

## **AIR CORPORATION RULES, 1954**

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**AIR CORPORATION RULES, 1954**

S.R.O. 3520, dated the 26th November, 1954.-In exercise of the powers conferred by Section 44 of the Air Corporations Act, 1953(27 of 1953), the Central Government hereby makes the following rules, namely:

CHAPTER 1

CHAPTER 1

**1. Short title :-**

These rules may be called the Air Corporations Rules, 1954.

**2. Definitions :-**

In these rules, unless the context otherwise requires-

(a) "the Act" means the Air Corporations Act, 1953 (27 of 1953);

<sup>1</sup>[(aa) "authorised officer" means, with reference to any of these rules, an officer authorised by the Chairman to perform the functions under that rule and includes the State Bank of India as such of its offices and branch as may be specified by the Chairman for the purpose of that rule;]

(b) "Chairman" means the Chairman of the Corporation;

(c) "Corporation" means the Indian Airlines, or, as the case may be, the <sup>2</sup> [Air-India], as the. context in each case may require ;

(d) "General Manager" means the General Manager of the Corporation ;

(e) "secretary" means the secretary to the Corporation ;

(f) "member" means a member of the Corporation; and

(g) "section" means a section of the Act.

1. Substituted by S.R.O. 1870, dated the 17th August, 1956,

2. Ins. by Substituted by S.R.O. 1870, dated the 17th August, 1956,

## CHAPTER 2

### BUDGET, ACCOUNTS AND AUDIT

#### **3. Preparation and submission of annual budget estimates**

:-

(1) The budget estimates of the Corporation for every financial year beginning on the first day of April and ending on the thirty-first day of March next following shall be prepared by the Chairman or such officer as may be empowered by the Chairman in this behalf at such time and in such form as the Central Government may lay down from time to time.

(2) A copy of the budget estimates so prepared shall be sent to each member at least fourteen days before the meeting of the Corporation at which such estimates are to be considered.

(3) The Corporation shall consider and approve the budget with such changes as it thinks fit at the meeting Fixed for the purpose of or at any other meeting to which the consideration of the budget estimates is adjourned by a resolution of the Corporation.

(4) The budget estimates, as approved by the Corporation shall be submitted to the Central Government, not later than the <sup>1</sup>[first day of February] of the financial year preceding the year to which the budget estimates relate: Provided that the particulars of all capital commitments proposed to be entered into by the Corporation which may entail expenditure from the Government funds during the succeeding Financial year shall be furnished by the 1st day of September of the preceding financial year : [Provided further that in case the budget of revenue and expenditure of the Corporation discloses a deficit and the Corporation desires that such deficit be made good from the Government funds by the grant of subsidy or loan, such budget of revenue and expenditure shall also be submitted by the 1st day of September of the preceding year: Provided further that, on a request received from the Corporation in any particular case, the Central Government may extend the date

of commission of the budget by such period as it may think fit.]

(5) A summary of the budget estimates as submitted by the Corporation shall be laid before both Houses of Parliament <sup>2</sup> [\* \* \*] as soon as after the demands for grants to meet the expenditure of the Central Government have been assented to by Parliament.

1. Substituted by S.R.O. 1870, dated the 17th August, 1956,
2. Omitted, by Substituted by S.R.O. 1870, dated the 17th August, 1956,

#### **4. Supplementary estimates :-**

If during any financial year the Corporation engages or proposes to engage in any air transport service or ancillary activity in addition to those specified in the programme previously submitted under sub-section (1) of Section 36 or if, for any other reason or reasons, a substantial modification of the budget estimates approved by the Corporation is likely to be involved, the Corporation shall submit for approval to the Central Government supplementary estimates in such form as the Central Government may by order from time to time direct.

#### **5. Re-appropriation :-**

If the Chairman or any officer of the Corporation authorised by him in this behalf is satisfied in the course of the year that there is likely to be an excess of expenditure over the budget estimates approved by the Corporation under any head, he shall examine the allotment under each head of the budget estimate with the object of ascertaining probable savings under any other head and effecting a re-appropriation. Where such re-appropriation is feasible, he may sanction the re-appropriation subject to such conditions, if any, as may from time to time be laid down by the Corporation.

#### **6. Preparation and submission of annual report and annual accounts :-**

As soon as may be after the end of each financial year, an annual report on the work and activities of the Corporation and the annual accounts showing the financial results of the Corporation shall be prepared with such subsidiary accounts as may be prescribed by the Central Government. The report and accounts authenticated by affixing the common seal of, and duly passed by, the Corporation shall be submitted to the Central Government and to the said Comptroller and Auditor General on or before the 31st August,

following : Provided that on a request received from the Corporation the Central Government may with the concurrence of the said Comptroller and Auditor General, extend the date of submission of the accounts by such period as it may think fit.]

**7. Initial accounts of stores :-**

Initial accounts of stores including materials on the site of works and tools and plant (including special tools and plant) shall be maintained in accordance with such instructions as may, from time to time, be issued by the Corporation.

**8. Physical verification of stores :-**

A physical verification of store and tools and plant shall be made by an officer who is not the custodian thereof in such a way that every item of stores, tools and plant shall be verified at least once in two years.] The results of such verification together with the orders of the Corporation for any shortages or excesses of stores and tools and plant shall be communicated to the Comptroller and Auditor General of India.

Verification.-Confirmation of correctness, truth or authenticity by affidavit, oath or deposition.

