WHY IS NOBODY TALKING ABOUT AIR INDIA'S LOSSES WORTH RS 30K CR: MOHANDAS PAI

News / Airlines

Amidst a row over beleaguered businessman Vijay Mallya leaving India in the middle of a massive loan default probe, former top official of Infosys, T V Mohandas Pai has sought to know why questions are not being raised about the massive losses of Air India, and called for a system for recovery or settlement of loans.

"Air India has lost about Rs 30,000 crore. Why don't you hold the people who manage (it) accountable for Air India losses like you hold Vijay Mallya (accountable for losses in Kingfisher Airlines)?" Pai, former Chief Financial Officer and HR Head of the Bengaluru-based software major, told PTI.

"What is the difference between Vijay Mallya who lost Rs 10,000 crore and Air India which lost Rs 30,000 crore? Bank money is lost (in case of KFA) and public taxpayer's money is lost (in AI's case).

"Everybody is going after Vijay Mallya. (But) a government entity making (AI) losses is okay...Is it? Parliament is sitting quietly and does not talk about it. Media will sit quietly and nobody will talk

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about it...Holding nobody accountable. What is this? It's hypocrisy. Both are of the same character and both are wrong," he said.

One can blame Mallya of mismanagement for business losses, but now it's in his interest to come back to India and strike a deal with banks by paying back as much as possible because he is "not going to win this battle of delaying payment and going to courts", said Pai, currently Chairman of venture capital firm Aarin Capital and Manipal Education.

Noting that the whole country is against Mallya now, Pai, formerly a member of the Kelkar panel on direct tax reforms, said, "He can't fight the whole country for what he has done."

He also questioned Mallya for "not paying salaries to employees while you have a luxurious life".

He said while people understand business loss, they would get angry "if you lead a luxurious life, flaunt your wealth when you have not paid your employees, banks..."

Pai opined that government should not arrest Mallya and must ask him to come and settle the dues with the banks.

"Government should not arrest him. Government should tell him to come and settle. It's in his interest and government's interest to settle. Putting money laundering charges takes it to a different level, and to my mind it's unnecessary. Not good for him, not good for anybody," he said.

Noting that the Mallya case has been before the DRT since 2013, he said the biggest problem in India is the lack of a bankruptcy code or a loan recovery system which is fast.

Businessmen having outstanding loans love banks going to courts because they can prolong the case for 10-15 years without any resolution, he said, adding, "Dilatory practices in courts are the worst enemy of banks."

Mallya, who is facing legal proceedings for alleged loan defaults by his group to the tune of over Rs 9,000 crore, had left India on March 2 kicking up a row, but has said that he is not an absconder and will comply with the law of the land.

14 MARCH 2016

SOURCE: BUSINESS STANDARD
ARTICLE LINK:
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