

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1160
ANSWERED ON:31.07.2000
PAYMENTS MADE BY ALLIANCE AIRLINES TO INDIAN AIRLINES
SHEELA GAUTAM

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Alliance Airlines make payments for the services rendered to it by the Indian Airlines;
- (b) if so, the details thereof;
- (c) whether the Alliance Airlines created parallel department to provide its own support system; and
- (d) if so, the reasons and justification for such payments to Indian Airlines?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a): Yes, Sir.

(b): Indian Airlines transferred since April 1996, its fleet of 12 Boeing 737 aircraft to Alliance Air. The ownership of the aircraft remains with Indian Airlines and aircraft are on lease to Alliance Air. There is a Memorandum of Understanding signed between Indian Airlines and Alliance Air with the approval of the Boards of two airlines. This provides for payment of following charges by Alliance Air to Indian Airlines:- 1 . Lease charges 2. Aircraft maintenance beyond flight release certificate. 3. Sale of tickets, other marketing and commercial support including reimbursement of commission paid by Indian Airline to travel agents. 4 . Passenger reservation. 5. Ground handling 6. Pilots and other training. 7. Reimbursement of salaries and allowances of manpower on deputation to Alliance Air.

Alliance Air has a total staff strength of 681 employees of which 79 are on deputation from Indian Airlines. The Managing Director and other senior management personnel are also on deputation from Indian Airlines.

The maintenance of Alliance Air is supervised by Engineers of Indian Airlines. 10 Engineers are on deputation from Indian Airlines to Alliance Air.

Indian Airlines has also sent on deputation 17 Pilots to Alliance Air.

All other costs of operations are borne by Alliance Air.

(c): Alliance Air utilises the services of Indian Airlines for all activities except those that are essential for it to be a scheduled airline or to comply with requirements of Companies Act for it to be an autonomous company. Accordingly Alliance Air carries out maintenance of aircraft upto flight release, prepares flight plans, prepares its accounts and maintains records of personnel on its rolls. Alliance Air has not created any parallel department for services provided by Indian Airlines.

(d): Does not arise.