

Air India employees penalised with pay-cut; hopes pinned on HC

Told double the market rent will be deducted from salary until they vacate AI properties



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Air India flight. Credit: PTI Photo

Employees of the disinvested national carrier, Air India, who are yet to vacate the company properties, came in for a shock when they were served a notice dated December 26, 2022, by their employer, warning them of an impending pay cut, immediately followed by a heavily truncated pay cheque for December.

The letters issued to the employees and the telling pay slips that followed have been shared with DH.

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Both Air India and the Ministry of Civil Aviation (MoCA) have refused to queries on the matter, sent to them over email. But, the fact is, this action has been in the works for a while, with the government, reportedly, telling Air India to deduct penalties from the pay of employees who've failed to vacate the airline's properties at Delhi's Vasant Vihar and Mumbai's Santa Cruz. Only, the employees, who had already approached the Bombay High Court in June 2022, rested assured that with the legal process under way, the company could not move to implement the government diktat on salary cut.

But the company's notice minced no words when it stated, "...in terms of the letter dated 29.9.2021 of the Ministry of Civil Aviation, it has been decided to levy the penal rent equivalent to the sum of normal occupancy charges and double the market rent for the period of your unauthorised stay w.e.f. 01.01.2022 till date or till you vacate the company accommodation @ Rs XXXX per month, which will be recovered from your salary / other dues, payable to you."

"In addition, you are also liable to pay damage charges of Rs 10 lakh. Any liable charges, penal rent or damage charges would be recovered from salary/retirement/service benefits and any financial benefit accrued or likely to accrue in future including JDC arrear admissible to you," the statement added.

Clearly caught unawares, the Joint Action Committee of Air India Unions representing various employee unions wrote a letter, dated December 29, 2022, addressed to the Chief Executive Officer of Air India Ltd, Campbell Wilson, stating that the move disregarded the pendency of the ongoing petitions, utterly violated the orders passed by the High Court in the previous two hearings. It called the management's action grossly illegal.

"We didn't receive any response from Air India," said Madhav Desai, representative of the Aviation Industry Employees' Guild (AIEG). Post deductions, the salary credited is meagre and has caused panic, especially among lower-grade employees of AI, he added. Other union representatives agreed. This contention was also backed by the aggrieved employees living in AI colonies both in Delhi and Mumbai, that DH spoke to.

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Legal advisers to the unions, dub the actions of Air India's management as a "clear violation" of Section 9A and section 33 of the Industrial Disputes Act. "The illegal, penal and coercive action of penal rent & damages at the behest of the Union of India (for not vacating the legally allotted staff quarters) without declaring the occupants as illegal occupants is in violation of principles of natural justice as well as Articles 14, 16 & 21 of the constitution," said Advocate Ashok Shetty, counsel for the petitioner in the High Court.

"The only two exceptions to the requirement of notice are if the change is effected by virtue of an award or settlement, neither is the case here, or affected workmen are governed by service rules notified by the government in the Official Gazette," said Nitish Raj, Member, Labour and Employment Law, Nishith Desai Associates, an international law firm.

The lawyers have apprised the court of the latest developments with the pay cuts. The next hearing of the case is scheduled to be held on January 25.

While the latest pay cut has pressed a panic button, the employees have been equally disgruntled about what they term as "illegal" and "unilateral" changes effected in their service conditions even as proceedings are pending before the Regional Labour Commissioner (RLC) and Chief Labour Commissioner (CLC). These include amendment of medical benefits schemes for serving and retired pilots, cabin crew, employees, and ground staff (serving & retired).

Health cover benefits for employees have been changed drastically. "In the new medical insurance policy, we are getting on Rs 10,000/- per year, per family for OPD, which is negligible," said a cabin crew member on condition of anonymity. Employees also reported changes in passage entitlements.

The Air India Joint Action Forum of Unions representing the unions of pilots, cabin crew and ground staff filed a request to the CLC for urgent intervention to ensure the "status quo" in respect of Air India Passage & Medical benefits & rules and to initiate conciliation proceedings.

"Section 33 of the Industrial Disputes Act is clear that during the pendency of proceedings, conditions of service applicable to the workmen before such proceeding, cannot be changed by the employer except in accordance with the standing orders or terms of the employment agreement," said Raj.

The office of CLC responded with a letter proposing a joint discussion on January 12, 2023, with the pilots' union and other unions.

Industry observers find the whole situation pretty messed up. Mark Martin, CEO, Martin Consulting said, "The Air India disinvestment was done hastily in an unstructured manner. There clearly appears to be too many umbilical cords that continue to connect the company with the government, despite the privatisation."

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