**9. Cost of Audit :-**

] .-The cost of audit shall be paid by the Corporation within three months from the date on which the demand therefor is made by the Comptroller and Auditor General of India.

Audit.-The process of auditing accounts; the hearing and investigating had before an auditor. An official examination of an account or claim, comparing vouchers, charges and fixing the balance.<sup>1</sup>

1. Rules 9, 10, 11 and 13 omitted by S.R.O. 1870, dated the 17th August, 1956.

**10. Impropriety or irregularity in accounts :-**

] .-

(1) The auditors shall furnish the Corporation and the Central Government with a statement each where necessary, in regard to any material impropriety or irregularity which the auditors may observe in the expenditure or in the recovery of money due to, or in the accounts of the Corporation.

(2) The Corporation shall forthwith remedy any defect or

irregularity that may be pointed out by the auditors and shall report to the Central Government the action taken by it thereon within ninety days of the receipt of the report of the auditors: Provided that, if there is any difference of opinion between the Corporation and the auditors, or if the Corporation does not remedy any defect or irregularity within a reasonable period or render a satisfactory explanation in regard to the defect or irregularity, the Central Government may, and, on reference specifically made therefor by the auditor, shall, in consultation with the Comptroller and Auditor General, pass such orders thereon as it thinks fit and the Corporation shall thereafter take action in accordance therewith within such time as may be specified by the Central Government.

**11-14.** . :-

Ommited

**12.** . :-

Ommited

**13.** . :-

Ommited

**14.** . :-

Ommited

CHAPTER 3

STATISTICS, REPORTS AND RETURNS

**15. Reports** :-

(1) The annual report be submitted by the Corporation to the Central Government under Section 37 regarding its activities during the previous financial year, shall contain particulars, amongst others, in respect of the following items and shall be in such form as the Central Government may from time to time direct, namely:

- (a) routes;
- (b) operations;
- (c) traffic and sales;
- (d) passenger services;
- (e) engineering and maintenance;
- (f) staff;
- (g) organisation;

(h) finance and accounts; and

(i) subsidiary and associate companies.

(2) The Corporation shall also submit, along with the annual report under Section 37 , a separate report on the operational result of any additional service or other ancillary activity undertaken during the previous Financial year in pursuance of the proviso to sub-section (2) of Section 36 . Every such report shall contain, subject to any addition or alteration which may be specified from time to time, particulars in respect of the following matters, namely-

(a) the places to and from which the air transport service is operated including intermediate stops;

(b) the number of types of the aircraft operated on the air transport service, with such particulars of the aircraft and engines as may be required; and

(c) the number of pilots, wireless operators and other members of aircrew employed on the service and the number of licensed ground engineers and other technical or non-technical personnel employed.

Report.-An official or formal statement of facts or proceedings. A report of a public official is distinguished from a return of such official in that return is typically concerned with something done or observed by officer, while report embodies result of officer's investigation not originally occurring withing his personal knowledge.

#### **16. Periodical returns :-**

(1) The Corporation shall submit to the Central Government and to such authority as it may specify-

(a)<sup>1</sup>[fortnightly returns] in regard to delays, alterations or deviations of the air transport services. Subject to any additions or alterations which may be made from time to time, such reports shall contain information and explanatory notes in respect of the following matters, that is to say-

(i) delays exceeding thirty minutes on the <sup>2</sup>[scheduled air services] operated on domestic air routes and on air routes to the neighbouring foreign countries;

(ii) delays exceeding two hours on the scheduled air services operated on longhaul international routes;

(iii) alterations or deviations of the scheduled route made for reasons other than securing the safety of crew, passengers, freight or mail; and

(iv) cancellations of scheduled air services;

**3** [(b) monthly returns relating to services operated and load carried separately in relation to each route so as to reach not later than 60 days after the expiry of the month to which the return relates; such returns shall, subject to any additions or alterations which may be specified from time to time, contain information on the following items:

(i) Services operated-

(a) frequency;

(b) number scheduled;

(c) number and percentage completed without interruption;

(d) number and percentage interrupted en route and the cause and extent of delay;

(e) number and percentage not commenced and the causes;

(f) number and percentage not completed and the causes;

(g) number of unpremeditated landings, the services affected and the reasons;

(h) regular stops overflowed and the causes;

(i) hours flown ; and

(j) miles flown;

(ii) Load carried-

(a) distance, pay load (lbs.) and the number of seats normally available for each stage;

(b) mean pay load capacity operated, i.e. sum of pay loads for each stage x mileage of stage - total route mileage;

(c) capacity [on/miles operated;

(d) passenger seat miles offered;

(e) number of passengers carried on each stage (revenue and non-revenue separately);

(f) passenger miles effected (revenue and non-revenue separately);

(g) passenger ton/miles effected (revenue and non-revenue separately);

(h) mean percentage of passenger seats occupied (passenger factor);

(i) weight of passenger excess baggage carried (revenue and non-revenue separately);

(j) excess baggage ton/miles effected (revenue and non-revenue separately);

(k) weight of mails carried;

(l) mail ton/miles effected;

(m) weight of freight (including newspapers) carried (revenue and non-revenue separately);

(n) freight ton miles effected (revenue and non-revenue separately);

(o) total ton/miles effected (revenue and non-revenue separately); and

(p) mean percentage of total pay load capacity filled (overall load factor);

(iii) Revenue earned-

(a) passenger revenue;

(b) excess baggage revenue;

(c) mail revenue; and

(d) freight revenue];

(c) annual returns regarding the financial results of the Corporation during each year as soon as these are ready in such form as may be laid down by the Central Government from time to time; and

(d) periodical returns to be furnished to the International Civil Aviation Organisation in such forms as may be laid down from time to time.

