

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

STARRED QUESTION NO:279
ANSWERED ON:12.08.2010
MERGER OF AIR INDIA AND INDIAN AIRLINES
Munda Shri Arjun

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has achieved the intended objectives behind the amalgamation of Air India and Indian Airlines into the National Aviation Company of India Ltd. (NACIL);
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the areas identified by the Government where the merger had proved in effective;and
- (d) the remedial steps taken by the Government in this regard?

Answer

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

(a) to (d): Integration of both the companies have been completed in many areas like Board of Directors, Organisation structure, selection of leadership teams-Functional Directors, Executive Directors, some General Managers(holding independent charge), Customer Services, Integrated Material Management Policy, financial Synergies/quick wins in Insurance, Fuel procurement, Bank & fund management, common accounting policies, legal & tax issues, delegation of administrative and financial powers and integration of manpower upto the level of General Manager. In some other areas including Sales and Marketing, IT, PSS, ERP, Ground Handling, Human Resource, property and facilities etc., the integration process is underway. The process is being monitored closely by the Company's management, the board and at various levels in the Government.