

**GOVERNMENT OF INDIA  
CIVIL AVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:1463  
ANSWERED ON:21.07.2014  
SALE OF AIR INDIA S PLANES  
Venkatesh Babu Shri T.G.

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

- (a) whether Air India has recently sold a number of its planes at throwaway prices;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the loss incurred by Air India as a result thereof?

**Answer**

Minister of State in the Ministry of CIVIL AVIATION (Shri G. M. Siddeshwara)

(a) and (b): No Madam. Air India has sold 5 B777-200LR for a consideration of US \$ 336.5 million to Etihad Airways by following the due process and with the approval of the Competent Authority. The operation of these aircraft had led to huge losses over the years, further aggravating the acute financial position of Air India and the aircraft were found to be uneconomical, primarily due to high fuel cost and low yields due to competition.

(c): In fact, Air India generated a surplus of US \$ 25.735 million after prepayment of the Aircraft loan. Further, a saving of US \$ 5 million per month towards loan and interest repayment was also generated, resulting in improved cash flow. However, based on the book value of the aircraft, book loss on sale of these 5 aircraft would be approximately Rs. 800 crores as the aircraft had depreciated in the books over a period of 20 years while the loans were amortized over a period of 12 years.