(2) No information furnished in the annual return mentioned in Cl. (c) of sub-rule (1) shall be published or disclosed without the consent of the Corporation and if any person publishes or discloses any such information without such consent, he shall be deemed to be guilty of an offence punishable under these rules: Provided that nothing in this sub-rule shall apply to the publication or disclosure of any information for the purpose of any legal proceeding by any person authorised by the Chairman in this behalf.

1. Substituted by Omitted by S.R.O. 1871. dated the 20th August, 1956. for "weekly returns".

2. Substituted by Omitted by S.R.O. 1871. dated the 20th August, 1956. for "weekly returns".

3. Substituted by S.R.O. 1871, dated the 20th August, 1956

**17. Power to obtain supplementary report of information :-**

Notwithstanding anything contained in rule 15 and rule 16, the Central Government may require special reports from the Corporation and lay down the manner and the form in which such reports shall be made or may require from the Corporation answers to questions upon which the Central Government may need information. The Central Government may also require the Corporation to furnish a true copy of each or any contract, agreement, understanding or arrangement, between the Corporation and any other carrier or person, in relation to any traffic affected by the provisions of the Act.

General Government empowered to ask for supplementary reports or information.

CHAPTER 4

BONDS

**18. Form of bond and the mode of transfer thereof :-**

(1) Any bond issued by the Corporation shall be issued in Form I specified in the Schedule as a promissory note payable to, or to the order of, a person in denominations of Rs. 10, 50, 100, 1,000, 5,000, 10,000 and 25,000.

(2) A bond shall be transferable by endorsement and delivery, like a promissory note payable to order.

(3) No endorsement of a bond shall be valid unless it is made by the holder in his own handwriting or made on his behalf by his duly constituted attorney or representative, inscribed on the back of the bond itself.

(4) No writing on a bond shall be valid for the purpose of negotiation, if such writing purports to transfer only part of the amount denominated by the bond.

(5)

(a) The bonds shall be issued over the joint signature of the Chairman or <sup>1</sup> [authorised officer] and a member of the Corporation which may be printed, engraved or lithographed or impressed by such other mechanical process as the Corporation may direct.

(b) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as if it had been inscribed in the proper handwriting of the signatory himself.

1. Inserted by S.R.O. 1040, dated the 26th April. 1956.

**19. Trust not recognised :-**

The Corporation shall not be bound or compelled to recognise in any way any trust or any right in respect of a bond other than an absolute right thereto in the holder.

**20. Persons disqualified to be holders :-**

No minor and no person who has been found by a competent court to be of unsound mind shall be entitled to be the holder of a bond.

**21. Payment of interest :-**

(1) The interest due on a bond may be paid on receipt of the bond either by post or otherwise at the head office of the Corporation <sup>1</sup>[or such offices or branches of the State Bank of India as may be specified for the purpose by the Chairman] in half-yearly instalments in <sup>2</sup> [February and August] each year.

(2) The interest shall be paid by means of a cheque on a scheduled bank.

Interest is paid half-yearly in February and August and by cheques only

1. Inserted by S.R.O. 1040, dated the 26th April. 1956.

2. Substituted by S.R.O. 1524. dated the 16th July. 1955. for -

January and July".

**22. Procedure when bond is lost :-**

(1) Every application for the issue of a duplicate bond in place of a bond which is alleged to have been lost, stolen, destroyed, mutilated or defaced, either wholly or in part, be addressed to the Corporation <sup>1</sup> [or to such offices or branches of the State Bank of India as may be specified for the purpose by the Chairman] and shall contain the following particulars, namely :

(a) particulars of the bond, viz. bond for Rs.....No..... of the bond.....;

(b) last half-year for which interest has been paid;

(c) the person to whom such interest was paid;

(d) the person in whose name the bond was issued (if known);

(e) the circumstances attending the loss, theft, destruction, mutilation or defacement; and

(f) whether the loss or theft was reported to the police.

(2) Such application shall be accompanied by-

(a) where the bond was lost in course of transmission by registered post, the post office registration receipt for the letter containing the bond;

(b) a copy of the police report, if the loss or theft was reported to the police;

(c) if the applicant is not the registered holder, an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bond, and all documentary evidence necessary to trace back the title to the registered holder; and

(d) any portion or fragments which may remain of the lost, stolen, destroyed, mutilated or defaced bond.

1. Inserted by S.R.O. 1040, dated the 26th April. 1956.

**23. Notice in Gazette :-**

The loss, theft, destruction, mutilation or defacement of a bond or portion of a bond shall forthwith be notified by the applicant at his cost in three successive issues of the Gazette of India, and of the local Official Gazette, if any, of the State in which the loss, theft,

destruction, mutilation or defacement occurred. Such notice shall be in the following form or as nearly in such form as circumstances permit, namely: "('Lost', 'stolen', 'destroyed', 'mutilated', or 'defaced', as the case may be). The bond bearing No.....of the Indian Airlines/<sup>1</sup> [Air-India] for Rs.....original standing in the name of.....and last endorsed to..... the proprietor, by whom it was never endorsed to any other person, having been lost (stolen, destroyed, mutilated or defaced), notice is hereby given that payment of the above bond and the interest thereon has been stopped at the office of issue, and that an application is about to be made or has been made for the issue of a duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned bond. Name of person notifying. Residence."

