

Disinvestment in Indian Airlines

†344. SHRI JANESHWAR MISRA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that the decision of disinvestment in Indian Airlines has been taken now when its economic condition is improving;

(b) whether it is also a fact that there is great anguish and disappointment among its workers on this issue; and

(c) if so, whether Government will reconsider this decision?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) The Government have decided to disinvest 51% of Government held equity in Indian Airlines Ltd. Out of this 26% equity may be given to a group or an individual who may be called joint venture/strategic partner. The remaining 25% equity would be offered to employees, financial institutions and public. The profit after tax of the Indian Airlines Ltd. during last three years is as follows:

Year	Profit after tax (Rs. in crores)
1997-98	50.26
1998-99	12.20
1999-2000	15.42 (Budgeted)

The decision to disinvest the Govt. equity in the company is not dependent on its financial performance.

(b) and (c) Some factions of employees have opposed disinvestment of Indian Airlines. The apprehension of the employees on the proposal for disinvestment in Indian Airlines basically relate to issues concerning job security, employee shareholding/wage/benefits/interests and management control. As per the announced policy of the Government on disinvestment, the interest of the workers would be protected in all cases. The Government shall endeavour to protect the legitimate interests of the employee through the MOU/ Shareholder's Agreement with the strategic partner.

†Original notice of the Question was received in Hindi.