

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:2308
ANSWERED ON:06.08.2001
DISINVESTMENT AND PROFITABILITY OF AIR INDIA
DR. KIRIT SOMAIYA

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the employees of Air India has strongly objected to disinvestment process;
- (b) if so, the details thereof;
- (c) whether the disinvestment of Air India has started; and
- (d) if so, the details thereof and if not, the reasons for delay?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b):- The reaction of the Air India staff to the disinvestment appears to be generally favourable. The interests of the Airlines employees would be safeguarded in the process of disinvestment.

(c) and (d):- The Government has approved in principle bringing down the equity of the Government of India in Air India to 40% through a process of disinvestment by sale of 40% of equity to a strategic partner upto 10% to employees and the balance by sale to financial institutions and/or on the share market. In the event of the strategic partner being a joint venture with an element of foreign holding, the arrangement should be such as would limit foreign holding in Air India to a maximum of 26% of the total equity. Pursuant to above decision, Department of Disinvestment has taken necessary steps to implement the same.