

Chapter - 5

Operation Support (Human Resource)

5.1 Delayed Payment of Retirement Compensation by DIAL

As per Chapter VI of OMDA, AAI was to provide the necessary Operation Support (OS) to DIAL through employees of AAI deployed at the Indira Gandhi International Airport for a period of three years termed as Operation Support Period (OSP) commencing from effective date. OMDA further provided that at least 60 *per cent* of the employees¹³ of AAI under the service of DIAL would be offered employment by DIAL. In case of non-acceptance of offer of employment, retirement compensation would be paid by DIAL in respect of 60 *per cent* of the employees, reduced by the number of employees absorbed in AAI/retired/expired/transferred during operation support period.

2338¹⁴ employees of AAI were deployed at Indira Gandhi International Airport on the effective date, of which 251¹⁵ retired/ expired/ were transferred/ resigned by 2 May 2009. As per the agreement DIAL was to give offer of appointment by 2 February 2009 i.e. three months prior to expiry of the support period. However, it was noticed by Audit that though all the AAI employees working at Indira Gandhi International Airport as on 31 December 2006 were offered employment by DIAL, only 141 employees accepted the offer. DIAL was required to pay retirement compensation to the AAI only in case of 1111 (60 *per cent* of the general employees of 2087) who did not join DIAL after the Operation Support period. AAI raised a claim of ₹ 250.88 crore towards retirement compensation on 9 March 2010, of which DIAL made payment of only ₹ 80 crore and the balance amount of ₹ 170.88 crore was to be paid by DIAL(March 2010).

MoCA observed (November 2009) that the schedule for payment of retirement compensation from DIAL became due immediately after the Operation Support Period (OSP) i.e. 2 May 2009. However, a lenient view was taken with the approval of Minister of State of Civil Aviation (Independent Charge), and accordingly MoCA directed AAI to recover the retirement compensation without penal interest from DIAL by March 2010. The MoCA also intimated (May 2010) that any payment due

¹³ minus employees' retired/expired/transferred

¹⁴ Earlier management has indicated this figure as 2394 and the same was adopted in paragraph 2.3.2.2 of CAG's report No. 3 of 2011-12

¹⁵ Similarly management earlier indicated this figure as 173 and the same was adopted in paragraph 2.3.2.2 of CAG's report No. 3 of 2011-12

after 1 April 2010 automatically attracted the penal interest on State Bank of India Prime Lending Rate plus 10 *per cent*.

Against this, the AAI allowed DIAL to pay the said amount as monthly installments spread over a period of 10 years without any contractual obligations in violation of the directive of the Ministry. Audit calculated the consequent loss of interest at ₹ 58.57 crore calculated at eight 8 *per cent* per annum.