

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2150
(To be answered on the 4th July 2019)**

JOINT VENTURE OF SATS WITH SATS SINGAPORE

2150. SHRI M.K.RAGHAVAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether Air India subsidiary SATS has entered into a JV with SATS Singapore and if so, the details including the details of investment made by both the entities;
(b) the reasons for Air India not appointing Chairman and CEO as stipulated in clause 14.3 of the JV and the details of administrative control by Air India; and
(c) the status of the inquiry in detail initiated against Air India SATS for non-payment of royalty to AAI?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

- (a) Yes, Sir. Air India Limited (AIL) and Singapore Airport Terminal Services (SATS) have entered into a Joint Venture (JV) with 50:50 shareholdings on 16.04.2010. Each shareholder invested Rs.33.30 Crore initially as equity contribution.
- (b) As per clauses 14.1 and 14.2 of Joint Venture Agreement between AIL and SATS, AIL and SATS have the right to nominate the Chairman and Chief Executive Officer (CEO) of JV Company by rotation. As per JV Agreement, while AIL had the first right to nominate Chairman, the CEO of JV Company was to be from SATS. However, at the end of the first term of three years, AIL, with the approval of JV Company (AISATS) Board, decided to retain the position of Chairman in order to ensure ease of operations, operational efficiency, better coordination with various Government Departments, Ministries, Airport Operators and to have strategic control over the overall working of the organization. Therefore, the CEO of the Company continued to be from SATS and as per the company structure, CEO of this JV Company reports to the Chairman, who is Chairman & Managing Director of AIL. AIL continues to retain the position of Chairman while CEO of the Company continues to be from SATS.
- (c) The CBI court has closed the enquiry initiated against the AISATS vide order dated 2nd March 2017. AISATS has also paid the royalty for an amount of Rs.2,60,99,727/- to Airports Authority of India vide cheque dated 20.3.2017.
