

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

STARRED QUESTION NO:476  
ANSWERED ON:06.08.2009  
IMPLEMENTATION OF INCENTIVES SCHEME IN AIR INDIA  
Singh Shri Uday Pratap;Yaskhi Shri Madhu Goud

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the Government is aware that Air India has paid to its employees wages to which they were not entitled;
- (b) if so, the details thereof;
- (c) whether the productivity linked incentive scheme of Air India was implemented without the approval of its Board or by the Government;
- (d) whether the directives issued by the Government to stop these payments were ignored by the airlines; and
- (e) if so, the steps taken to fix responsibility on those who have not followed the directives of the Government and also to check wasteful expenditure in Air India?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a),(b),(c),(d) & (e): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a), (b), (c), (d) and (e) OF THE LOK SABHA STARRED ( ) QUESTION NO.476 FOR 06.8.2009 REGARDING IMPLEMENTATION OF INCENTIVES SCHEME IN AIR INDIA.

(a) and (b) : The Public Sector Enterprises of the Government of India are required to follow the wage Policies laid down by the Department of Public Enterprises (DPE). The wage agreements with the recognized Unions of the Public Sector Enterprises should be within the parameters laid down by the DPE. The pay and allowances in Air India are also being paid as per the agreements signed by the Management with its Unions/Associations. However, some of these agreements are not in line with DPE guidelines.

(c): The Performance Linked Incentive payment is a part of the Settlements/Agreements/Understanding. These Settlements/Agreements/Understanding signed with the Unions/Associations/Guilds have been duly approved by the Board of Directors of erstwhile Air India Limited and Indian Airlines Limited. However, no approval of the Government has been granted.

d) and (e): NACIL has been asked to take corrective action to bring the perquisites and allowances of its employees in line with DPE's guidelines.