

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 3855
(To be answered on the 9th August 2018)**

MAINTENANCE COST OF VVIP AIR INDIA FLIGHTS

3855. DR. C. GOPALAKRISHNAN

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government has approved a proposal to enhance the expenditure for operation and maintenance of VVIP aircraft of Air India;**
- (b) if so, the details thereof and the reasons therefor;**
- (c) the total amount spent on the annual maintenance of Air India Boeing flights used for VVIPs during the last three years and the current year, year-wise; and**
- (d) the manner in which it would help ease financial burden of Air India?**

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Jayant Sinha)

(a) & (b) The Government has decided to revise the compensation towards maintenance costs on VVIP flight (SESF- Special Extra Section Flights) operations with Boeing 747 aircraft from Rs.336.24 Crore + applicable taxes to Rs.534.38 Crore + applicable taxes for FY 2016-17 with an annual escalation of 10% to compensate for inflation for maintenance of B747-400 aircraft.

The B747-400 aircraft are maintained by Air India exclusively for the purpose of operating SESF flights.

The Government reimburses the maintenance cost of 3 B-747-400 aircraft to Air India. However, the maintenance cost compensation towards B747-400 aircraft for SESF operations has been constant since 2011-12. There has been a substantial increase in expenditure incurred by Air India on the maintenance of this aircraft during this time.

These aircraft are now due for higher maintenance checks. Furthermore, escalation in cost is also due to expenses on spares, as procurement is in dollar terms. There has also been overall cost increase due to rise in cost of spares services and cost related to wages of crew and overheads. Therefore, it was necessary for the Government to review the reimbursement provided to Air

India.

(c) The total amount spent on the annual maintenance of Air India Boeing flights used for SESF during the last three years and the current year are as follows:

Year	Amount (in Rs.)
2015-16	234 crore
2016-17	252 crore
2017-18	294 crore
2018-19	320 crore (Budgeted)

The above expenditure excludes crew and staff salaries, insurance, depreciation and interest on borrowings etc.

(d) The revision of the compensation on SESF operations will help to meet the expenses incurred by Air India for the maintenance and operations of its SESF fleet.

India.

(c) The total amount spent on the annual maintenance of Air India Boeing flights used for SESF during the last three years and the current year are as follows:

Year	Amount (in Rs.)
2015-16	234 crore
2016-17	252 crore
2017-18	294 crore
2018-19	320 crore (Budgeted)

The above expenditure excludes crew and staff salaries, insurance, depreciation and interest on borrowings etc.

(d) The revision of the compensation on SESF operations will help to meet the expenses incurred by Air India for the maintenance and operations of its SESF fleet.

India.

(c) The total amount spent on the annual maintenance of Air India Boeing flights used for SESF during the last three years and the current year are as follows:

Year	Amount (in Rs.)
2015-16	234 crore
2016-17	252 crore
2017-18	294 crore
2018-19	320 crore (Budgeted)

The above expenditure excludes crew and staff salaries, insurance, depreciation and interest on borrowings etc.

(d) The revision of the compensation on SESF operations will help to meet the expenses incurred by Air India for the maintenance and operations of its SESF fleet.