GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 2742
(TO BE ANSWERED ON THE 28th March 2022)

AFFIRMATIVE ACTION PLAN

2742. SHRI NEERAJ DANGI

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

(a) whether any affirmative action plan has been prepared to safeguard employment and interests of schedules castes and scheduled tribes post privatization of Air India;
(b) if so, the details thereof;
(c) whether it is a fact that only one subsidiary company of Air India, which was earning profits, has been sold off to TATA; and
(d) if disinvestment was necessary, the reason for not disinvesting the remaining loss making subsidiary companies earlier?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a) and (b): The Share Purchase Agreement (SPA) signed amongst Government, Air India and the Strategic Partner (SP) i.e M/s Talace Pvt. Ltd. provides that, the SP shall, for a period of 1 (One) year post the closing date, use its best endeavours to provide adequate job opportunities to scheduled caste/ scheduled tribe, persons with disability and socially disadvantaged categories of the society and to ensure that in the event of reduction in the strength of the employees of the Company, scheduled castes / scheduled tribes, persons with disability and socially disadvantaged categories of the society, will be retrenched/terminated last.

The SPA also provides that the Company and/or AIXL shall not remove or retrench any part of the Employees for a period of 1 (One) year from the Closing Date other than termination or dismissal of the Employees for cause in accordance with applicable staff regulations and standing orders or applicable Law.

(c) : The Cabinet Committee of Economic Affairs (CCEA) gave an "in principle" approval for considering strategic disinvestment of Air India Limited (AIL) and five of its subsidiaries in its meeting held on June 28, 2017. CCEA also approved for constitution of an Air India Specific Alternative Mechanism (AISAM) to guide

the process on strategic disinvestment from time to time. AISAM had, inter-alia, decided that Air India Express being profit making entity and having international operations using bilateral rights should be sold as its subsidiary, along with Air India. Further, in view of JV Agreement restrictions on transferring all or any shares, it was decided to sell the stakes in the JV, Air India SATS (AISATS) along with Air India.

(d): AISAM noted that Alliance Air Aviation Limited (AAAL), Air India Engineering Services Limited (AIESL) and Hotel Corporation of India Limited (HCI) were in loss where as Air India Airport Services Limited (AIASL) was in profit. Selling these subsidiaries separately would attract more competition in bidding as eligibility of bidders would generally be less restrictive. The process of disinvestment of remaining subsidiaries has been initiated by Department of Investment and Public Asset Management (DIPAM).

*****