

**CALLING ATTENTION TO A MATTER OF URGENT PUBLIC  
IMPORTANCE**

**Deteriorating financial condition of Air India and action taken by the  
Government**

SHRI PRAKASH JAVADEKAR (Maharashtra): Sir, I beg to call the attention of the Minister of Civil Aviation to the deteriorating financial condition of air India and action taken by the Government in this regard.

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): Mr. Deputy Chairman, Sir, with your permission, shall I make the Statement or lay it?

MR. DEPUTY CHAIRMAN: Where is the Statement?

SHRI PRAFUL PATEL: Sir, it is being circulated. ...*(Interruptions)*... Sir I will read it.

MR. DEPUTY CHAIRMAN: Start reading.

SHRI PRAFUL PATEL: Sir, the Government liberalised the civil aviation sector keeping in view the rapid increase in the demand for both domestic and international air services. The demands of economic growth, trade and infrastructure development placed upon this sector an immense requirement for increase in capacity.

MR. DEPUTY CHAIRMAN: You can highlight it. It is being circulated.

SHRI PRAFUL PATEL: Sir, I will read it. ...*(Interruptions)*... I have sought the permission. I am told to read out.

SHRI S.S. AHLUWALIA (Jharkhand): Sir, as per the procedure, when the attention is called of a Minister, he should read the Statement.

MR. DEPUTY CHAIRMAN: He is reading the Statement.

SHRI PRAFUL PATEL: I am reading it. Removal of constraints in capacity, both in terms of the number of routes as also number of aircraft was urgently needed. From only 100 aircraft available before the turn of the century, the number has grown to approximately 400 today. During this time, the annual growth projections in capacity were about 30 per cent. Thus, apart from liberalising to allow more airline operators in the market, a fleet expansion plan was conceived for Air India and Indian Airlines.

The competition that ensued afforded better service to the Indian public as also much more economical and affordable prices. In this backdrop, Air India also needed to compete at the enhanced levels of service expected by today's passengers. The ageing fleet of the national carriers needed replacement, and, towards this end, orders for 111 aircraft were placed upon M/s. Boeing & Airbus for its fleet replacement and expansion programmes. Until then the two airlines were beset by image problems, with old aircraft and frequent delays caused by technical defects. The cost structure of operating old aircraft thus impacted upon the profitability of the airline.

Even in the backdrop of this order for new aircraft, and 50 of them having joined service, approximately half the combined fleet is over 15 years old. While the airline began the process of modernisation, its losses have been mounting because of the present economic recession which has lowered seat occupation factors tremendously as well as forced all airlines, worldwide, to drop fares in the highly competitive market. This has lowered yields, causing all airlines to suffer operating losses. Losses in Air India thus reflects a common economic problem of all airlines worldwide. Worldwide economic losses expected in the year 2009-10 are expected to be around \$9 billion. Before the merger, the erstwhile Air India and Indian Airlines had incurred a loss of Rs. 541.30 crores and Rs. 230.97 crores respectively during 2006-07. In 2007-08, the combined airline posted a loss of Rs. 2226 crores and during 2008-09, the expected loss is approximately Rs. 5000 crores. The accumulated losses of NACIL as on 31st March, 2009 is likely to be in the range of Rs.7200 crores.

It may also be brought that the equity base of Air India is only Rs.145 crores. The Government, in the past, has never assisted Air India, unlike Governments in other countries assisted their airlines when in similar difficulty. In the post merger period, a plan for an IPO was mooted but the market conditions then were not conducive to this process. It is in this background that an equity infusion and soft loan by the Government as a measure of softening the adverse financial situation is contemplated. It may also be brought out that over the past year there has been a surge in oil prices that has adversely impacted the cost of operations in the airlines and deteriorated its financial position further. The airline has also suffered from high fixed cost as also high expenditure on insurance, interest on working capital, aircraft loan, and on leasing of aircraft, that have not been matched with corresponding percentage increases in revenue.

The airline has also had to incur huge cost for operating non economic flights in national interest that have not been compensated for by adequate revenue. These include flights to the North-East region, Andaman and Nicobar Islands, transportation of the Army troops, transportation of Haj pilgrims, disaster relief and other unprofitable but necessary operations that have been entirely in the country's interest.

The airline has adopted various measures to improve its financial position. Some of these are enumerated below:

- (i) Rationalization of routes to cut losses on traditionally loss making routes.
- (ii) Rescheduling/cancellation of future aircraft deliveries.
- (iii) Return of leased capacity at the earliest.
- (iv) A complete rationalization of manpower and productivity linked incentives including large-scale redeployment of staff to curb infructuous expenditure.
- (v) Reduction of contractual employment.
- (vi) Review of all agreements on all technical and operational matters.

(vii) Constitution of a turnaround Committee comprising representatives from Senior Management and Unions to look at all areas of cost reduction, including closure of all offline officers and reduction of employees at foreign stations.

(viii) Aligning all operational and technical agreements to reflect present market conditions.

MR. DEPUTY CHAIRMAN: Now, Shri Prakash Javadekar. Please seek only clarifications from the Statement. ...*(Interruptions)*...

SHRI RAJIV PRATAP RUDY (Bihar): Sir, this Statement is only confusion. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Whatever confusions you have, on that only you seek clarifications. Whatever is contained in the Statement, from that only you seek clarifications.

SHRI PRAKASH JAVADEKAR: Sir, that I will do. ...*(Interruptions)*... Sir, I will do that. ...*(Interruptions)*...

SHRI RAJIV PRATAP RUDY: Sir, this Statement is only confusion. Where is the question of clarification now?

**श्री प्रकाश जावडेकर:** उपसभापति महोदय, मुझे लगा था कि मंत्री महोदय के बयान के बाद शायद कुछ नहीं बोलना पड़े, लेकिन यू0पी0ए0 की यह एक विशेषता हो गई है जैसे ममता जी ने कहा, पिछले पांच सालों के बजटों पर व्हाइट पेपर निकालने की नौबत है, क्योंकि जो दिखाया था, वह था नहीं। वैसे इस स्टेटमेंट में जो वास्तविकता है, उसे छिपाने की कोशिश की है। इसमें इससे ज्यादा कुछ नहीं है। मैं चार बातें गिनाना चाहता हूँ। एयर इंडिया की जो स्थिति है, उसका मुझे मंत्री महोदय से इसका खुलासा चाहिए। पहले तो मर्जर की बात है। जैसे अभी शोभना जी ने एक सवाल में पूछा था कि मर्जर किसलिए किया था, क्या वह सफल रहा, तब मंत्री महोदय ने क्या कहा था? The Civil Aviation Minister facilitated the merger saying that he is the custodian of the airline. Then why did the merger fail? He had also accepted that the results were not according to the expectations. दुनिया में मर्जर होते हैं। वे उदाहरण देते हैं, जेटसहारा का हुआ, किंगफिशर-डक्कन का हुआ। वे आइडेंटिटी सेपरेट रखते हैं, रूट रखते हैं, मुनाफे के लिए रेशनेलाइजेशन, ब्रैण्ड सेपरेट रखते हैं। उन्होंने KLM and Air France का भी उदाहरण दिया था। वहां protection of brand किया कि नहीं? वहां routes रथोर Government help मिली की नहीं? मर्जर तभी सफल होता है, जब यह सब कुछ किया जाता है। यह क्यों नहीं किया गया? अगर ये दोनों कंपनियां पार्लियामेंट के कानून और निर्णय के तहत बनी थीं, तो मर्जर की बात पार्लियामेंट के सामने क्यों नहीं उठाई गई? यह मुद्दा बहुत महत्वपूर्ण है। इस मर्जर के कारण लॉसेज बढ़े हैं, प्रोफिट नहीं हुआ है।

दूसरी बात fleet acquisition की है। कोई भी दुकानदार कोई खरीद तभी करता है, जब उसके पास मांग है, उसके पास पैसा है, उसके पास फाइनेंशियल क्लोजर हो सकता है। सरकार कहती तो है कि एयर इंडिया को आजादी है, वह निर्णय करे, लेकिन ये 110 एयर क्राफ्ट लेने का निर्णय किसने किया था? आप 45,000 करोड़ का ऑर्डर पुट कर रहे हैं, जबकि बोरोइंग 15,000 करोड़ है और लॉसेज 5000 करोड़ हो गए हैं। ऐसे में जो पचास क्राफ्ट आकर खड़े हैं, क्या वे यूज में हैं? मैं सदन को बताना चाहता हूँ कि इसका इंस्ट्रुस्ट चालू है, लेकिन यह जो फ्लीट है, यह काम में नहीं है। पायलट नहीं है, इसलिए फ्लीट काम नहीं कर सकता है। अगर मर्जर करना था, तो मंत्री महोदय यह बताएं कि एयर इंडिया के लिए Boeing और इंडियन एयरलाइन के लिए Airbus दो अलग-अलग विमानों का ऑर्डर क्यों दिया गया? एयर लाइन्स के पास एक ही टाइप का विमान होता है, उसका