1. Substituted by Air Corporations (Amendment) Rules, 1965. Sec. 3. vide S.R.O. 1052. dated the 25th March. 1965.

#### **24. Issue of duplicate bond and taking of indemnity :-**

(1) After the publication of the notice as required by rule 23, the authorised officer shall, if he is satisfied of the loss, theft, destruction, mutilation or defacement of the bond and of the justice of the claim of the applicant, cause the particulars of the bond to be included in a list published under rule 25"and shall order the office\_

(a) if only a portion of the bond has been lost, stolen, destroyed, mutilated or defaced, and if a portion thereof sufficient for its identification has been produced, to pay interest and to issue to the applicant, on execution of an indemnity bond such as is hereinafter mentioned and on payment of the prescribed fee, a duplicate bond in place of that of which a portion has been so lost, stolen, destroyed, mutilated or defaced either immediately after the publication of the list under rule 25 or on the expiry of such period as the authorised officer may consider necessary from the date of the publication of the said list;

(b) if no portion of the bond so lost, stolen, destroyed, mutilated or defaced, sufficient for its identification, has been produced-

(i) to pay to the applicant, one year after the publication of the said list, and on the execution of an indemnity bond in the manner hereinafter prescribed, the interest in respect of the bond so lost, stolen, destroyed, mutilated or defaced till the expiry of the period

of three years as hereinafter provided; and

(ii) to issue to the applicant on payment of the prescribed fee, a duplicate bond in place of the bond so lost, stolen, destroyed, mutilated or defaced three years after the date of publication of the said list: Provided that-

(i) if the date on which the bond is due for repayment falls earlier than the date on which the said period of three years expires, the authorised officer shall, within six weeks of the former date, invest the principal amount due on the bond in the Post Office Savings Bank, and shall repay this amount, together with any interest which may have accrued thereon in such bank to the applicant at the time when a duplicate bond would otherwise have been issued; and

(ii) if at any time before the issue of the duplicate bond, the original bond is discovered or it appears to the office of issue for other reasons that the order should be rescinded, the matter shall be referred to the authorised officer for further consideration and in the mean time all action on the order shall be suspended. An order passed under this sub-rule shall, on expiry of the period of three years referred to, become final unless it is in the mean time rescinded or otherwise modified.

(2) The authorised officer may, at any time prior to the issue of a duplicate bond, if he finds sufficient reason, alter or cancel any order made by him under this rule and may also direct that the interval before the issue of a duplicate bond shall be extended by such period, not exceeding two years as he may think fit.

(3)

(i) An indemnity bond shall be for twice the face value of a bond plus twice the amount of interest accrued due thereon.

(ii) The authorised officer may direct that such indemnity bond shall be executed by the applicant alone or by the applicant and one or two sureties approved by him as he may think fit.

Indemnity bond.- A bond for the payment of a penal sum conditioned to be void if the obliger shall indemnify and save harmless the obligee against some anticipated loss.

## **25. Publication of list :-**

(1) The list referred to in rule 24 shall be published half-yearly in the Gazette of India in the months of January and July or as soon thereafter as may be convenient.

(2) All bonds in respect of which an order has been passed under rule 24 shall be included in (he first list published next after the passing of such order.

(3) The list shall contain the following particulars regarding each bond included therein, namely, the name of the office of issue, the number of the bond its value, the name of the persons to whom it was issued, the date from which it bears interest, the name of the applicant for a duplicate, the number and date of the order passed by the authorised officer for payment of interest or issue of a duplicate, and the date of publication of the list in which the bond was first included.

List.- A docket or calendar of causes ready for trial or argument, or of motions ready for hearing. Entering or enrolling in a list; to enter in an official list or schedule; as, to list property for taxation, to put into a list or catalogue, register, enrol.<sup>1</sup>

1. Inserted by S.R.O. 1040. dated the 26th April. 1956.

## **26. Determination of a mutilated bond as a bond requiring renewal :-**

The authorised officer shall determine whether a bond which has been mutilated or defaced requires the issue of a duplicate under rule 24 or a renewal under rule 27.

## **27. When a bond is required to be renewed :-**

(1) A holder of a bond may be required by the authorised officer to submit the same for renewal in any of the following cases, namely:

(a) if only sufficient room remains on the back of the bond for one further endorsement or if any word is written upon the bond across the existing endorsement or endorsements; or

(b) if the bond is, in the opinion of the authorised officer, torn or in any way, damaged or crowded with writing or clumsy; or

(c) if any endorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or is made otherwise than in one of the endorsement cages of the back of the bond; or

(d) if the interest on the bond has remained undrawn for three years or more; or

(e) if the bond having been enfaced three times for payment of interest is presented for re-enfacement; or

(f) if in the opinion of the office of issue, the title of the person presenting the bond for payment of interest is irregular or not fully proved.

(2) When a requisition for renewal of a bond has been made under sub-rule (1) payment of any further interest thereon shall be refused until it is submilled for renewal and actually renewed.

**28. Person whose title to a bond of a deceased sole holder may be recognised :-**

(1) The executors or administrators of a deceased sole holder of a bond (whether a Hindu, Mohammedan, Parsi or otherwise) and the holder of a succession certificate issued under Succession Act, 1925 in respect of the bond shall be the only persons who may he recognised by the office of issue (subject to any general or special instructions of the authorised officer) as having any title to the bond.

