NAD was finalized after more than a decade of the merger of the two divisions. The Audit have pointed out in their report that this delay has led to lack of uniformity resulting in different procedures for same items of work reflecting poorly in the functioning of the Authority.

The Committee note with satisfaction that a uniform policy for the functioning of the two divisions has now been put into place and hope that the same would be followed scrupulously by both the divisions. Further, the Committee desire that the Authority should conduct a review so as to standardize all procedures and systems in the Airports Authority of India to minimize any difference with regard to procedure and practice on issues like tendering, bidding, award of contracts and commercial aspects related to the functioning of the Authority.

Reply of the Govt.

The observation of the Committee has been noted. AAI would ensure that all the systems and procedures are streamlined and uniformity is achieved throughout the organization.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008.

Vetting remarks of C&AG

A new works manual covering NAD and IAD applicable throughout the organization was prepared and got approved by AAI Board in its meeting No.108 held on 21 March 2007. Though the new works manual covers a wide range of topics in work procedure, but the engagement of consultants and their fee etc. have not been covered in the manual.

Further reply of the Govt.

The engagement of Consultants and their fee for technical and non technical matters are covered in the Delegation of Powers (DOP).

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009

Recommendation (Sl. No. 10)

Non-Finalisation of Land/Space Lease Policy

The Committee note that since formation of Airports Authority of India after merger of IAA and NAA in April 1995, the AAI has been resorting to adhoc annual escalation of ten per cent per annum for land leased and space allotted. The Committee also note that many committees and consultants appointed in the past have submitted their Reports and still no land/space lease policy has been put in place so far. The Committee are of the view that the present practice of adhoc annual escalation is unscientific and does not reflect the prevalent market rates, cost of land/space and potential of the traffic handled at the airports. Hence, there is an imperative need to finalize and adopt a uniform and standardized policy of lease rental and license fee rates. The Committee, therefore, recommend that AAI should finalise a policy on land/space lease rates without further delay and apprise the Committee on the steps taken in this regard.

Reply of the Govt

The Committee's observations have been noted. AAI's existing land-lease policy will be rationalized so as to ensure that the licence fee and lease rentals reflect the market situation and trend.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

Policy on Rationalization of licence fees for land/space and annual escalation thereof at international/ domestic airports applicable for the period from 1 April 2008 to 31 March 2011 was framed during May 2008 and circulated. The adoptability/applicability of such instructions at different airports would be seen in future audits.

Further reply of the Govt.

Noted for compliance during future audit.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Chapter III

Recommendations/observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.

Recommendation (Sl. No. 2)

Financial outlay on Infrastructure / Projects

The Committee regret to note that in the year from 2000-01 to 2005-06, there was a shortfall in actual expenditure vis-à-vis plan outlay on capital works executed by Airports Authority of India which resulted in non-creation / completion of projects after considerable time and cost overrun. Thus, the goal of creating capacity ahead of demand was not fully met.

The Committee take note that the shortfall in expenditure was registered at an all-time high at 58.35 per cent in 2000-01 which later on came down to 23.72% in 2004-05. The situation regarding utilization of funds has improved only since last two years. The Committee note that during the year 2006-07, funds to the extent of 90.46% were utilized due to various measures taken for improving the capital expenditure. The Committee also note that AAI has set up a project management cell at the headquarters headed by Executive Director to assess the progress of projects. The Committee recommend that this cell should periodically assess the work of ongoing projects so as to ensure that there is not cost and time overrun in the implementation of projects and the intended objective of creating adequate infrastructure and capacity to meet future demand is fully achieved.

The Committee further note that during the 11th Five Year Plan period, the Airports Authority of India proposes to spend about Rs.12,417.17 crore as compared to Rs.3,534.62 crore during the 10th Five Year Plan period, an increase of almost 250 per cent. The Committee would like to emphasise that Airports Authority of India fully utilize the allocated funds by way of creation and augmentation of infrastructure and operational facilities. Hence, the Committee recommend that the Authority should create an appropriate mechanism/framework through which fully utilization of funds is planned and ensured.

