

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:597  
ANSWERED ON:25.02.2010  
DE MERGER OF AIR INDIA AND INDIAN AIRLINES  
Tewari Shri Manish

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether Standing Committee on Transport, Tourism and Culture concluded that the merger of Air India and Indian Airlines was an incorrect decision;
- (b) if so, the details thereof;
- (c) whether the Government is contemplating a de-merger of Air India and Indian Airlines following the recommendations of the Committee;
- (d) if so, the modalities and form of the proposed de-merger;
- (e) whether there is any proposal under consideration to impose a mandatory salary/wage cut on the employees of NACIL; and
- (f) the ratio of administrative expenses to operational expenses incurred by Air India and Indian Airlines respectively for the Financial Years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 in comparison to private airlines?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

- (a): No, Madam.
- (b): Does not arise.
- (c): No, Madam.
- (d): Does not arise.
- (e): As part of its turnaround plan, NACIL has projected Proposals for savings on account of staff costs.
- (f): The ratio of administrative expenses to operational expenses incurred by erstwhile Air India, Indian Airlines and NACIL is as under:-

Year	AI	IC	NACIL
2004-05	4.4	5.7	-
2005-06	4.0	5.0	-
2006-07	3.5	4.6	-
2007-08	-	-	4.0
2008-09	-	-	4.3

Since the ratio of administrative expenses to operational expenses in respect of private airlines is not maintained by the Government, it is not possible to furnish the comparative figure.