(2) Notwithstanding anything contained in Section 45 of the Contract Act, 1872 , in the case of a bond issued, sold or held payable to two or more holders jointly, the survivors or survivor, and on the death of the last survivor, his executors, administrators, or any person who is the holder of a succession certificate in respect of such bond shall be the only person who may he recognised by the Corporation (subject to any general or special instructions of the authorised officer) as having any title to such bond: Provided that nothing in this rule shall effect any claim which any representatives of a deceased holder of such bond may have against the survivors or survivor or his executors or administrators under or in respect of any bond to which this sub-rule applies.

(3) The Corporation shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration or other legal representation, as the case may be, from a competent court: Provided nevertheless that in any case where the authorised officer shall in his absolute discretion think fit, it shall be lawful for him to dispense with the production of probate, letters of administration or other legal representation upon

such terms as to indemnity or otherwise as he may think fit.

Succession.- The devolution of title to property under the law of descent and distribution. *State ex rel Walker v. Payne*, 129 MO. 468. The act or right of legal or official investiture with a predecessor's office, dignity, possession, or functions; also the legal or actual order of so succeeding from that which is or is to be vested or taken.<sup>1</sup>

1. Inserted by S.R.O. 1040. dated the 26th April. 1956.

**29. Receipt for renewal, etc :-**

(1) Subject to any general or special instructions of the authorised officer, the Corporation, by its order, on the application of the holder, on his delivering the bond or bonds and on his satisfying the Corporation regarding the justice of his claim, renew, sub-divide or consolidate a bond or bonds provided the bond or bonds has or have been receipted in Form II, III or IV, as the case may be, and the fee laid down by the Corporation in this behalf has been paid.

(2) The Corporation may, under the orders of the authorised officer require the applicant for renewal, sub-division or consolidation of a bond under sub-rule (1) to execute a bond in Form V with one or more sureties approved by such authorised officer.

**30. Renewal of bond in case of dispute as to title :-**

Where there is a dispute as to the title to a bond in respect of which an application for renewal has been made the authorised officer may-

(a) where any party to the dispute has obtained a final decision from a court of competent jurisdiction declaring him to be entitled to such bond, issue a renewed bond in favour of such party, or

(b) refuse to renew the bond until such a decision has been obtained.

Explanation.-For the purposes of this rule, the expression "final decision" means a decision which is not appealable or a decision which is appealable but against which no appeal has been filed within the period of limitation allowed by law.

Dispute.-A conflict or controversy.-A conflict of claims or right; an assertion of a right, claim or demand on one side, met by contrary claims or allegations on the other.

**31. Liability introspect of bond renewed :-**

When a duplicate bond or a renewed bond has been issued or a new bond has been issued upon sub-division or consolidation under rule 29 in favour of a person, the bond so issued shall be deemed to constitute a contract between the Corporation and such person and all persons deriving title thereafter through him.

**32. Discharge :-**

\_\_\_The Corporation shall be discharged from all liability in respect of the bond or bonds paid on maturity or in place of which a duplicate, renewed, sub-divided or consolidated bond or bonds has or have been issued.

**33. Cessation of patent of interest :-**

A person to whom the Corporation has offered the face value of a bond shall cease, to be entitled to payment of any interest on the value of the bond after the expiry of thirty days from the date of the offer if he fails to accept payment of the amount within that period.

**34. Discharge of a bond :-**

When a bond becomes due for payment of principal, the bond shall be presented at the office of the corporation <sup>1</sup> [or such offices or branches of the State Bank of India as may be specified for the purpose by the Chairman] duly signed by the holder on its reverse.

1. Inserted by S.R.O. 1040. dated the 26th April. 1956.

**35. Fees :-**

A fee not exceeding half per centum of the face value shall be paid in respect of each new bond issued on renewal, sub-division or consolidation under rule 29, and also in respect of a duplicate bond.

CHAPTER 5

TRAINING or OPERATIONAL STAFF

**36. Provision of courses for theoretical and practical training :-**

The Corporation shall arrange for theoretical and practical training of its flying crew, maintenance and operational staff and its technical personnel in consultation with the Director General of Civil Aviation: Provided that the Corporation may, in its discretion, admit other persons also to undergo such courses of training.

**37. Liability of an employee to undergo training and test :-**

An employee of any of the categories specified in rule 36 when

called upon by the Corporation to do so, shall undergo such courses of training, examination and tests, whether practical or theoretical, written or oral, as may from time to time be laid down by the Corporation.

Employee.-One who works for an employee; a person working for salary or wages ; applied to anyone so working, but usually only to clerks, workmen, labourers, etc., and but rarely to the higher officers of a corporation or government or to domestic servants

### **38. Deputation for specialised training :-**

(1) The (corporation may, in its discretion, or if so desired by the Central Government, shall depute any of its employees for specialised training to a technical institution either in India or abroad. The employees shall undergo and satisfactorily complete the course of training in such institution.

(2) An employee selected for a specialised training shall, if so required by the Chairman before the commencement of training, execute an agreement binding himself to serve the Corporation for such minimum period on the completion of his training as the Chairman may require, or in the alternative to refund to the Corporation the sums paid by the Corporation to him during the period of his training, whether as salary, stipends, fees, travelling expenses, or otherwise.

### **39. Levy of fees :-**

No fee shall be charged or levied by the Corporation in respect of courses of training provided, or examinations and tests conducted, for their employees and connected with the nature of duties assigned to such employees : Provided that nothing herein contained shall restrict the right of the Corporation to levy the prescribed fees in respect of persons other than its employees .

