

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT  
(DIPAM)  
LOK SABHA  
UNSTARRED QUESTION No. 2313  
TO BE ANSWERED ON MONDAY, DECEMBER 13, 2021  
Agrahayana 22, 1943 (Saka)

**Disinvestment of Air India**

**2313: SHRI UPENDRA SINGH RAWAT:**

**SHRI SUNIL KUMAR MONDAL:**

**SHRI SHANMUGA SUNDARAM K.:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has stipulated the condition that the new owner can limit the benefits existing with Air India under the Government control, after disinvestment of Air India to TATAs, if so, the details thereof;
- (b) the details of the conditions under which the transfer of ownership to the private operator and working conditions of the employees will be maintained status quo;
- (c) the job security of the existing employees of Air India after transferring the entire ownership to the private player;
- (d) whether the Air India and Air India Express Employees Union has given any representation or memorandum for retaining the existing benefits even after transfer of ownership; and
- (e) if so, the details thereof?

## **ANSWER**

### **THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(DR. BHAGWAT KISHANRAO KARAD)**

(a) to (c): The strategic disinvestment of Air India and its identified subsidiaries (100% shareholding in AIXL and 50% shareholding in AISATS) is on a 'going concern' basis and the employees shall continue to be employees in terms of the agreed SPA signed on 25<sup>th</sup> October, 2021. Employees cannot be retrenched for a period of one year from the closing date and will be eligible for voluntary retirement scheme with maximum benefits in case of retrenchment in the second year from closing. The employees will also be eligible for other benefits like gratuity, provident fund benefits, passage rights, in accordance with applicable law/industry practice. Employees have been allowed to stay in the residential colonies for a six-month period from closing. There is a provision post-closing for ESOP scheme for employees. Medical benefits will be provided to existing employees by the strategic buyer as per industry practice. Government has the obligation to provide medical facilities to all retired employees (as on closing date) and eligible existing employees (who have attained 55 years of age or above or have completed 20 years of service) and their spouses, post retirement.

(d) & (e): Various Unions/Associations like India Pilots Guild, Indian Commercial Pilots Association, Air corporations Employees Union, Air India Cabin crew Association, Joint Forums etc. have given representations for retention/continuation of existing benefits even after transfer of ownership.

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