उपयोग होता है, जिससे pilots, fares सभी में बचत होती है, लेकिन आपने जान-बूझकर जो दो अलग-अलग ऑर्डर दिए, उसका आपको खुलासा करना पड़ेगा। आपने रूट की बात कही है। आपने पहले लिखा है कि लॉसेज कम करने के लिए हम रूट्स को रेशनेलाइज कर रहे हैं। आप कौन-से रूट कर रहे हैं? मैं आपको एयर इंडिया और इंडियन एयरलाइन्स का तीन साल का टाइम टेबल देता हूँ। आपने कैसा रूट रेशनेलाइजेशन किया है - अभी हमारे एक सदस्य भाई ने बताया था कि जो प्रोफिटेबल टाइम है, जो actual demand है, वे सारे एयर इंडिया और इंडियन एयरलाइन्स के कैंसिल हो गए। मैं इस पर white paper चाहता हूँ। आप बताइए कि रूट रेशनेलाइजेशन प्रोफिटेबल रूट का हुआ था। मैं आपको Gulf एयरलाइन्स का उदाहरण देता हूँ। गल्फ में आपने Air India एक्सप्रेस शुरू की। यह सबसे ज्यादा प्रोफिट देने वाला रूट था। यह आपने Indian express से शुरू किया ताकि लोगों को फायदा मिले, लेकिन जब डिमांड थी, तब आपने एयर इंडिया का पूरा लॉस कर दिया। सर, बाइलेटरल एक बड़ा घोटाला है। इसका भी मंत्री महोदय को खुलासा करना चाहिए कि रूट्स को जो bilateral rights दिए हैं, वे कैसे दिए हैं। bilateral rights के तहत एक आंकड़ा बताता हूँ। Emirates के 185 फ्लाइट्स हर रोज आठ जगहों पर इंडिया में आते-जाते हैं, लेकिन हमारे केवल 20-25 जा रहे हैं। ये कैसा बाइलेटरल का खुलना है? ...**(व्यवधान)**... एक मिनट ...**(व्यवधान)**...

**श्री राजीव शुक्ल (महाराष्ट्र):** तब ..**(व्यवधान)**। आपकी सरकार थी...**(व्यवधान)**...

**श्री उपसभापति :** नहीं, नहीं शुक्ल जी...**(व्यवधान)**...

**श्री प्रकाश जावड़ेकर :** आप बीच में क्यों बोल रहे हैं..**(व्यवधान)**। क्या...**(व्यवधान)**... आप मंत्री बन गए हैं?...**(व्यवधान)**...

**श्री रवि शंकर प्रसाद (बिहार):** सर, उस समय माननीय सदस्य कहां थे? वे इधर थे।

MR. DEPUTY CHAIRMAN: Please, Mr. Shukla. ...**(Interruptions)**... ठीक है...**(व्यवधान)**...

**श्री प्रकाश जावड़ेकर :** उपसभापति जी, एक ही फिगर बताना चाहूंगा कि इन्होंने जो रूट रेशनेलाइजेशन किया है, उसके कारण डोमेस्टिक में एयर इंडिया का जो चालीस परसेंट शेयर था, वह अब चौदह परसेंट बन कर रह गया है। क्या यह तुम्हारा रूट रेशनेलाइजेशन है? इसे कैसे करेंगे? इससे ज्यादा **(समय की घंटी)** अन्तिम बात यह है कि करप्शन कितना खाएगा?...**(व्यवधान)**...

**श्री एम. वेंकैया नायडु :** सर, वे अच्छा बोल रहे हैं, उन्हें पूरा बोलने दीजिए।

MR. DEPUTY CHAIRMAN: I have to follow the time. ...**(Interruptions)**... I request the hon. Members that they have to stick to the time-limit. ...**(Interruptions)**...

**श्री प्रकाश जावड़ेकर :** सर, मेरे दो ही सवाल हैं। ...**(व्यवधान)**...

MR. DEPUTY CHAIRMAN: I have a long list of hon. Members. ...**(Interruptions)**...

**श्री प्रकाश जावड़ेकर :** सर, सवाल दो ही हैं। करप्शन कितना है? A-Z, हर चीज में करप्शन, 17 हजार के रेवेन्यू में 3 हजार का करप्शन। कैसे चलेगा? हर बार, हर कांट्रैक्ट में तलवार और डोगरा कौन हैं, क्या हैं, कैसे नाम आते हैं, इसका भी खुलासा हो। इसलिए आज एयर इंडिया की जो हालत है, इसके लिए सरकार जिम्मेदार है और मंत्री जिम्मेदार है। अब वे विश्वामित्र की भूमिका में जाना चाहते हैं। **(समय की घंटी)** विश्वामित्र जी ने कहा कि यह मेरा पाप नहीं है, यह पाप तुम्हारा है। इसका खुलासा होना चाहिए।

SHRI O.T. LEPCHA (Sikkim): Hon. Deputy Chairman, Sir, before starting my clarifications on the financial condition of Air India, I wish to pose a very basic question to the hon. Minister what is the need for the Government to run airlines. It is not the job of the Government. The Government should act as a regulator and keep the field open for private operators to run the industry on competitive basis.

The Government has already approved purchase of some aircrafts for the Air India. Aircrafts as of now are running empty. Do you think there is a need for review of this purchase order? What is the position of delivery? How many are remaining to be delivered? Whether there is any change in the stand of the Air India to acquire more aircrafts particularly in view of the fact that no business is on the card? What is the use of having more aircrafts?

Air India has a very good ground handling staff, engineering services and cargo operations. What efforts have been made to utilise these expertise to earn more revenue for the Air India?

Extra passengers on board by Air India on a fully loaded flight has been the headlines on newspapers for the past few days. I understand that some inquiry has been instituted in that particular flight from Mumbai to Mangalore. But later on, it was also reported that it is quite routine in Air India. Kith and kin of bureaucrats in the Civil Aviation Ministry, pilots and cabin crew members are generally obliged to be accommodated in the jump seat of the cockpit and foldable seat for crew.

**श्री उपसभापति :** आपने अपना सवाल कर लिया न!

**श्री ओ.टी. लेपचा :** सर, भारत सरकार और मंत्री जी ने सिक्किम के लिए एयरपोर्ट की जो sanction दी है, उसके लिए मैं सिक्किम की जनता की ओर से उन्हें बधाई और धन्यवाद देना चाहता हूँ। साथ-साथ मैं एक जानकारी भी चाहता हूँ कि यह कार्य कब खत्म होगा और यह एयरलाइन कब स्टार्ट होगी?

**श्री महेन्द्र मोहन (उत्तर प्रदेश):** धन्यवाद उपसभापति महोदय। मैं माननीय मंत्री जी से यही प्रश्न करना चाहूँगा कि जो यह merger किया गया था, जिसका उद्देश्य था कि खर्चों में कमी होगी और सारी चीजें सही होकर सही रूप में चलेंगी, माननीय मंत्री महोदय को तो व्यापार का बहुत अनुभव है, तो यह loss 2226 करोड़ से बढ़ कर 5 हजार करोड़ क्यों हो गई? क्या ratio चल रहा है, हर एयरक्राफ्ट के ऊपर कितने कर्मचारी काम कर रहे हैं? क्या कारण है कि आज एयर इंडिया के पास जो विमान हैं, उनमें से 15 प्रतिशत विमान कार्ययुक्त नहीं हैं, उन्हें कार्य में नहीं लिया जा रहा है, वे खराब पड़े हुए हैं? यदि ऐसी स्थिति होगी, तो वे किस प्रकार से एयर इंडिया को लाभ में ला पाएंगे? इसी प्रकार लगभग 69 विमान 15 साल से ज्यादा पुराने हैं, जिसके कारण सुरक्षा कारणों से लोग एयर इंडिया पर नहीं चलना चाहते हैं और प्राइवेट एयरलाइंस पर चलना चाहते हैं। प्राइवेट एयरलाइंस मुनाफा कमा लेती हैं, लेकिन हमारी एयर इंडिया नुकसान में चल रही है। इसमें क्या किया जाए? इसके अलावा अभी प्रश्न-प्रहर में भी जो बात कही गई थी कि जो समय-सारिणी बनती है, उसके अनुसार जो सही समय हैं, सही रूट्स हैं, उन पर एअर इंडिया प्लान नहीं करती है और उन पर प्लेन नहीं चलाए जाते हैं। इसके लिए कौन से अधिकारी जिम्मेदार हैं एवं उन अधिकारियों पर क्या कार्यवाहियां की जा रही हैं?

