

(a) whether it is a fact that Government has finally admitted that merging of Air India and Indian Airlines five years back has not worked out well for the company;

(b) if so, the details thereof;

(c) whether it is also a fact that both Air India and Indian Airlines were making cash profits till fiscal 2006-07, but have seen losses soaring thereafter;

(d) if so, the details thereof;

(e) whether 70 per cent of the merger process is complete and the remaining 30 per cent merger will be completed soon; and

(f) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH): (a) No, Sir.

(b) Does not arise.

(c) and (d) The erstwhile Air India had registered profit of Rs.65.14 crores and Rs. 12.43 crores in 2004-05 and 2005-06 respectively. During the same period, the erstwhile Indian Airlines had also registered profit of Rs.71.61 crore and 63.00 crores. However, erstwhile Air India suffered a loss of Rs.541.30 crore and the erstwhile Indian Airlines suffered a loss of Rs.320.97 crore during 2006-07. The merged Air India has also suffered loss of Rs.2226.16 crore in 2007-08, Rs.5548.26 crore in 2008-09, Rs.5552.44 crore in 2009-10, Rs.6865.17 crore in 2010-11 and the estimated loss for 2011-12 is Rs.7853 crore.

(e) and (f) Air India has completed integration of 74% processes and integration of 23% processes is in progress. The remaining 3% processes are yet to initiated. The manpower integration is one of the important processes which is yet to be completed.

VRS in Air India

934. SHRI A. ELAVARASAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether in order to reduce costs and attain efficiency among its work force, the National Carrier, Air India is set to come out with an attractive Voluntary Retirement Scheme (VRS);

(b) if so, the details thereof;

(c) whether the proposed VRS *inter-alia* includes offer of alternative contractual jobs to family members of those opting for the scheme; and

(d) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH): (a) and (b) In order to rationalize manpower for achieving optimum utilization of manpower resources and as part of the Turn Around Plan (TAP), the Board of Directors of Air India have given an in-principle approval to a Voluntary Retirement Scheme for all permanent and confirmed employees of the Company, who are in Indian scales of pay and have rendered a continuous service of 15 years in the Company or have reached a minimum age of 40 years as on date of closure of the scheme. Employees holding licences/approval from DGCA as part of their job requirements like aircraft engineers, pilot, simulator maintenance engineers, approved flight dispatchers, service engineers etc. are not eligible. The proposed VRS would be notified after approval of the Government.

(c) No, Sir.

(d) Does not arise.

Combined loss of Air India and Indian Airlines

935. PROF. SAIF-UD-DIN SOZ: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that post-merger, Air India has been incurring losses through operation of the service;

(b) if so, the figure of accumulated losses; and

(c) the details of the schemes adopted by the Ministry to cover the losses and start earning profits?

THE MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH): (a) and (b) Air India has been incurring losses as per details given below:-

Year	Rs. in crores
2007-08	2226.16
2008-09	5548.26
2009-10	5552.44
2010-11	6865.17
2011-12 (Provisional)	7853.89

(c) Government has approved the Turn Around Plan and Financial Restructuring Plan of Air India which focuses on cost reduction and improved operational performance. Government has also decided to infuse more equity into Air India to improve the debt equity ratio.