

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1441

ANSWERED ON:09.12.2004

PROCUREMENT OF NEW AIRCRAFT FOR IA/AI

Budholiya Shri Rajnarayan;Kharventhan Shri Salarapatty Kuppusamy;Madhwaraj Smt. Manorama;Mahajan Shri Y.G.;Meghwal Shri Kailash;Rao Shri Kavuru Samba Siva;Rawat Shri Kamla Prasad

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Government has accorded approval for the procurement of new aircraft for Indian Airlines and Air India;
- (b) if so, the details along with the number of aircraft likely to be purchased by IA/AI with the details of companies;
- (c) the amount sanctioned by the Government for this purpose;
- (d) whether the Government propose to seek financial assistance from international credit agencies for this purpose;
- (e) if so, the details thereof; and
- (f) the extent to which it would help Indian Airlines and Air India to boost their profit?

Answer

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

(a), (b) and (c): Indian Airlines proposal for 43 aircraft comprising 19 A-319, 4 A-320 and 20 A-321 manufactured by Airbus Industrie with engines from CFM International was considered by the PIB in its meeting held on 10.11.2004. The net project cost is Rs.10089 crores. Provision of Rs.325 crores approved by Government towards equity enhancement has been considered in Indian Airlines proposal. In its meeting held on 24.11.2004, Air India Board has approved a revised fleet plan as per which the fleet size of Air India would be enhanced from present level of 34 aircraft to 74 aircraft by the year 2012/13. Air India project report in this regard has, however, not been received by the Government.

(d) and (e): Airlines will raise funds through their internal resources and also through commercial borrowing from International/Indian market after obtaining requisite approvals from the respective Boards/Government.

(f): The induction of new generation aircraft in the airlines fleet would bring savings in operating cost due to higher fuel efficiency, lower maintenance cost, reduction in unscheduled maintenance etc. Besides, the proposed induction of aircraft would enable the airlines to maintain capacity by replacing old aircraft and add new capacity necessary to meet traffic demand and expand market reach. It would also enhance customer appeal towards the product.