मैं आपका ध्यान एक और चीज की ओर आकर्षित करना चाहूँगा कि आज से 15-20 साल पहले कलकत्ता, कानपुर, अहमदाबाद और मुम्बई के लिए बोइंग का एअरक्राफ्ट चलता था और फुल बुकिंग के साथ चलता था। क्या कारण है कि उस रूट को बंद कर दिया गया अनेकों बार कहने पर भी उसे नहीं चलाया गया। मुझे लगता है कि जो निर्णय लिए जाते हैं, वे राजनीतिक दृष्टि से लिए जा रहे हैं, कॉमर्शियल दृष्टि से नहीं लिए जा रहे हैं, जिनके कारण आज यह एअरलाइन्स लॉस में चल रही है।

इसी के साथ मैं यह भी जानना चाहूँगा कि एअरलाइन्स स्टाफ को कितने फ्री टिकेट्स दिए जा रहे हैं? एअरलाइन्स स्टाफ के द्वारा अपने आप को फ्री टिकेट्स के माध्यम से बहुत अधिक ओबलाइज किया जा रहा है,

इसलिए मैं उसके बारे में जानकारी चाहूंगा। जब तक यह नहीं किया जाएगा, तब तक आपकी एअरलाइन्स मुनाफे में नहीं आ सकती है। मैं चाहूंगा कि मंत्री महोदय इन सारी चीजों के ऊपर हमें जानकारी दें। आज भी अंतर्राष्ट्रीय स्तर पर सिंगापुर एअरलाइन्स मुनाफे में चल रही है, ब्रिटिश एअरवेज मुनाफे में चल रही है, तो फिर यह घाटे में क्यों चल रही है? मैं यह सारी जानकारियां चाहूंगा।

**श्री राजीव प्रताप रूडी :** उपसभापति महोदय, मैं कुछ मूल प्रश्न पूछना चाहूंगा और Basically, I read the answer of the hon. Minister and I would not like to complicate the matter further.

MR. DEPUTY CHAIRMAN: Please, clarifications only.

SHRI RAJIV PRATAP RUDY: Sir, it's a clarification. सर, मैं मंत्री जी से यह पूछना चाहूंगा कि जब 2007 में मर्ज किया गया, तब पार्लियामेंट को और पूरे देश को यह बताया गया कि दो चीजों से ही इंडियन एअरलाइन्स और एअर इंडिया का भविष्य सुधर जाएगा। इस देश में अगर हमें अपने प्राइवेट सेक्टर के एअरलाइन्स को, अपने नैशनल कैरियर को जिंदा रखना है तो we should go for merger and we should go for fleet acquisition. यह दो बातें कही गईं और सबने कहा कि आप जितना जल्दी इसे करना चाहते हैं, करिए। इसके बाद जो accentor consultant एपॉइंट किया गया, उसने कहा कि आप मर्जर में यह-यह कदम उठाएं जिससे आपको 2009 तक 600 करोड़ का मुनाफा हो जाएगा एवं 2010 तक 1000 करोड़ का मुनाफा हो जाएगा। लगातार उसके विषय बताए गए और साथ-साथ बहुत कुछ कहा जाता रहा। इस देश में हमने यहां तक देखा है कि आज तक इस देश की जितनी भी प्राइवेट एअरलाइन्स हैं, चाहे जेट हो, इंडिगो हो, स्पाइस जेट हो, उनमें वे तमाम कर्मचारी भर्ती हैं, जो इंडियन एअरलाइन्स और एअर इंडिया में काम करते थे और आज इस देश की लगभग सभी एअरलाइन्स को प्रमुख रूप से वही लोग चला रहे हैं। सवाल यह उठता है कि आखिर ये कर्मचारी, जो कल तक उसमें काम करते थे और जो आज दूसरी एअरलाइन्स को इतने बढ़िया से चला रहे हैं, इस देश की अपनी एअरलाइन्स को क्यों नहीं चला पा रहे हैं? यहां तक कि मंत्री महोदय के समय पिछले साल सीएमडी प्रबंधन के तहत पहले जिस व्यक्ति को सीएमडी बनाया गया था, उसे वहां से सैक कर दिया गया और उसी बोर्ड के दूसरे व्यक्ति को इस बार सीएमडी बनाया गया है। जिस आदमी को सैक किया गया था, आज वह जा करके भारत सरकार के दूसरे मंत्रालय में सचिव बन गया है। सरकार इस बात का जवाब दे कि आखिर यह नियुक्ति की प्रक्रिया क्या है कि जिसको एक काम के लिए आप निकम्मा समझते हैं, उसे दूसरी जगह ला करके भारत सरकार के सचिव के पद पर बैठाते हैं? आखिर यह प्रक्रिया क्या है और मध्य में किस प्रकार से आप सीएमडी को बदलते रहते हैं? इसके पहले रघु मैन्नन नाम के एक व्यक्ति को सीएमडी बनाया गया था, उसके निर्णयों के बारे में हम यहां चर्चा नहीं करना चाहेंगे। आखिर में आपने मर्जर किया, आपको याद होगा कि इस देश में 25 साल पहले जब वायुदूत को इंडियन एअरलाइन्स में मर्ज किया गया था, आज तक उसका विवाद इंडियन एअरलाइन्स से समाप्त नहीं हुआ है। अभी जो मर्जर हुआ है, एअर इंडिया और इंडियन एअरलाइन्स का, ये दोनों बिल्कुल भिन्न हैं। दो इतनी बड़ी संस्थाओं को मर्ज करके अगर आप एकता लाना चाहते हैं, यह असंभव है। जिस दिन आपने यह तय किया कि इसका मर्जर करेंगे, उसी दिन आपने यह भी तय कर लिया कि इस एअरलाइन्स को समाप्त किया जाना है।

महोदय, अंत में मैं मंत्री महोदय से यह पूछना चाहूंगा कि तीन विषय हैं, एक तो आज कर्मचारियों की संख्या लगभग 32,000 है और किसी भी सूरत में 32,000 कर्मचारियों के साथ यह एअरलाइन्स मूल रूप से चल ही नहीं सकती है। आपके पास ऐसी कौन सी व्यवस्था है? क्या कारण है कि सरकार कर्मचारियों की संख्या कम नहीं कर सकती और इस flab को हटा नहीं सकती? आपके सामने आज जो दो निर्णय हुए, एक तो मर्जर के बाद 32,000 कर्मचारी और दूसरा जो 100 जहाज आप खरीदकर लाए, उसके कारण 40,000 करोड़ में आपका डेटसर्विसिंग 5000 करोड़ का है। किस प्रकार से आप इस 5000 करोड़ का और अपने कर्मचारियों का निर्णय करेंगे? आखिर

यह मर्जर किया तो उसका परिणाम क्या हुआ? मैं पीएमआई के बारे में चर्चा नहीं करना चाहूंगा, इनके सीएमडी ने एक hub-and-spoke operation शुरू किया, क्योंकि जो भी सीएमडी आता है, उसे यह लगता है कि मुझे इस एअरलाइन्स का पूरा ज्ञान है और मैं इसको दुरुस्त कर दूंगा। इस तरह सब उसे अपनी-अपनी तरह चलाते हैं। Indian Airlines and Air India have become a laboratory for IAS officers of this country. इन लोगों ने इसको एकदम लैब बना लिया है कि हमें सब चीजों का ज्ञान है और मंत्री जी को ही समझाया जाए कि किस प्रकार से इस संस्था को चलाना है। इस तरह कई वर्षों से बराबर यह एक लैबोरेटरी की तरह काम कर ही है। इस लैब से निकलने वाला हर आदमी दुनिया की अन्य सभी एअरलाइन्स को चलाता है, लेकिन अपनी एअरलाइन्स को ही नहीं चला पाता है।

महोदय, इन सब घटनाओं के बारे में यह पूरी चर्चा बहुत कम है। यह विषय बहुत महत्वपूर्ण है और इस पर एक ज्वाइंट पार्लियामेंटरी कमेटी बैठनी चाहिए। इस पर तो यह तय होना चाहिए कि आखिर इतनी बड़ी संस्था को इस तरह से मरने देने के लिए किसको जिम्मेवार ठहराया जाए?

