

Bharatiya Janata Party

भारतीय जनता पार्टी



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June 30, 2009

SUBMISSION TO CAG, CVC.....

The UPA Government/Civil Aviation Ministry is responsible for the present horrible financial crisis in Air India. It is shocking that, without accepting the fact, status of the passenger load, financial/economic viability, interest and repayment burden, Air India/Ministry pushed hard purchase of around 111 aircraft at the cost of Rs.55,000 crores. It is shocking that the Purchase Agreement was entered in 2007-08. Horrible fact is that, in the same year, i.e. 2008, Civil Aviation Ministry and Air India have gone on record about diminishing passenger load of Air India. The real reason behind the present financial crisis is the interest burden, repayment, overhead expenses, charged BJP leader, Dr. Kirit Somaiya.

It may be noted that all the airlines – Jet Airways, King Fisher or other international airways have brought down their aircraft purchase orders or have deferred the delivery. Air India at the same time went on increasing their order. The proposal of going for 20 to 25 aircraft for Rs.25,000 crores resulted in order of 111 aircraft. 49 plans have already arrived. In this week itself, 3 more aircraft are going to be included in the fleet of Air India. We demand that Ministry of Civil Aviation should reconsider to buy these new aircrafts.

The preoccupation of aircraft purchase without considering the use being made of them is a series concern. It is also understood that, just few months back, Air India was considering to go for further order of 10 A-380 big aircraft and 100 small aircraft. The airline was considering to go for another purchase of 150 aircraft.

Dr. Kirit Somaiya, ex Member of Parliament, has demanded re-evaluation of Air India's aircraft needs. On the one side, market share of Air India has come down severely in the last couple of years from 50% to 17%, Air India, Govt. of India – Civil Aviation Ministry have burdened the country with such huge aircraft purchases of Rs.55,000 crores where Govt. of India is the guarantor. The whole burden of Rs.55,000 crores + interest, i.e. Rs.67,000 crores is on the Government, i.e. on the common man.

Dr. Somaiya has demanded full-fledged inquiry of the need, requirement, project proposal of this huge purchase and its financial burden, which is the root cause of the present financial crisis of Air India.