

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:6737
ANSWERED ON:06.05.2010
PRIVATISATION OF NON CORE BUSINESS
Rao Shri Nama Nageswara

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the National Aviation Company of India Limited (NACIL) with a view to cut the operating issues of the company is proposing to hive off the noncore businesses such as maintenance, repair and overhaul (MRO), ground handling and engineering services from the fold of the company;
- (b) if so, whether the proposed move is part of the overall business plan of privatisation of this company;
- (c) if so, the reasons behind arriving at a decision to gradually privatise NACIL part by part; and
- (d) the way the proposed move to transfer the non-core business will help the airlines to come out of losses?

Answer

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

- (a): NACIL is in the process of operationalising three separate subsidiaries covering Engineering, Ground Handling and Cargo.
- (b): No, Madam.
- (c): Does not arise.
- (d): The Strategic Business Units (SBU) concept was proposed for NACIL at the time of merger to bring in greater accountability in the functioning of the company. Each SBU head would be empowered under the broad ambit of the delegation of financial and administrative powers. It would facilitate focussed attention on core business activities for increased revenue generation.