आखिर ये परिस्थितियाँ क्यों उभर कर आई? महोदय, सरकार के साथ हमारा पूरा समर्थन रहेगा, लेकिन अगर हम फिर से इसे चलाने की बात करते हैं, अगर फिर से इसको देने की बात करते हैं और इसके दो वर्षों के बाद फिर आकर आप कहते हैं कि यह विफल हुआ, तो फिर उसके लिए कौन जिम्मेवार होगा? आज तक के निर्णयों के लिए कौन जिम्मेवार है? आने वाले दिनों में अगर इसमें फिर विफलता होती है, तो उसके लिए कौन जिम्मेवार होगा? महोदय, इसीलिए मैं मंत्री जी से यह आग्रह करूँगा कि यह विषय बड़ा संवेदनशील है। You need to address these issues comprehensively. There are many issues involved. अगर इनका आप अध्ययन करेंगे तो आपको पता चलेगा कि हर निर्णय, जो पिछले 4 सालों में **...(समय की घंटी)...** Indian Airlines और Air India के सम्बन्ध में लिए गए, इनमें हो सकता है कि नीयत अच्छी हो, लेकिन जो परिणाम उभरकर आए, जिस प्रकार से लगातार back door arrangement-- जब Air India और Indian Airlines के कर्मचारियों को अपने बच्चों को या अपने लोगों को नियुक्ति में कठिनाई होने लगी **...(व्यवधान)...**

श्री उपसभापति: श्री भारतकुमार राऊत।

श्री राजीव प्रताप रूडी: क्योंकि बाकी लोग कम आए, **...(व्यवधान)...**

MR. DEPUTY CHAIRMAN: Please conclude. **...(Interruptions)...**

श्री राजीव प्रताप रूडी: तो आपने पहले वायुदूत को Indian Airlines में मर्ज कर दिया और पीछे से लोगों को ले आए। आज आप Air India Express ले आए। आपने Alliances को Indian Airlines में मर्ज किया। Back door से लगातार नियुक्तियाँ करते चले गए। इसमें कोई व्यवस्था नहीं थी। जिस प्रकार से लगातार नियुक्तियाँ करते गए, आज जो स्थिति है, वह आपके सामने है, महोदय। यह ज़रा इन सब प्रश्नों का उत्तर दे दें। धन्यवाद।

SHRI BHARATKUMAR RAUT (Maharashtra): Mr. Deputy Chairman, Sir, at the outset, let me tell you that I am the President of most of the Air India Employees Unions, and, more than 20,000 employees are covered under these Unions. So, I have the *locus standi* to speak to you on this subject.

MR. DEPUTY CHAIRMAN: You are disclosing the interest. **...(Interruptions)...**

SHRI BHARATKUMAR RAUT: Sir, I would not like to repeat what the previous speakers have spoken about. Only thing about which I would like to say is that to take the airline out of the problem, the first measure you took was to defer the date of wages of the employees. उससे कितना

हुआ? आप बोल रहे हैं कि वे 500 करोड़ बचा रहे हैं। जहाँ पर 17 हजार करोड़ का घाटा चल रहा है वहाँ पर employees पर axe लगाकर क्या मिलने वाला है?

I think, the problem is somewhere else and you are trying to find remedy in some other area. More than the wages of the employees, these are the incentives of the employees because the productivity-linked incentives are actually deferred wages. Because the airline does not increase the wages, the productivity-linked incentives are given.

So, why do you trouble the poor employee? The problem is lying somewhere else. As Mr. Rudy has pointed out, our demand is to know as to why has this airline gone in red. Who is responsible? There has to be a parliamentary enquiry to know as to who has brought this airline to this pass, and, to suggest measures so that this type of situation does not arise in future. So, Sir, our demand is to have a parliamentary inquiry. Thank you.

DR. K. MALAISAMY (Tamil Nadu): Mr. Deputy Chairman, Sir, it is a matter of fact that we feel at home with two sectors, namely, railway and civil aviation, because we have a sense of belonging when we happen to travel on these sectors. I am so sorry to say that I was under the impression that something is wrong somewhere but it is seen that everything is wrong everywhere in civil aviation. This is the way in which I look at this issue. When we look at details, the Minister may try to justify that the loss and other disturbing features are due to the rise in fuel costs, economic slowdown and the heavy borrowing etc.

These may be his general reasons. On the other hand, when we look upon the issues, we could see that there is low productivity, poor utilization of the aircrafts, low-operating efficiency, inviting competition and losing our market by releasing four lakhs seats per week to foreign airlines. It is surprising to note that out of 177 aircrafts operated, only 13 are earning profit. So, we are in debt-trap etc. So, what I am trying to understand is....*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please don't understand. You put the question. ...*(Interruptions)*...

DR. K. MALAISAMY: Sir, for the aircraft which is flying between Amritsar to London, the crew has to come from Bombay. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Malaisamy, clarification please. Please seek only the clarification on the statement.

DR. K. MALAISAMY: Sir, to illustrate my clarification, I will take a minute.

MR. DEPUTY CHAIRMAN: No, no. Please. ...*(Interruptions)*...

DR. K. MALAISAMY: The flight which is running from one place to other, the air crew has to come from various places. Sir, what I am trying to ask is this. What is wrong with the institution? Whether it has something to do with the organisational structure or manpower or operation.



Sir, you have said that several measures have been taken. I am inclined to ask whether the measures, which you have listed in your statement, are adequate or whether they are going to be effective. I am inclined to ask whether the Indian Airlines and the Air India will come out of the red within a timeframe.

MR. DEPUTY CHAIRMAN: Please conclude.

DR. K. MALAISAMY: Ultimately, it lacks leadership; it lacks financial management; it lacks administrative management; and it lacks technical management. Everything is bad. Do something to retrieve it.

MR. DEPUTY CHAIRMAN: I am just skipping those who have already participated in the Question Hour. If there is still some time left, I will give them the opportunity. Kindly help others.

SHRI TIRUCHI SIVA (Tamil Nadu): Sir, there is an alarming increase in the losses that it is incurring. It has increased from Rs. 2,226 crore to Rs.5,000 crore, and now it is expected to reach Rs.7,200 crore.

The airline has adopted various measures to improve its financial position. The Minister has stated these. One among them is reduction of contractual employment. Another is, closure of all offline officers and reduction of employees at foreign stations.

Sir, providing employment is an essential thing which has to be carried on. Hence this thing does not seem to be practically acceptable.

I would suggest this to the hon. Minister. Why does not the Ministry concentrate on attracting more passengers towards the Indian Airlines by way of services, which are extended to the passengers by other private airlines? An initiative by the Minister would help the Indian Airlines to get more revenue.

I would also like to know when the merger of the two airlines was done whether the merger of the IT was also undertaken.

**श्री कलराज मिश्र** (उत्तर प्रदेश) : उपसभापति जी, एअर इंडिया में निर्मित आर्थिक दुर्दशा के बारे में माननीय मंत्री जी ने अपने वक्तव्य में कहा है कि यह वैश्विक घाटे का परिणाम है, लेकिन जिस तरीके से उसका प्रबंधन चल रहा है, उस आधार पर मैं कह सकता हूँ कि एअर इंडिया और इंडियन एअरलाइंस के merger के बाद वहां अधिकारियों व कर्मचारियों के बीच आपस में जिस तरह का सामंजस्य होना चाहिए, वह कदापि नहीं है। उसका दुष्परिणाम यह हो रहा है कि एअर इंडिया की कार्य-क्षमता में कमी आयी है, भ्रष्टाचार पैदा हुआ है और आर्थिक क्षति हुई है। मैं चाहूंगा कि मंत्री जी इसे गहनता से देखें।

महोदय, एअर इंडिया की आर्थिक स्थिति को सुधारने के लिए, इस में turnaround करने के लिए मंत्री जी ने एक स्पेशल बोर्ड के गठन की बात भी कही है। उन्होंने कहा है कि इस बोर्ड में अध्यक्ष श्री रतन टाटा और अन्य सदस्य होंगे। मैं चाहूंगा कि मंत्री जी इस बोर्ड में और कौन-कौन सदस्य होंगे, यह भी बताने का कष्ट करें।

महोदय, एअर इंडिया की कार्य-शैली के बारे में CAG ने भी टिप्पणी की है कि जिस तरह की कार्य-शैली एअर इंडिया की चल रही है, उसके आधार पर निश्चित रूप से उस में घाटा होगा। उन्होंने इस की कार्य-शैली के

