

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:469
ANSWERED ON:27.02.2013
MAINTENANCE REPAIR OF AI AIRCRAFT
Patil Shri A.T. Nana

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether maintenance and repair work and ground handling business of Air India (AI) are being handed over to new companies by the Government;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government is likely to reduce the number of employees of Air India after handing over these works to other companies; and
- (d) if so, the reasons therefor along with the steps taken by the Government to protect the interests of AI employees likely to be affected as a result of above move?

Answer

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

(a) and (b): Yes, Madam. Maintenance, Repair and Overhaul (MRO) activities in Air India are being hived off to Air India Engineering Services Limited (AIESL) and the Ground Handling activities are being hived off to Air India Air Transport Services Limited (AIATSL). Both AIESL and AIATSL are wholly owned subsidiary companies of Air India. This has also been approved by the Government as a part of the Turn Around Plan (TAP) of Air India. It was done with the aim that AIESL would not only provide the MRO support to Air India but would also procure MRO business from other airlines (domestic and international). Similarly, AIATSL would perform Air India's Ground handling activities and would also acquire such business from other airlines. These measures would enable Air India to monetize the value of its current assets and infrastructure and to concentrate on its core passenger business.

(c) and (d): Yes, Madam. The concerned employees of Air India are being transferred/deputed to AIESL and AIATSL respectively without any adverse change in their service conditions, including pay, allowances, career progression, benefits and perquisites. This step shall help in reduction of number of employees in Air India, the parent Company.