Reply of the Govt.

The observations / directions of the Committee have been noted. Sincere efforts will be made by AAI to execute the projects in a time-bound manner. Decision-making processes will be streamlined. As observed by the Committee, the utilization of funds has shown considerable improvement in the recent past. It is expected that with better coordination and monitoring, in future, the allocated funds shall be utilized fully by AAI.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

The details collected from the AAI indicate the following:

(Rs. in Crore)

Year	2006-07	2007-08
Original Plan outlay	1149.82	1980.95
Actual Expenditure	1040.17	1980.23
Shortfall	109.65	0.72
Percentage of shortfall	9.54	0.04

It could be seen from above that the shortfall in actual expenditure vis-à-vis plan outlay has come down considerably.

Further in reply to audit query issued on this account, AAI stated (October 2008) that 'After recommendations by COPU in November 2007 no major time and cost over run on the projects has been observed so far'. However it was observed in the test checked cases involving civil and electrical works pending for the quarter ending September 2008 that:

1. Time over run cases are still evident for the projects awarded prior to COPU recommendation in November, 2007.
2. In test checked cases, it was found that Projects awarded even after COPU recommendation, had registered time over run.
3. The impact due to this time cases on cost of the Projects/works will be scrutinized on completion of these projects/works in the future audits.

Further reply of the Govt.

As already indicated, the observations of the Committee have been noted and efforts made to execute the projects in a time bound manner. Technical instructions have also been issued for timely completion of projects and to avoid time overrun.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Comments of the Committee

Please see paragraph no. 8 of Chapter I of the Report.

Recommendation No. 5

Problems in Land Acquisition and Encroachment

As per Audit, as on March 2006, land under encroachment was 702 acres in 20 airports and during the five years ending 2005, the Authority was able to remove encroachment from only 30 acres of land while incurring an expenditure of Rs. 24.35 crore. The Committee also observe that the land has been under encroachment at different airports for periods ranging from 5 years to 40 years and there is not much progress as regards status of removal of encroachments. The Committee also take note of Audit observation that AAI's efforts to resolve land acquisition issues were held up due to procedural delays and litigation.

In view of the fact that land is a key resource for Airports Authority of India to implement its programme of expansion, modernization and augmentation of facilities, the Committee need hardly emphasize that the issues of land acquisition and encroachment need to be addressed on top priority.

The Committee note that though AAI Act 1994 was amended in 2004 to include Chapter 5A empowering them to take necessary action for eviction of encroachments on their land, yet it has not helped in achieving the intended objectives. It is true that AAI is fully empowered and competent to deal with issues of land acquisition and removal of encroachments on its land but the Committee feel that these are very sensitive issues involving various agencies and State Governments. The Committee are, therefore, of the opinion that the Ministry should not abdicate themselves of their responsibility and should provide all necessary support to AAI to resolve all such contentious issues. The Committee, therefore, recommend that in order to resolve this vexatious problem, an institutional mechanism consisting of senior officials from AAI and the Ministry of Civil Aviation be formed to periodically liaise with concerned agencies and State Governments so that the problems can be addressed in a far more pragmatic manner. The Committee also desire that a nodal officer should also be appointed in the Authority to pursue these issues.

Reply of the Govt.

The observations / directives of the Committee have been noted. It is submitted that State / Local authorities have a key role in the encroachment removal. Ministry of Civil Aviation would endeavour and support AAI in resolving these issues by following them up with the concerned State Governments.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 31st March, 2008

Vetting remarks of C&AG

The area under encroachment as on 31st March 2008 was 838.22 acres, when compared to 680 acres in 2006-07. As the area under encroachment increased during the year, concrete action as recommended by COPU needs to be taken.