बारे में कहा है कि Frequent Flyer Scheme में Security control पर्याप्त नहीं है जिस के कारण उन लोगों को लाभ मिला है जो eligible नहीं हैं। इस स्कीम के तहत टिकटों का दुरुपयोग हुआ है। मैं जानना चाहूंगा कि इस ओर माननीय मंत्री जी का ध्यान गया है कि नहीं? अगर उनका ध्यान गया है तो इस बारे में अब तक क्या किया गया है? Frequent Flyer Scheme के अलावा भी CAG ने एअर इंडिया की अन्य खामियों को उजागर किया है, जिस में Catering Services की खामियों की तरफ ज्यादा जोर दिया है। उन्होंने कहा है कि Catering Services में बिजली की आवश्यकताओं को परखे बिना ज्यादा पैसा खर्च किया जाता है व ज्यादा दामों पर चीजें ली जाती हैं। महोदय, इन सारी चीजों की तरफ भी CAG ने ध्यान आकर्षित किया है। इस संबंध में किस प्रकार की कार्रवाई की जा रही है? यह भी बताएँ, तो ज्यादा अच्छा होगा।

यह बात भी सामने आई है कि एयर इंडिया की वर्किंग में उड्डयन मंत्रालय का ज्यादा हस्तक्षेप होता है। इसलिए स्वतंत्रतापूर्वक ठीक तरीके से कार्य करने की जो आवश्यकता होनी चाहिए, वह पूर्ण नहीं हो पा रही है। इसके अंतर्गत यह बात भी लायी गई है। अगर मंत्री जी इन सारी चीजों के बारे में स्पष्ट करेंगे, तो ज्यादा अच्छा होगा।

SHRI SANTOSH BAGRODIA (Rajasthan): Mr. Deputy Chairman, Sir, I will straightway request the hon. Minister to clarify some points. It is a very detailed statement. It is very clear. But, still, being a national airline, is it true that lot of social activity has to be taken by Air India like flights to North-East Region, flights to Andaman and Nicobar Islands, flights to Agathi and Lakshadweep and transportation of Army troops to Ladakh and Srinagar? When you take these kinds of responsibilities, are the private airlines also obliged to handle these kinds of activities or they have an advantage? When you transport Army troops, is it not the responsibility of the Defence Ministry to pay for it? Or this may go as subsidy from this Ministry.

Sir, similarly, for many years, I believe, from 1984 or 1985, maybe for 15-20 years, no new aircrafts had been purchased. Now, I compliment him that when we needed new aircrafts, they have been purchased because unless we have them, we will not be able to compete. But, in the process, the depreciation becomes very large in the first few years. This is well taken. But, I would like to know from hon. Minister about 'rescheduling and cancellation of future aircrafts deliveries' which he has mentioned in his statement. If he can give some details as to out of 111, how many are coming, how many are rescheduled and how many are not coming, it will really help us.

Then, Sir, most of the airlines in the world are losing. There is no doubt about it. But, that does not mean that we also become inefficient. Losing at what level? Suppose, somebody is losing Rs.5 crores and somebody is losing Rs.5,000 crores, so, if he can give some details about it, it will really help us. Sir, companies paying in time for the oil all over the world are not getting any credit. Those who are not paying in time are getting the credit. What is the status of Air India in this respect? (*Time-bell rings*)

Sir, the employees ratio is 230 against one aircraft. Does it include outsourced employees also? What is the world average? It is about 110. If that is so, what is his plan to re-plan this so that

we do not have the excess staff? He has mentioned about redeployment of staff. By what time? Sir, the programme that he has given...(*Time-bell rings*).... Sir, have I taken five minutes.

MR. DEPUTY CHAIRMAN: No, no, it is not five minutes. Maximum is five minutes. Depending upon the time, it is three minutes now.

SHRI SANTOSH BAGRODIA: Sir, you mentioned five minutes.

MR. DEPUTY CHAIRMAN: I mentioned maximum. There are others also. It has to end by 1 o'clock. Please conclude.

SHRI SANTOSH BAGRODIA: Sir, I am only seeking clarifications. All right, Sir. Give me whatever you like. You are the boss. Sir, he has even a number of schedules. I just want to know the time-bound programme of various measures. These are very vaguely given. Unless the time-bound programme is given, it will be very difficult for us to judge. Sir, the last point is, on the one hand, they are saying there is excess capacity, on the other hand, we have three extra passengers in some aircraft. During this, I hope, he can clarify this also. Thank you, Sir.

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I would also seek clarifications. Firstly, I have an apprehension which I would like to share with the hon. Minister that call somebody a bad name and make a ground to sell it out. Definitely, the Minister spoke very clearly that we want to retain our national carrier. I think, that should be the spirit. Secondly, in his statement, it is given that in 2006-07, the loss is Rs.772 crores. Then, in 2007-08, the loss trebled. But, till that time, the recession had not come. So, what exactly is the reason? Even next year, it was doubled. And, now, we are expecting Rs.7,200 crores by March end, 2009. What is the exact reason? Could you kindly enlighten us?

Secondly, it appears from the reply to the question that we have undertaken merger for strengthening the whole national carrier, but we are not prepared for it or we have not made adequate preparation, in advance, to go in and take the benefit of the merger. So, the IT integration problem arises. Even after two years of the merger—in April, 2007, the merger took place—in 2009 June or July, we could not integrate the IT. What is the reason? You kindly clarify that.

Thirdly, a soft loan has been infused. Whether, while infusing the soft loan, we will be getting additional return out of using that loan. ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: Stop the cross talks, please.

SHRI TAPAN KUMAR SEN: The debts are bigger than the burden of the benefit of the loan derived. Whether that operation was done with due diligence; please clarify.

And the last point is, again, I will insist, please do not brush aside the apprehension. The profitable routes are being sacrificed. There are complaints. I can give you a specific example. On Calcutta-Hyderabad route, all the private airlines are going full, but Indian Airlines are not

operating in the morning! Similarly, the Calcutta-Kanpur example is there. ...*(Interruptions)*... The information has been supplied by our Union colleagues there that, at least, on 62 routes, the Air India and Indian Airlines sacrificed. *(Time Bell rings)* When we are operating on the loss-making routes for social responsibility, particularly in the matter of...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please conclude, Mr. Tapan Kumar Sen.

SHRI TAPAN KUMAR SEN: ...profitable routes and profitable slots, the Air India requires a discriminatory favourable treatment... *(Time Bell rings)*

MR. DEPUTY CHAIRMAN: The next one is Shri Sabir Ali.

....and that is not discrimination because we are sacrificing revenue on the other non-profitable routes. I suggest henceforth....

MR. DEPUTY CHAIRMAN: No, no; it is not a clarification. It is an address. ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: This is the question. ...*(Interruptions)*....

MR. DEPUTY CHAIRMAN: It is not a clarification.

SHRI TAPAN KUMAR SEN: Sir, I am seeking clarifications only. Whether the Government will consider monetising the social oriented services on non-profitable routes, monetising that to show the....*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Shri Sabir Ali; the next one.

SHRI TAPAN KUMAR SEN: ....difference in the balance sheet so that the loss....  
...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please take your seat.

SHRI TAPAN KUMAR SEN: ....that has been shown will go down.

SHRI SABIR ALI (BIHAR): Thank you, Sir, for giving me the opportunity to speak. सर, मुझे सिर्फ यह कहना है कि अभी मिनिस्टर साहब ने अपने क्वेश्चन आवर में कहा कि हमारे यहां system की कमी है। मैं यह जानना चाहता हूं कि वह कौन सा system है, जिसकी कमी आपके यहां है और यदि system की कमी है तो उस system को uplift करने के लिए, उसको improve करने के लिए आपने किसी को tender दिया है या tender करने वाले हैं और वे लोग कौन हो सकते हैं, जो इस system को सही करेंगे? दूसरी बात यह है कि मुझसे पहले सब लोगों ने अपनी बातों को रखा है, लगभग सब बातें आ गई हैं और सब लोग यह जानते हैं कि हमारा जो national carrier है, वहां पर जितने भी crew members होते हैं या ground staff होता है, उसमें crew members की जो उम्र होती है, मुझे तो लगता है कि किसी-किसी की तो मां और दादी की उम्र होती है। आप बाहर चले जाएं, दूसरे carriers को देखें उनकी जो appearance होती है, उनकी जो services हैं, उनके respect में हमारी national carriers में, चाहे वह एयर इंडिया हो या इंडियन एयरलाइंस हो, even आप एयरपोर्ट पर किसी से पूछें या आप कोई information लेना चाहें तो वह अच्छे तरीके से नहीं मिलती है। मैंने लगभग 20 साल में जितनी बार भी एयर इंडिया या इंडियन एयरलाइंस से सफर किया है, कभी भी किसी स्टाफ को मुस्कुराते हुए नहीं देखा। क्या आप उनको ट्रेनिंग देने के लिए ...*(व्यवधान)*... किसी को नहीं देखा, this is

