

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:3664  
ANSWERED ON:13.02.2014  
SALE OF DREAMLINER AND BOEING  
Kumar Shri P.;Sivasami Shri C.

**Will the Minister of CIVIL AVIATION be pleased to state:**

- (a) whether the Government has approved the proposal of Air India sell five of its Boeing 777 aircraft and seven Dreamliner Boeing 787 aircraft;
- (b) if so, the details thereof;
- (c) whether the sale proceeds are likely to be utilised by Air India to partly meet its huge debt and liabilities of over Rs. 20000 crore; and
- (d) if so, the details thereof?

**Answer**

Minister of State in the Ministry of CIVIL AVIATION (SHRI K. C. VENUGOPAL)

(a) and (b): Yes, Madam. With the induction of B787 aircraft which is more fuel efficient and more suitable for long routes, it was decided to withdraw the B777-200 aircraft from such routes. Air India (AI) decided to sell 5 of its B777-200 after exploring other operations like leasing, re-configuration of the aircraft and deployment of the same on short haul routes which was found to be unviable. AI has entered into the Purchase and sale agreement with an airline for sale of 5 aircraft at the total consideration of USD 336.5 million. The title of these aircraft will be transferred during the period January 2014 to April 2014.

As approved by the Government under Air India's Turnaround and Financial Restructuring Plan, AI had to induct Twenty Seven B787 aircraft under the Sale and Lease Back (SLB) arrangement. For the first 7 of these aircrafts received, Air India has mandated SLB arrangement with Investec Bank for 4 aircrafts and Deutsche Bank for 3 aircrafts.

(c) and (d): The proceeds received on sale of B777-200 aircraft and sale and lease back of B787 aircraft will be adequate to repay the aircraft loans and the surpluses generated on these arrangement will be used by Air India to meet its working capital needs.