

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)
LOK SABHA
UNSTARRED QUESTION No. 2774
TO BE ANSWERED ON MONDAY, MARCH 21, 2022
Phalguna 30, 1943 (Saka)
Disinvestment of Air India

2774: SHRI VELUSAMY P:

SHRI SHANMUGA SUNDARAM K.:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government, after disinvestment of Air India to TATAs, has stipulated the condition that the new owner can limit the benefits existing with Air India under the Government control;
- (b) the details of the conditions under which the transfer of ownership to the private operator and the 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 & 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 sale of Air India and its identified subsidiaries/JVs is on a 'going concern' basis and the employees continue to be employees of the concerned companies in terms of the Share Purchase Agreement (SPA). There are restrictions on

retrenchment of employees for a period of one year from the closing date and employees 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): During the process of disinvestment, several representations were received from various employees' unions of Air India and Air India Express. The issues flagged in their representation were appropriately considered while finalising the terms and conditions of Share Purchase Agreement.