the fact. When you talk to them, it appears as if they are doing the obligation to you and the way they will react in the aircraft. If you ask for water, they will take ten minutes to bring the water for you! आप उनसे कोई question पूछ लें, वे उसकी reply नहीं करते हैं, लगता है घरों से झगड़ा करके आए हैं। आप एयर इंडिया से उतर जाएं, आपका जो सामान आना है, दूसरी एयरलाइंस से अगर वह 15 मिनट में आता है तो आपको 45 मिनट wait करना पड़ता है। क्या आप उनको salary नहीं देते हैं और यदि देते हैं तो उन पर कड़ाई क्यों नहीं करते हैं? आपके यहां कई प्रकार की समस्याएं हैं। आप ही के लोग जो बाहर रहते हैं, आप उनसे पूछिए, वे एयर इंडिया से सफर करना नहीं चाहते। आप इसकी वजह को क्यों तलाश नहीं करते हैं? मंत्री जी, मैं जानता हूं कि आपने एक टर्म पूरा किया है और दूसरे टर्म में भी आप आए हैं, लेकिन चार-पांच साल गुजर गए, आज तक आपने इसकी खोज नहीं की कि आपके यहां स्तर क्यों नहीं बढ़ाया जाता, आपके यहां efficiency क्यों नहीं लाई जाती, उसमें क्या difficulties हैं?

MR. DEPUTY CHAIRMAN: Please conclude.

**श्री साबिर अली :** सर मैं ज्यादा समय नहीं लेना चाहता हूं।

**श्री उपसभापति :** आप ज्यादा समय ले चुके हैं।

**श्री साबिर अली :** मैं जानना चाहता हूं कि इनकी efficiency का स्तर अच्छा करने के लिए और आपके यहां जो दादी हैं, उनको हटाने के लिए आप कोई कदम उठाना चाहते हैं या नहीं? अगर आप इसे करेंगे, तो कैसे करेंगे?

SHRI NARESH GUJRAL (Punjab): Sir, it was reported that the airline industry the world over lost, in all, 10.8 billion dollars last year. The Air India, with just half per cent of the world fleet capacity, was reported to have lost over one billion dollars. I don't understand it. Everybody is talking about the reported figures. We are now in July. Why don't we have the exact figures of the losses? There is a serious apprehension that the balance-sheets are cooked up. It is like the Satyam saga. I think that there should be some kind of a Parliamentary Committee to go into the exact figures as to what are the losses of the Air India so that we can find a solution. I hope the Minister will consider my suggestion and call in outside auditors to verify the figures which are being given out by the Air India. I want to know by which time we will have a clarity about the exact losses of the Air India.

SHRI RAHUL BAJAJ (Maharashtra): Thank you, Mr. Deputy Chairman. I would like to know from the Minister, through you, Sir — when he is a Minister who has been considered, during the last five years, by various surveys to be one of the best Ministers — whether he can do more for the following items. Some of them are very tough. We know, as Mr. Naresh Gujral has said, the aviation industry in India is suffering and losing money more than all the private sector companies abroad. It is bleeding.

One, you are running, as you have said, uneconomic sectors for social reasons. Why are you not demanding more money from the Government and getting fully paid for that? I don't see any reason why it should not get paid. It is not correct. Otherwise, they should be allowed to stop flying.

Second, due to discrimination against the foreign airlines we are suffering on ATF, Aviation Turbine Fuel. The Finance Minister is not here. But something has to be done for the Indian airlines. The Indian aviation sector should not suffer at the cost of foreigners who are getting the benefit.

The third is the most difficult situation. I am happy to learn that an Advisory Board is being constituted. As an owner, I also keep control on my companies. So, in the main Board, statutory Board, 50 per cent — I hear; I have no official statement — of the people will be independent directors, whether it is Ratan Tata or whoever it is. They should be independent. To be in order, you keep 50 per cent of your Government people. Today it is 100 per cent Government people. This is not correct, Sir. Once you have that kind of a Board, leave them alone. Otherwise, how do you restructure an airline? How do you rationalise anything? My friend, Mr. Bharatkumar Raut, says don't touch them. It is the politicians who have interfered and made these 33,000 people unhappy. I was the Chairman of the Indian Airlines from 1986 to 1989. (*Interruptions*)... Maybe, Mr. Rajiv Pratap Rudy and I will talk separately. Whatever be the reason, if the management is defective, sack them. If the politicians have done something in the past, you can't undo that. But now please let the Board function. That is the way it happens all over the world, even in public sector companies like Renault. Don't interfere. If they want to restructure and rationalise, let them do it and face the music. You are afraid of a strike. When I was the Chairman, we couldn't permit to a strike. The country would have come to stop. Now we should not worry about a strike.

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI RAHUL BAJAJ: But I don't want to be unfair to the employees. If a strike has to be taken, you have to take it and give them a good VRS or you will have to close the airline. Otherwise, it is the taxpayers' money that is going down the drain. Please answer these questions, Mr. Minister.

MR. DEPUTY CHAIRMAN: Shri Condpan. Just one clarification.

SHRI SILVIUS CONDPAN (Assam): Sir, I have found here that flying of Indian Airlines and Air India in the North-Eastern Region is a loss. I fail to understand it when so many private airlines are operating in the North-Eastern Region. Are they not losing? I want to know from the hon. Minister. If the Air India and the Indian Airlines are incurring losses in the North-Eastern Region, what about the other airlines? What is the justification?

MR. DEPUTY CHAIRMAN: Shri D. Raja. Just one clarification.

SHRI D. RAJA (Tamil Nadu): Sir, the Air India, being the national carrier, is the pride of our nation. My point of clarification or question to the Minister is this. I have my own experience with the Air India and I would like to travel with the Air India only. The Air India does not fly in profitable routes as we expect it. I had to stay in Kolkata because there was no Air India flight from Kolkata to

Chennai. The reply talks about noneconomic flights. I think the Government should have a political will. The Government should have pride in the Air India. The Government should see to it that our national air carrier becomes viable and profitable. I hope the hon. Minister will consider these suggestions and proposals and will implement them. The Government should have a political will to protect the Air India, the interest of the Air India and the interest of the country. Please do not treat it as any other airline in the country. The Air India is the pride of the nation. It needs to be safeguarded and protected. Thank you.

SHRI SHANTARAM LAXMAN NAIK (Goa): Sir, the hon. Minister has referred to rationalisation of manpower. What do you mean by 'rationalisation'? Does it mean you can dismiss or retrench or transfer anybody? What is the exact meaning of 'rationalisation'? Thank you.

SHRI GIREESH KUMAR SANGHI (Andhra Pradesh): I would like to know only one thing from the hon. Minister. How does he compare the Air India *vis-a-vis* the low cost airlines, Indigo and Spice Jet? To my knowledge, Indigo and Spice Jet are doing quite well. They are low cost airlines. How do you compare the Air India with these two airlines? Thank you.

SHRI MOINUL HASSAN (West Bengal): Sir, it is reported in the newspapers that 15 per cent of the total aircraft are lying idle. It is one of the causes of loss. Is it a fact? Thank you.

**श्री धर्म पाल सभ्रवाल (पंजाब) :** सर, यह बहुत ही गंभीर मामला है कि एयर इंडिया घाटे में चल रही है। इसका सबसे बड़ा कारण यह है कि जितने भी प्राइवेट एयरलाइन्स हैं, अगर हम उनको कहते हैं कि मेरा Second class का टिकट है, इसको First class में कर दीजिए, तो वे नहीं करते हैं, लेकिन आप इस चीज़ को examine कीजिए कि एयर इंडिया में किसके कहने पर, किसकी रिकमंडेशन पर daily कितने-कितने ऐसे केस जाते हैं? सर, एयर इंडिया को जो रूट्स दिए गए हैं, वे घाटे के रूट्स हैं, इसलिए मैं आपके द्वारा यह कहना चाहता हूँ कि गृह मंत्रालय भी अर्द्धसैनिक बलों को सीमा पर पहुंचाने के लिए जो प्राइवेट एयरलाइन्स को यूज़ करता है, उसके बजाय इनको वह काम दो, ताकि उनको पहुंचाने का काम ये करें और इससे ये लाभ कमा सकें।

SHRI PRAFUL PATEL: Mr. Deputy Chairman, Sir, many hon. Members have sought clarifications. I appreciate the concern of the hon. Members and of the entire House. I thank the hon. Members for expressing the sentiments that Air India is a national carrier and we must do everything possible to restore its past glory and to make it an efficient and profitable organisation in future.