### **40. No fees for testing the proficiency of an employee for the performance of assigned duties :-**

No fee shall be charged for any examination or test conducted by the Corporation for testing the proficiency of an employee of the Corporation for the performance of duties assigned to him.

### **41. Payment of stipends and allowances during training :-**

The Corporation shall pay such stipends and allowances in addition to the normal emoluments as may be specified from time to time whenever an employee of the Corporation is deputed for training

either in India or abroad.

**42. Selection of candidates for undergoing training :-**

The selection of candidates, not in the service of the Corporation, for undergoing courses of training established by the Corporation or arranged for either in India or abroad shall be made by one or more selection boards to be nominated by the Corporation in consultation with the Director General of Civil Aviation: Provided that nothing contained herein shall restrict the right of the Corporation to nominate separate selection boards for selecting employees of the Corporation for different courses of training.

CHAPTER 6

CHAPTER 6

**43. Interference with the property and employees of the Corporation :-**

(1) Save as otherwise authorised under the provision of any law for the time being in force, no person shall, directly or indirectly, interfere with or cause interference with the operation of any air transport service or with any property of the Corporation or interfere with or obstruct a member of the operating crew of an aircraft in the performance of his duty or tamper with the aircraft or its equipment or conduct himself in a disorderly manner in an aircraft or commit any act likely to imperil the safety of an aircraft or its passenger or crew.

(2) Any person who contravenes any of the provisions of this rule shall be punishable in respect of every such contravention with imprisonment which may extend to three months or with Fine which may extend to rupees one thousand or with both.

(3) Notwithstanding the contract of carriage, the pilot in command of in an aircraft or commit any act likely to imperil the safety of an aircraft or such person tampers with the aircraft or its equipment or commits any act likely to imperil its safety.

CHAPTER 6A

PROHIBITION OF EMPLOYMENT OF PERSONS DIRECTLY OR INDIRECTLY INTERESTED IN ANY SUBSISTING CONTRACT WITH THE CORPORATIONS

**43A. 43A :-**

No person who is directly or indirectly interested in any subsisting contract with either of the Corporations shall, except with the express permission in writing of the General Manager of the

Corporation concerned, be or become an employee of that Corporation.

**43B. 43B :-**

A person who is an employee or applies for employment in either of the two Corporations shall submit to the General Manager of the Corporation concerned or any other officer nominated by him, a declaration disclosing full details of any such contract in which he is or may be directly or indirectly interested.

**43C. 43C :-**

When a person has secured employment with either of the Corporations on the basis of a false declaration or wilful non-disclosure of information or when an employee has wilfully made a false declaration or concealed information as to any direct or indirect interest in any such contract, or if the Corporation has reason to believe that he has made any such false declaration or concealed any such information, the services of such employee shall, without prejudice to any penalty which may be imposed under rule 59 of these Rules, be liable to be terminated forthwith.]

CHAPTER 7

AIR TRANSPORT COUNCIL

**44. Term of Office :-**

The term of office of the Chairman or any other member of the Air Transport Council (hereinafter referred to as the Council) shall be for a period of three years commencing from the date on which the appointment of the Chairman or other member is notified in the Official Gazette: Provided that the Chairman or other member shall, notwithstanding the expiry of the said period, continue to hold office until the appointment of his successor is so notified.

**45. Resignation :-**

The Chairman or any other member of the Council may, at any time, by notice in writing under his hand addressed to the Central Government, resign his office: Provided that such resignation shall take effect from the date on which it is accepted by the Central Government, <sup>1</sup> [or on the expiry of thirty days from the date of receipt of intimation of such resignation, whichever is earlier].

Right of the employees of the statutory bodies against their dismissal or removal.\_\_\_\_The employees of these statutory bodies have a statutory status and they are entitled to a declaration of being in employment when their dismissal or removal is in

contravention of statutory provisions.

1. Subs by G.S.R. 33(E) Dated 27th March 1982.

**46. Restriction on a member considering representation in which he is interested in his personal capacity :-**

No member of the Council shall sit to consider a representation or question if, in respect of the matters to which the representation or question relates, he has, in his personal capacity, any special interest such as may tend to interfere with his impartial consideration of the representation or question and any member having such special interest shall notify the same to the Central Government and the Council immediately on the representation being made or the question being referred to the Council, as the case may be.

**47. Removal of the Chairman and members :-**

The Central Government may, by notification in the Official Gazette, remove from office the Chairman or any other member of the Council who-

(i) in the opinion of the Central Government, has failed or is unable carry out his duties, or

(ii) without sufficient cause is absent from three consecutive meetings the Council.

**48. Temporary absence of a member :-**

If any member is by infirmity or otherwise rendered temporarily incapable of carrying out his duties or is absent on leave or otherwise in circumstance? not involving the vacation of his appointment, the Central Government may appoint another person to act in his place.

**49. Eligibility for re-appointment :-**

A member of the Council who ceases to be a member shall be eligible for re-appointment.

