

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3036
ANSWERED ON:12.12.2012
AI GROUND HANDLING BUSINESS
Kumar Shri P.

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Air India has handed over its profitable aircraft ground handling business and a part of the revenue earned from it to a joint venture company;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the ground handling policy announced by Air India is not applicable to many airports in the country including Thiruvananthapuram airport;and
- (d) if so, the reasons therefor along with the steps taken by the Government/Air India in this regard?

Answer

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

(a) and (b): In order to comply with the new ground handling policy issued by the Directorate General of Civil Aviation (DGCA) and to meet the competition posed by the new ground handling agencies, Air India has entered into a 'Joint Venture (JV) Agreement' with M/s Singapore Airport Terminal Services (SATS) on 50:50 share holding basis to provide ground handling services to Air India and its client airlines' flights at Bangalore, Hyderabad, Delhi, Mangalore and Thiruvananthapuram. This JV will enable AI-SATS to earn more profit revenue with their international expertise and Air India will share profits with SATS on 50:50 basis.

(c) and (d): Air India has not announced any Ground Handling Policy. The government has issued Ground Handling Policy, which is applicable to all airports in India, including Thiruvananthapuram airport. However, the policy is subjudice in the Supreme Court of India.