Let me start with one or two issues raised by Shri Javadekar. Many other Members also have expressed similar sentiments. He mentioned a couple of issues. But let me first go to fleet acquisition. I do want to reiterate, I said it during Question Hour also, that last time, when planes were bought for the Indian Airlines and the Air India, it was done during the Prime Ministership of Late Rajiv Gandhi. At that time, there was no competition to both the national carriers. It was a time when we had monopoly and whatever we gave to passengers, was accepted. Of course,

there were good people running the organisation, at that time. There is no denying the fact that they did great service to our nation. After 1993-94, when the Indian aviation sector was thrown open to competition, we saw a flurry of activity in this sector, and many private airlines started operations.

Over a period of time, naturally, as the pie grew bigger, the share of Air India, which was 100 per cent earlier, could not have been maintained, and it started reducing. Eventually, with the advent of competition, newer planes started coming into the Indian air space. Competition brought in better service standards which were, probably, not offered at the same level by the erstwhile Indian Airlines, or, the Air India. Consequentially, there was a slight decline from year to year. In 2004, when the UPA Government came, we took a conscious decision that we must protect the future of Air India. We wanted Air India to continue in the public sector. I would just like to inform Shri Javadekar and Shri Rajiv Pratap Rudy that one or two years prior to 2004, when we took over, a decision had been taken by the NDA Government to privatise, to sell off Air India...*(Interruptions)*...

SHRI RAJIV PRATAP RUDY: There is a correction. If you allow me to intervene, I would like to respond...*(Interruptions)*... It is a completely wrong statement. If the Minister allows, I will correct him.

SHRI PRAFUL PATEL: Let me complete. I don't have to offer any clarification for the simple reason that it was a well-documented decision. There was a public tender, and there were companies which had participated in that tender. It is only after the last minute withdrawal of the only lone bidder left in the fray, — I can mention it; there is no secrecy; Tata Singapore was the joint bidder — after they withdrew from the fray, that the process of selling off Air India, or, to say, the disinvestment of Air India, was withdrawn. And, then, there was a change in Government. Our Government took a conscious decision saying, "Yes; we want to run Air India as a national carrier. We will not allow disinvestment in this Airline." However, in the long-term interest of Air India, if it has to compete, then, it will have to be given newer aircraft; it will have to have a fleet augmentation programme. In 2005-06, and, as all of you know, including 2007 up to 2008, the Indian aviation sector was showing a robust growth. And, I am not trying to take away some good initiatives taken by you or by your predecessors. So, why are you suddenly getting agitated when I am just trying to tell you what the factual position is? Now, this arises out of the questions that you raised as to whether we are going in for acquisition, in what scale and why it is needed. I have to give you the answer. If the Air India, or, the erstwhile Indian Airlines, now, after merger, has to be successful and has to compete, then, how can you operate an Airline with older aircraft which are 15 or 20 years old? Even after the acquisition of 51 aircraft out of 111 so far, the Air India's more



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than 50 per cent fleet are 15 years and older. Out of that, there are 21 aircraft which require major overhaul. This is just to indicate that after all this so-called talk of acquisition, etc., we have not yet received the full aircraft in the quantum that is required. It is a programme which will go on till 2012. In spite of that, this is the situation, that we still operate with a lot older aircraft than any of the competitors of Air India.

**श्री प्रकाश जावडेकर :** जो आया है, वह यूज़ नहीं हो रहा है, इसके बारे में बताएं।

SHRI PRAFUL PATEL : I cannot explain everything in one sentence. I am just trying to shortlist two or three key issues which have been highlighted by a large section of the House. Fleet acquisition was one thing. You asked as to who did it. Well, a company decides what it wants. If you think all the Airlines, across the world, use only one fleet type, I am sorry, that answer is not correct. It is advisable to have one fleet type. But many airlines, which operate on long haul and short haul, operate on multi-fleet type. I can name Lufthansa; I can name British Airways; I can name any number of major airlines in the world which operate more than one fleet type of aircraft. That having been the case, acquisition was something which the Airlines decided based on the projections it had made. The Government's job was to support that acquisition programme. And you know that there is a well laid down process in Government for acquisition. It does not happen overnight just because a few people in Air India decided it, or, a file came to the Minister and he was in a rush to buy aircraft. All sorts of insinuations are flying here and there. I am just trying to say that it was through a well laid-out governmental process. It goes through all the checks and balances in the system and that is when this fleet acquisition programme was given the green signal. Even today, out of the 11 billion dollars worth of aircraft, only about four billion dollar worth of planes have started flying in the Indian skies. So, when you say that future acquisition or future fleet augmentation needs to be re-thought of, I don't think that is an issue before the Government. It is purely the decision of the management. If they feel tomorrow that they need to rationalise their acquisition programme, defer or delay deliveries, I don't think, I, in the Ministry, or, the Government as a whole, am going to take any objection to that kind of a suggestion. That is purely for them to decide. But, also, let me tell you that, talking of depreciation, one of the reasons, when earlier losses were not being reported, was that planes were already fully written off. Twenty year old planes! Naturally, all of us who understand — Mr. Rahul Bajaj as a businessman — would appreciate that the written-off value would be there after five or ten years. Therefore, all these years, Air India or Indian Airlines did not really have depreciation on its books. The current year's depreciation is close to Rs. 1300 crores. These are also factors which will contribute to losses in the initial years. This has to be understood. Any new factory or new project which starts,

in the initial years, the depreciation is higher on the books. So, that is one of the reasons. I am not saying that is the only reason. This is not a justification for losses, but this is one of the things that I wanted to explain to you from the question arising or the clarification being sought about the fleet acquisition programme.

Coming to the merger, let me just be very candid about it. Merger is, again, not a figment of imagination of the Minister or Ministry or of a few people. Merger was a very detailed exercise which was undertaken. Mergers are not new. Mergers have taken place across the world, whether it is an airline or in other kinds of businesses. And, therefore, to say that merger by perception or per se is absolutely a wrong or a disastrous exercise that was undertaken would be unfair. Merger was done with a well laid down process. A world-class consultant was appointed and those presentations were made to the management as well as to the Ministry. To that extent the Government was also very cautious. An Empowered Group of Ministers of the highest order was constituted. The Committee of Secretaries went into it many times over. It was only after a detailed exercise that the consent for merger was given. Let me be very honest; every section of the employees of both the carriers was consulted and a large section of the employees had supported the merger. It is all right to say that now, if suddenly some section of the employees come and keep complaining about something which has gone wrong, they should also do some self-introspection...

SHRI BHARATKUMAR RAUT: You have not fulfilled the promises you made earlier. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no. Please, let him complete. You have said whatever you wanted to say, Mr. Raut. *(Interruptions)*

SHRI PRAFUL PATEL: If there is something lacking, we can correct it. I am not trying to say that everything here was as it was tailor-made. But the fact is that everything was well-thought of; every section of the employees was spoken to. I have myself undertaken that exercise along with the management. So, let us not say that every thing was done knee-jerk, without any application of mind. Yes, some of the things may not have worked out to the best possible advantage which was thought of. But to say that merger...*(Interruptions)*... I am telling you that the merger has not succeeded, as I have mentioned earlier, because of some issues like IT integration. But I also would like to request Mr. Bharatkumar Raut, who represents a large section of the employees, Mr. Raja and anybody who has an association with the trade unions, that they should try to explain things to the employees. Why is this resistance coming for the merger? Do you mean to say that a stand-alone Indian Airlines or a stand-alone Air India would have been able to compete in the global air space? After all, Jet Airways, King Fisher, all, are now starting to fly international; they are both domestic carriers and international carriers. International carriers coming to India do not service only Mumbai and Delhi any more like in the past; they go to Bangalore, they go to

Hyderabad, they go to Chennai. Can you say that tomorrow a stand-alone Air India or a stand-alone Indian Airlines would have done the job? The answer is, no. Therefore, if anything has not worked to the best of our expectations, that does not mean that the intentions or the thought process are faulty. The execution and implementation may require correction.