**CHAPTER 8**

**FUNCTIONS OF THE ADVISORY COMMITTEE**

**50. 50 :-**

(1) The Advisory Committee constituted under sub-section (1) of Section 41 may, in addition to such matter as may be referred to it by the Corporation, also advise the Corporation in respect of the following matters, namely :

- (i) provision of amenities for air travellers;
- (ii) improvement of services and facilities provided by the Corporation;
- (iii) time-tables of air services;
- (iv) extensions or improvements of the existing projects;
- (v) proposals relating to opening of new air stations; and
- (vi) any other matter of general public interest or public convenience:

#### CHAPTER 9

#### LABOUR RELATION COMMITTEE

### **51. Constitution :-**

(1)

(a) A Labour Relations Committee shall be constituted by each of the Corporations consisting of such equal number of representatives of the Corporation and of its employees, which shall not be less than six and not more than twelve, as the Corporation may, from time to time, by resolution, determine.

(2)

(a) The tenure of office of a member of the Committee shall be two years but an outgoing member shall be eligible for being re-elected.

<sup>1</sup>[(aa) A member of the Committee may resign from the Committee by giving a notice in writing to the Chairman of the Committee. The Chairman may accept the

(b) If any casual vacancy occurs in the office of a member of the Committee, the Corporation shall, as soon as may be after the occurrence of the vacancy and subject always to the provisions of sub-rules (3) and (4), appoint a person to fill the vacancy from among its own representatives or representatives of its employees, according as the member causing the casual vacancy was a representative of the Corporation or, as the case may be, a representative of its employees and every member so appointed shall continue in office for the unexpired term of his predecessor.

(3) The Corporation shall nominate its own representatives on the Committee.

(4) The representatives of employees on the Committee shall be elected by the employees of the Corporation by means of a secret ballot from amongst themselves working in the various units and for the purposes of the same, the Corporation shall divide the employees into six units: Provided that the representatives of the employees shall be so elected as to ensure a representation to each of the units.

(5)

(a) The officers of the Committee shall include-

(i) a <sup>2</sup>[Chairman of the Committee]; and

(ii) a <sup>3</sup>[Secretary of the Committee].

(b) The principal executive officer of the Corporation in charge of labour welfare shall be entitled to attend all meetings of the Committee and shall also have the right to speak at, and otherwise take part in, any meeting of the Committee but shall not be entitled to vote or move any resolution, if he is not a member thereof.

(6) The Chairman of the first Labour Relations Committee shall be the Chairman of the Corporation or a member of the Committee appointed by the <sup>4</sup>[Chairman of the Corporation in this behalf]. Thereafter the Committee shall elect one of its members to be the Chairman of the Committee, so however, that a representative of the Corporation or a representative of its employees is the Chairman of the Committee in alternate years.

(7) The Secretary of the Committee shall be elected by the Committee for a period of one year from amongst the representatives of the Corporation and of the employees, so however, that if, in any term, the Chairman of the Committee is a representative of the Corporation, the <sup>3</sup> [Secretary of the Committee] for that term shall be a representative of the employees of the Corporation to be elected from amongst its own number and vice versa.

(8) The Committee may constitute one or more ad hoc sub-committees as it thinks fit to enquire into any matter and submit its report to the Committee or may appoint a Standing and Branch or Regional Sub-Committee and entrust to it such functions and duties as the Committee may with the previous approval of the Corporation direct.

Representative.-A person who stands in the place of another, one who takes by representation; a person who occupies another person's place and succeeds to his rights and liabilities. [See Lee v. Dill, 39 Barbour (N.Y.) 516, 520.]

1. Subs by G.S.R. 33(E) Dated 27th March 1982.
2. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"
3. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"., for "Secretary".
4. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"., for "Secretary". for "Chairman in this behalf"

## **52. Functions of Officers :-**

(1) The Chairman of the Committee shall ordinarily preside over meetings and shall exercise general control and supervision. He shall also decide all questions of order at the meeting.

(2) In the absence of the <sup>1</sup>Chairman of the Committee] any other member elected by the members present shall preside at a meeting.

(3) The <sup>2</sup> [Secretary of the Committee] shall keep a record of the minutes of meetings.

Duty of Court.-The Courts should lean more in favour of an interpretational process which would promote a laudable object and eschew one which would sap its Officacy and leave it as a dead wood, as it were.

1. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"., for "Secretary". for "Chairman in this behalf", for "Secretary".
2. Substituted by S.R.O.498, dated the 9th February, 1957, for "Chairman".

## **53. Meetings :-**

(1) Meetings shall ordinarily be held at least once in two months at the headquarters of the Corporation or at such other places as the Chairman of the Corporation or the Committee may determine. If and when necessary, special meetings may be convened by the <sup>1</sup> [Chairman of the Committee].

(2) A special meeting shall be held at a fortnight's notice on a requisition made by at least five members of the Committee, for consideration of any urgent matter.

1. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"., for "Secretary". for "Chairman in this behalf", for "Secretary".

#### **54. Attendance at meetings :-**

(1) The members of the Committee shall be considered to be on duty for the period of attendance at meetings of the Committee or while doing any other work for, and on behalf of the Committee and shall be paid the usual travelling and daily allowances and wages, including other allowances, for such period.

(2) Any member who fails to attend three consecutive meetings shall forfeit his membership, unless the Committee decides otherwise. This provision shall not apply to the <sup>1</sup> [Chairman of the Committee].

1. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"., for "Secretary". for "Chairman in this behalf", for "Secretary".

#### **55. Agenda and notice for meeting :-**

(1) The agenda for each meeting shall be drawn up by the <sup>1</sup>[Secretary of the Committee] under the <sup>2</sup>[directions of the Chairman of the Committee] and the same shall be supplied to each member of the Committee along with the notice of the meeting at least a week before the meeting, except in the case of a special meeting. Members desiring to raise any question should send notice in advance along with a memorandum. It shall be included in the agenda if approved by the <sup>3</sup>[Chairman of the Committee].

