

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1204

ANSWERED ON:17.08.2012

PURCHASE OF AIRCRAFT

Anandan Shri K.Murugesan;Banerjee Shri Ambica;Rawat Shri Ashok Kumar;Thakur Shri Anurag Singh

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) the details and number of aircrafts purchased, name of supplier companies, price paid for each aircraft, time of payment and the name of the agency through which payment was made during each of the last three years and the current year;
- (b) whether there was a delay in the delivery of aircrafts and subsequently a difference between the actual price and the payment made to the said agency resulting in huge losses to the airline;
- (c) if so, the details thereof and the details of other irregularities, if any, detected in the leasing of aircrafts by Air India during the above period along with the justification for acquisition of large number of aircrafts on loan by Government/Air India;
- (d) whether Air India had taken the said aircraft on lease despite non availability of pilots and employees;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the corrective steps taken by the Government including revisiting the said agreement?

Answer

MINISTER OF CIVIL AVIATION (SHRI AJIT SINGH)

(a): Erstwhile Air India had signed a purchase agreement with Boeing in December 2005 for acquisition of 50 aircraft (8xB777-200LR, 15xB777-300 ER and 27xB787-8 aircraft) for Air India. Out of these, 20 aircraft have already been delivered to the airline. Air India Charters Limited (AICL) had also signed a purchase agreement with Boeing for acquisition of 18xB737-800 and all the aircrafts have been received. The Boeing aircraft have been acquired with the loans from banks/financial institutions like Citi Bank, J.P. Morgan, DVB Bank, IDBI Bank, Standard Chartered Bank & ABN Amro Bank.

Erstwhile Indian Airlines had signed the purchase agreement with Airbus in February 2006 to purchase 43xA320 family aircraft comprising of 19xA319, 4xA320 and 20xA321. All 43 aircraft have been received by the airline. The aircrafts from Airbus have been acquired with loans from KFW and Non-Convertible Debentures issued by ICICI Bank. The amount spent on purchase of aircraft from Boeing and Airbus is Annexed.

(b): There was no delay in induction of the aircraft except for B787-8 Dreamliner aircraft. The delivery of 27xB787-8 aircraft which were due from September 2008 to October 2011 was delayed by Boeing due to production/design problems and various other reasons. Though these aircraft are yet to be received by Air India but Boeing would provide these aircraft at the price which was agreed in the original purchase agreement.

(c): During last three years, Air India has not taken any additional aircraft on lease.

(d), (e) and (f): Not applicable in view of answer (c) above.