

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO. : 1793
TO BE ANSWERED ON THE 9th March 2026

AIR INDIA POST-PRIVATIZATION PERFORMANCE

1793. SHRI A. D. SINGH

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

- (a) whether the operational and financial performance of Air India has improved after its privatization;
- (b) the number of new aircraft inducted and routes opened since privatization; and
- (c) the measures taken to safeguard employment conditions and passenger service standards under the new management?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION (Shri Murlidhar Mohol)

(a): With the strategic disinvestment of Air India, the airline became a private entity of Tata group. As a private entity, operational and financial performance matters are commercial decisions of the airline. However, Air India has informed that the airline has taken various steps for enhancing operational efficiency such as fleet upgrades, mergers, addition of new routes, Information Technology (IT) overhauls. It has modernized its workforce through hiring, reshaping contracts, and offering exit options for untenured staff. The employee base is younger, skilled, and better aligned with private-sector performance metrics. Recent policy changes boost retention (e.g., raised retirement ages), while operational disciplines (like restricting business-class travel) reflect a customer-centric shift.

(b): With the repeal of Air Corporations Act in March 1994, the Indian domestic aviation was deregulated. Airlines are free to induct capacity with any aircraft type, free to select whatever markets and network they wish to service. As such, induction of new aircraft and opening of routes are commercial decisions of the airline.

(c) As per the Share Purchase Agreement (SPA) signed amongst Government of India, M/s Talace Pvt. Ltd. and Air India, the Strategic Partner shall not remove or retrench any part of the employees for a period of 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.

Further, airlines in India, including Air India, are required to comply with Civil Aviation Requirements (CARs) and other regulatory provisions issued by the Directorate General of Civil Aviation regarding safety, operational standards and passenger service norms. The service conditions of the employees are governed by the respective airlines in accordance with their own rules and regulations.