(2) Business other than that appearing in the agenda shall be considered at any meeting, only with the permission of the <sup>3</sup> [Chairman of the Committee]. The presence of a majority of members from each side of the Committee, that is to say, from among the representatives of the Corporation and representatives of the employees, shall be necessary to constitute a quorum. No quorum shall be necessary for an adjourned meeting.

Notice.-Information, intelligence, knowledge. The foregoing may be true as a general definition, but it is not strictly accurate, for "notice" is not always synonymous with "knowledge", and facts which do not show actual knowledge may suffice to satisfy a requirement of "notice". There may be actual notice without

knowledge. [39 Am. Jur. 233-234.]

1. Substituted by S.R.O.498, dated the 9th February, 1957, for "Chairman".
2. Substituted by S.R.O.498, dated the 9th February, 1957 for "Chairman's directions".
3. Substituted by S.R.O. 498, dated the 9th February, 1957. for "Chairman"., for "Secretary". for "Chairman in this behalf", for "Secretary".

#### **56. Facilities for the meeting :-**

Accommodation for holding meetings and all other facilities necessary for the functioning of the Committee shall be provided by the Corporation.

Facilities.-That which promotes the ease of any action, operation, transaction or course of conduct. [Webster] The term denotes inanimate means rather than human agencies. [Sloss-Sheffield Steel and Iron Co. v. Smith, 185 Ala. 607: 64 SO. 337, 338.]

#### **57. Administration and working :-**

(1) The Chairman of the committee shall be in the administrative charge of the Committee office, records and equipment of the Committee.

(2) The <sup>1</sup>[Secretary of the Committee] shall assist the <sup>1</sup> [Chairman of the Committee] in the administration and working of the Committee's office.

1. Subs, by S.R.O. 498, dated the 9th February, 1957, for "Secretary'., for "Chairman".

#### **58. Proceedings and decisions of the Committee :-**

(1) All questions brought before any meeting of the Committee shall be decided by a majority of the members of the Committee present and voting before which the matter is brought and in the case of equality of votes, the presiding authority at the meeting shall have a second or casting vote.

(2) The functions of the Committee shall be purely advisory and the Corporation may or may not accept any advice tendered to it by the committee.

(3) Minutes of meetings shall be drawn up by the <sup>1</sup>[Secretary of the Committee] and after approval by the <sup>2</sup> [Chairman of the Committee], he shall send a copy of the same to each member.

(4) It shall be lawful for the Committee to give such publicity to all important matters relating to the welfare of the employees of the Corporation as the Corporation may from time to time direct.

1. Substituted by S.R.O. 498, dated the 9th February, 1957, for "Secretary".
2. Subs, by S.R.O. 498, dated the 9th February, 1957, for "Secretary"., for "Chairman".

#### CHAPTER 9A

ESTABLISHMENT AND MAINTENANCE OF A FUND TO MEET THIRD PARTY LIABILITIES

#### **58A. Establishment and maintenance of a fund to meet third party liabilities :-**

(1) Each of the two Corporations shall establish and maintain a fund, the amount of which shall be determined by the Central Government from time to time, and the fund shall be utilised by the Corporation for meeting any liability caused by or arising out of any act or omission in respect of which the Corporation may incur any liability to any third party.

(2) Notwithstanding anything contained in sub-rule (1) but without prejudice to the provision thereof, it shall be lawful for the Corporation to take out such insurance policy or policies from authorised insurers against any such liability as is referred to in sub-rule (1) as may, in the opinion of the Corporation, be necessary or prudent.]

Liability.- The word is a broad legal term. [Mayfield v. First Nat. Bank of Chattanooga, Tenn., C.C.A. Tenn. 137 F. 2d 1013, 1019.] It has been referred to as of the most comprehensive significance, including almost every character of hazard or responsibility, absolute, contingent, or likely. [Wentz v. State, 108 Neb. 597 : 188 N.W. 467,468.]

#### CHAPTER 9B

THE TERMS AND CONDITIONS OF SERVICE OF GENERAL MANAGERS AND OTHER CATEGORIES OF OFFICERS

#### **58B. Application :-**

This Chapter shall apply to the General Managers in either of the two Corporations whose appointments are subject to the approval of the Central Government.]

#### **58C. Sources of Recruitment :-**

Appointments to the posts referred to in rule 58B shall be made

either by direct recruitment or by promotion of officers employed in either of the two Corporations or by deputation of officers serving under the Central or any State Government.

**58D. Conditions of Service :-**

(1) Officers appointed to the posts referred to in rule 58B when promoted from either of the two Corporations shall be entitled to the same scales of pay as those prescribed for the posts and shall continue to be governed by the other conditions of service laid down from time to time in the Service Regulations of the Corporation employing them.

(2) Officers recruited directly shall also be governed by the same scales of pay and other conditions of service as those applicable to the promoted officers of the Corporation.

(3) The pay scales and other conditions of service of officers appointed to the above posts on deputation shall be fixed on an ad hoc basis having regard to the pay scales and other conditions of service to which they were entitled in their parent departments immediately before their deputation or as may be prescribed in the terms of deputation by the appropriate Government/Department.]

CHAPTER 10  
PENALTIES

**59. 59 :-**

If any person contravenes any provision of these rules other than the rules for the contravention of whose provision separate penalty has been provided in such rules, he shall be punishable with fine which may extend to one thousand rupees.