

**GOVERNMENT OF INDIA**  
**MINISTRY OF CIVIL AVIATION**  
**RAJYA SABHA**  
**QUESTION NO 24.02.2011**  
**ANSWERED ON**

**AIR INDIA'S POLICY FOR PURCHASE OF AIRCRAFTS**

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Shri Y. S. Chowdary

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

- (a) the details of upgraded policy for national carrier Air India for purchase of aircrafts;
- (b) whether the Ministry has purchased aircrafts worth over 50,000 crore during the last 5-6 years for erstwhile Indian airlines and Air India;
- (c) whether CAG has questioned and sought replies on the merger of AI and IA, loss of market share, amount of losses and even policy of giving upgrades on the airlines;
- (d) if so, the details thereof; and
- (e) the details of total loss to the Government Exchequer due to merger of AI and IA and loss of market share?

**ANSWER**

MINISTER OF OVERSEAS INDIAN AFFAIRS & MINISTER OF CIVIL AVIATION

( SHRI VAYALAR RAVI )

(a) and (b): Erstwhile Air India and Indian Airlines had placed orders with M/s Boeing and M/s Airbus Industries for purchase of 68 and 43 aircraft respectively during 2005/2006.

(c), (d) and (e): As per established procedure, the CAG made certain observations which after replies are under examination of the CAG. The losses incurred by the airline are primarily because of increase in fuel prices, increase in interest and depreciation costs, increase in wage bill and increase in leasing and maintenance cost.