Further as per the recommendation of the Committee 'in order to resolve this vexatious problem, an institutional mechanism consisting of senior officials from AAI and the Ministry of Civil Aviation be formed to periodically liaise with concerned agencies and State Governments so that the problem can be addressed in a far more pragmatic manner. The Committee also desired that nodal officer should also be appointed in the Authority to pursue these issues'. But no action in this regard has been taken so far (October 2008).

Further reply of the Govt.

Action for appointing Nodal Officers in Airports Authority of India to pursue these issues is under process.

Ministry of Civil Aviation O.M. No.G.25012/26/2007-AAI dated 3rd March, 2009.

Comments of the Committee

Please see paragraph no. 13 of Chapter I of the Report.

New Delhi:
28th April, 2010
8 Vaisakha, 1932(S)

V.KISHOR CHANDRA S. DEO,
Chairman,
Committee on Public Undertakings.

**MINUTES OF THE 17th SITTING OF THE COMMITTEE ON
PUBLIC UNDERTAKINGS (2009-10) HELD ON 28th APRIL 2010**

The Committee sat from 1530 hrs to 1600 hrs.

PRESENT

Chairman

Shri V. Kishore Chandra S. Deo

Members, Lok Sabha

- | | |
|----|---|
| 2 | Shri K.C. Singh 'Baba' |
| 3 | Shri Ramesh Bais |
| 4 | Shri Sukhdev Singh Libra |
| 5 | Shri Baijayant Panda |
| 6 | Shri L. Rajagopal |
| 7 | Shri Nama Nageswara Rao |
| 8 | Chaudhary Lal Singh |
| 9 | Shri Ganesh Singh |
| 10 | Shri Rajiv Ranjan Singh alias Lalan Singh |
| 11 | Shri Bhisma Shankar alias Kushal Tiwari |

Members, Rajya Sabha

- | | |
|----|------------------------------|
| 12 | Shri Birendra Prasad Baishya |
| 13 | Shri Bharatkumar Raut |
| 14 | Ms. Mabel Rebello |

Secretariat

- | | | |
|----|------------------------|-----------------|
| 1. | Shri J.P. Sharma | Joint Secretary |
| 2. | Shri Rajeev Sharma | Director |
| 3. | Shri Paolienlal Haokip | Under Secretary |

Officials of C&AG

- | | | |
|----|-----------------|--|
| 1. | K.P. Sasidharan | Director General (Commercial) |
| 2. | Birendra Kumar | Principal Director (Comm.) Audit Board |

2. The Committee considered the draft Action Taken Reports on the following subjects and adopted them without modification: -

- (i) XXXX XXXX XXXX XXXX
- (ii) Airports Authority of India - Review of Infrastructure and Operational Facilities (based on Audit Report No. 17 of 2007 (Performance Audit) (Commercial) of C&AG of India).

3. The Committee then authorized the Chairman to finalize the Reports for presentation.

4. The Committee then adjourned.

APPENDIX II

(Vide Para 3 of the Introduction)

Analysis of the Action Taken by the Government on the recommendations contained in the Twenty-First Report (14th Lok Sabha) on Airports Authority of India – Review of Infrastructure and Operational Facilities (Based on Audit Report No. 17 of 2007 (Performance Audit) (Commercial) of C&AG of India).

I	Total Number of Recommendations	10
II	Recommendations that have been accepted/ partially accepted by the Government [<i>Vide</i> recommendations at Sl. Nos. 1,3 ,4,6,7,8,9 & 10]	8
	Percentage of total	80%
III	Recommendations in respect of which replies of the Government have not been accepted by the Committee [<i>Vide</i> recommendation at Sl. Nos. 2 & 5]	2
	Percentage of total	20%
IV	Recommendations in respect of which final replies of Government are still awaited [<i>Vide</i> recommendation at Sl. No.3]	Nil
	Percentage of total	
V	Recommendation which the Committee do not desire to pursue in view of Government's replies [<i>vide</i> recommendation at Sl. Nos.]	Nil