

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:466
ANSWERED ON:03.08.2011
MERGER OF AI AND IA
Ray Shri Rudramadhab

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has completed the process of merger of Air India and Indian Airlines and resolved the problems of its employees both financial and administrative;
- (b) if so, the details thereof;
- (c) whether the alliance air, a subsidiary of Air India/ Indian Airlines, has also been merged;
- (d) if not, the reasons therefor; and
- (e) if so, the details of its employees, number of fleets and total flights being operated by Alliance Air alongwith reasons for its creation?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION (SHRI VAYALAR RAVI)

(a) and (b): The merger of Air India and Indian Airlines has been completed in many areas including single AOP, Single code, common procedures for procurement, accounting and delegation of financial & administrative powers, seniority at senior level, integration of booking offices, PSS, Hub control centre, network planning & schedule intergration, common cargo automation system etc. In some other areas the merger process is in progress. A Committee headed by Justice(Retd.) D.N.Dharmadhikari has been constituted to examine the principles of integration across various cadres, determination of level & seniority, examine the principles of pay/wage rationalisation & restructuring between all the employees, to examine & suggest harmonised working conditions of various categories of employees etc.

(c): No madam.

(d): As per the Scheme of Amalgamation of erstwhile Air India and Indian Airlines, the subsidiary Companies of both the Companies were to become subsidiary companies of the Company in which the two Company would merge. As a result, Alliance Air maintains its identity as a subsidiary of Air India.

(e): Airline Allied Services Limited(Alliance Air) was incorporated under the Companies Act,1956 as a wholly owned subsidiary of Indian Airlines Corporation in 1983. Alliance Air remained a shell company till 8.12.1995, when it was decided to reactivate it with a lean and trim administrative set up with the objective of increasing the utilization of Boeing aircraft. It started its operations w.e.f. 15.4.1996. Alliance Air currently operates 236 flights per week with a fleet of 7 Turbo Prop and 4 CRJ type of aircraft.