That is why I am saying that it is not correct to say the merger is ill-conceived and the merger has not worked. Yes, I agree, it could have worked better; I agree, it has not worked to our satisfaction, but to say that it is completely out of sync would not be correct. I would like to say one more thing. A lot of Members have said, bilaterals have been entered into, a lot of routes have now been given away to foreign airlines, to private airlines. I would like to state that bilaterals is an on-going process. By the very definition of the word, 'bilaterals' means, it is two-way traffic. It does not mean that a plane comes from Singapore or Dubai or London or Frankfurt and flies into India as many times as they want. They do come, so are we entitled to fly there. When the Government went in for opening up the international routes for private domestic carriers, we took a couple of key important decisions. What were those decisions? The decision was that the Gulf will still be for three more years protected for our national carrier. What stops the national carrier from mounting more and more flights into the Gulf? Nobody stops them. Contrary to the view that you take that everything is decided in the Ministry or by the Minister, I am sorry to say that most of the decisions on routes, to fly or not to fly and the capacity entitlements are purely left to the management. It is for them to decide. Therefore, bilaterals is an on-going process. A lot of Members of the House come from various States, not only from Mumbai, where you and me come from. Somebody represents Chennai. Would it not be fair to say, if somebody says that if Air India does not operate out of Chennai into any western country, and if British Airways wants to fly into Chennai, shall the Government of India say, 'no'? If tomorrow, in Bangalore with such a large IT industry, if Lufthansa or British Airways or Emirates or the Singapore Airline wants to fly into Bangalore, and if our national carrier does not fly out of Bangalore into any other city, would it not be fair to allow these airlines to operate into Bangalore? What is the logic? Ultimately, the logic is, more and more connectivity. In this House, minus this debate, so many times, I have heard Members expressing their view as to why their city is being connected internationally, why not I have a flight into Amritsar, why not I have a flight into Jaipur, why not I have a flight into Udaipur. Any number of such questions do arise, and this is the aspirational change in the country. People want more connectivity. I would also like to see my national carrier being able to perform all the obligations it is supposed to perform. But, in the absence of its ability to do so, if that space is taken by domestic Indian carriers or by international carriers, what is the harm? Ultimately, it leads to better connectivity, more choice to the consumer, better fares, better service. Is that not a hallmark, and is that not an achievement in the last few years? Can anybody in this House say that

India is not better connected than before? Can anybody in this House say that Indian infrastructure has not improved than what it used to be in the past? Can anybody in this House say that lower fares are not now the order of the day? Is competition not giving you better service? This is the fact of life. But, at the same time, we have only focussed on Air India and said everything. I have many times stated it. I get questions and people try to put me in the dock, and ask me everything about Air India. I have sometimes to defend myself by saying that I am also the Minister of Civil Aviation. I am not just the Minister for the Air India, and I am saying this with anguish. I don't like to say that. But, at the same time, if every issue of connectivity or people's aspiration cannot be met only by the national carrier, this role will have to be performed by others also. This is a fundamental decision taken by the Government. Everybody has accepted it since 1993 onwards. This is the process of liberalisation. And that is why my request to the hon. Members is this. Yes, Air India, the erstwhile Indian Airlines do have some systemic problems. We do wish to support it. The Government in its earlier five years and even now support it. When these issues of the problem of Air India came up, I took it to the hon. Prime Minister. He also mentioned and with a great sense of pride I can say here that he said, 'Praful, this is our national carrier. It is our national pride. We will do everything possible to support Air India and bring it back to profitability, and do everything possible to see that it becomes a better organisation.'

Mr. Deputy Chairman, Sir, I would like to take this opportunity in informing the Members that there is a change happening. The global economic slowdown has also affected the aviation sector. Today, in spite of our lower fares, many flights are not going to their capacity. Today the airlines, all of them, have started cutting on capacities. Hon. Mahendra Mohanji or some other Member was talking about the British Airways making money, I am sorry. I was in London. The Chairman of the British Airways met me. They were equally in a dire state, I would say. Most airlines across the world are facing financial difficulties. Even domestic airlines in the private sector in the country are facing financial difficulties. Yes, it is a public carrier, it is a national carrier, therefore, the issues of Air India will rightly be debated on the floor of Parliament. But to say that these are issues only of Air India is not right. Yes, Air India has slightly a larger problem because of certain legacy cost, because of higher manpower cost, because of the systemic issues which plague the airline. But I can assure you in the days ahead the Government will do everything possible to support the management. And I would like to tell you, Mr. Bajaj, and I repeat this, you have been a former Chairman of Indian Airlines, I on behalf of the Government am making this categorical statement that we want to bring in more transparency into the working, we want to give them more autonomy. If you say the Government interferes on daily basis, the answer is 'no'. People may have that perception. Now, I cannot take away that perception because the answers

to any issues of Air India are only to be answered by the Minister in Parliament. To say that the Minister or the Government is at arm's length from the Airlines, it cannot happen in a public sector. But, on the other side, we would like to give it more and more autonomy; we would like to have, at least, half of the Board to be, as you rightly said, of independent directors, people of eminence of highest order who have a track record to be brought on the board. We want to have an international advisory board on the lines, which most global airlines do have. We also want to have a professional chief operating officer selected through a global search, working below the CMD. We want to do a few things...*(Interruptions)*... That is also fine. ...*(Interruptions)*... These are the clarifications; I cannot give you anything more than this. I am trying to be as explanatory as possible. ...*(Interruptions)*... Sir, I can assure you again that we do not come into the picture as to which route the airlines should operate. These are purely commercial decisions. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Tapan Sen, there will be no end to this. ...*(Interruptions)*... Please sit down. ...*(Interruptions)*...

SHRI PRAFUL PATEL: I do not want to deny what you are saying because I have no idea. But I would also like to state that this is not something, which we do as a part of the Government. This is a company. On the one side, we talk of autonomy and, on the other side, we talk of this. I do not think it is possible for me to do it personally. Yes, I would voice your sentiments to the management of Air India and tell them that if there is something which the hon. Member has pointed out, please look into it. If there is merit in it, it should be looked into in a time bound manner. ...*(Interruptions)*... I would also like to say very categorically ...*(Interruptions)*... I am trying to answer what Mr. Javadekar has stated and most Members have followed and taken a cue. He talked about Air India express. Low cost is now the order of the day. Please remember it. Somebody mentioned why Indigo and Spice Jet are doing better. The fact is that the low cost airlines are there because the market is becoming price sensitive; anywhere in the world you see whether it is the UK or the US, these low cost airlines are doing much better than the legacy carrier. That is why the Air India express is something, which the management thought in 2005 that they needed to take that space which have been ultimately taken over in the international arena also. I can name you Tiger Airways, Silk Air, Air Arabia, Air Asia, Al Jazeera and so many such airlines now fly Dubai, all these are the low cost airlines carriers of all these major international airlines or their subsidiaries. That is why Air India express is also conceived as one of the low cost arm of Air India to take on international competition. As of now the LCC space is moving into the domestic area also with the advent of Indigo and Spice Jet, as also Jet Light and as also Kingfisher Airlines, the Air India express will also have to take on a more meaningful role in the LCC segment within the country.

I am just trying to give these clarifications and if there are indications of corruption, Mr. Javdekar, please illustrate them, we will give it the highest priority. If there is any issue which bothers you, please let me know, let the House know, I will be willing to sit with you and I will be willing to go into any level of probe if there is any issue which is highlighted and which is proven that it is correct. I will be the first person to be happy to assist in getting rid of this kind of a problem which hits the airline. With these words, whatever issues the Members have raised would have been satisfied. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Rudy, in Calling Attention, it is not a question and answer session and the Minister is not obliged to answer every question.

SHRI RAJIV PRATAP RUDY: Sir, then we need more opportunity to talk on this. There are many issues raised by the Minister... Sir, he has given an explanation to many issues, which were raised, and they are completely off track. The country must know. When he talked about Air India Express you covered the entire market created by Indian Airlines. There was competition created within the company. There are many issues, which he has raised, and it needs a threadbare discussion. The country cannot be allowed to...

MR. DEPUTY CHAIRMAN: You have to have a structured discussion of Short Duration Discussion.

SHRI RAJIV PRATAP RUDY: Sir, there are many issues which deserve an answer.

MR. DEPUTY CHAIRMAN: I agree that there are many issues. It cannot be solved in one hour Calling Attention. So, let there be a Short Duration Discussion. You give the notice.

SHRI BHARATKUMAR RAUT: Sir,... *(Interruptions)*

MR. DEPUTY CHAIRMAN: No, no, the Ministry is not obliged to answer every point. You see the rules. ...*(Interruptions)*... Now, shall we have a lunch break?

ALL HON. MEMBERS: Yes.

MR. DEPUTY CHAIRMAN: The House is adjourned for lunch for one hour.

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The House then adjourned for lunch  
at seventeen minutes past one of the clock.

The House re-assembled after lunch at eighteen minutes past two of the clock,  
The VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): First, we have a statement from the Minister regarding accident at Delhi Metro site. Shri Saugata Ray will make the statement.