

Message

In connection with the acquisition of 50 Boeing aircraft by Air India Ltd. and 18 Boeing aircraft by Air India Charters Ltd., the Government has constituted a Committee to evaluate the cost structure and productivity and to fix benchmarks for achieving reduction in cost and enhancing productivity in Air India Ltd. vide notification dated 21.03.2006 (copy enclosed). The terms of reference of this Committee are indicated in the enclosed notification.

Any person/institution, etc. desirous of making any suggestions regarding the terms of reference of this Committee may do so within a period of two weeks, i.e., upto 05.06.2006. The suggestions could be forwarded by post or e-mail to any of the members of the Committee at the address given below:

1. Shri R. K. Singh
Joint Secretary
Ministry of Civil Aviation rksingh.moca@nic.in
2. Shri Sandeep Prakash
Director
Ministry of Civil Aviation sandeep.moca@nic.in
3. Smt. Neelam Sanghi
Director
Ministry of Civil Aviation sanghi.moca@nic.in
4. Shri Sudesh Punhani
Director-Finance
Air India Ltd. Sudesh.Punhani@airindia.in
5. Shri Amod Sharma
Director-Personnel
Air India Ltd. Amod.Sharma@airindia.in

(TO BE PUBLISHED IN PART I Section I OF THE GAZETTE OF INDIA)

No. AV.18018/02/2006 - AI

**Government of India
Ministry of Civil Aviation
AI Section**

*Rajiv Gandhi Bhavan,
Safdarjung Airport
New Delhi, dated the 21st March, 2006*

NOTIFICATION

No.AV.18018/02/2006-AI To evaluate the cost structure & productivity and fix benchmarks for achieving reduction in cost and enhancing productivity as recommended by PIB (Public Investment Board) in connection with acquisition of 50 aircraft for Air India Limited and 18 aircraft for Air India Charters Limited, it has been decided to constitute a Committee consisting of the following Members :-

- | | |
|--|--------------------|
| 1. Shri R.K. Singh,
Joint Secretary,
Ministry of Civil Aviation | Chairperson |
| 2. Shri Sandeep Prakash,
Director,
Ministry of Civil Aviation. | Member |
| 3. Smt. Neelam Sanghi,
Director
Ministry of Civil Aviation. | Member |
| 4. Shri Sudesh Punhani
Director – Finance
Air India Limited. | Member |
| 5. Shri Amod Sharma,
Director – Personnel,
Air India Limited. | Member |

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- 2. The terms of reference of this Committee would be as under:**
- (i) To review manpower requirements and its optimal utilization.**
 - (ii) To review the Memorandum of Understanding with Employees Unions and give specific suggestions in the contracts/agreements to increase employees productivity, keeping in view industry norms.**
 - (iii) To conduct cost benefit analysis of outsourcing in non-core activities in Air India and to give suggestions to reduce the employee to aircraft ratio.**
 - (iv) To review short term and long term market potential for core/non-core activities for formulating the revenue and profit targets.**
 - (v) To review the cost structure of the airline and suggest measures to increase the Revenue Expenditure Ratio.**
 - (vi) To review physical performance of the airline and suggest measures to improve aircraft utilization, overall load factor etc.**
 - (vii) To undertake comparative analysis of physical/financial performance of Air India vis-à-vis industry norms and suggest measures for overall improvement in airline performance.**
 - (viii) To look into any other related aspect as may be deemed necessary.**

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3. The Committee may coopt any other member(s) as may be deemed necessary for due discharge of its functions.

4. The Committee may complete its task as expeditiously as possible, but not later than three months.

(K.K. Padamanabhan)

Under Secretary to the Government of India

**The Manager,
Government of India Press
Mayapuri,
New Delhi (with Hindi version)**

No.AV.18018/02/2006-AI

Date: 21.03.2006

Copy to:

- 1. Shri R.K. Singh, Joint Secretary, Ministry of Civil Aviation.**
- 2. Shri Sandeep Prakash, Director, Ministry of Civil Aviation.**
- 3. Smt. Neelam Sanghi, Director, Ministry of Civil Aviation.**
- 4. Shri V. Thulasidas, Chairman & Managing Director, Air India Limited, Air India Building, Nariman Point, Mumbai.**
- 5. Shri Sudesh Punhani, Director – Finance, Air India Limited, Air India Building, Nariman Point, Mumbai.**
- 6. Shri Amod Sharma, Director – Personnel, Air India Limited, Air India Building, Nariman Point, Mumbai.**

(K.K. Padamanabhan)

Under Secretary to the Government of India

Copy also forwarded for information to:

- 1. OSD to Minister of Civil Aviation**
- 2. Sr. PPS to Secretary(CA)**
- 3. PS to JS(R)/Director(P)/Director(F)**
- 4. IF Wing.**
- 5. Guard File**
- 6. Sanction Folder**