

Total passengers, cargo and overall load factors at Indian Airlines have experienced a similar downward trend. In 1991-92, Indian Airlines earned 88.2% of its revenue from passenger traffic and 5.8% from cargo (including excess baggage). At 8.9 million, passenger traffic was down from a high of 10.44 million in 1987-88. At 98,141 tonnes, cargo was down from a high of 129,629 tonnes in 1988-89. The overall load factor declined from 76.4% in 1988-89 to 69.8% in 1991-92. The decrease in load factor is partly explained by fact that from 1990-91 to 1991-92 capacity increased by 17.6%, while utilisation increased by only 8.9%.

Indian Airlines also provides ground handling services to a number of airlines operating to various airports in India, including PIA, Ariana Afgan Airlines, Air Lanka, Air India, Malaysian Airways, Monarch Airlines, Sterling Airways and Time Air. Handling fees earned Indian Airlines Rs. 128.3 million in 1991-92, up from Rs. 85.6 million in the previous year.

### **Maintenance Facilities**

Maintenance of its fleet of aircraft is carried out at the four engineering bases located at Bombay, Calcutta, New Delhi and Hyderabad, which are capable of carrying out "C" Checks. Indian Airlines also undertakes maintenance work for outside organizations such as Air-India, Royal Nepal Airlines, Vayudoot, the National Airports Authority, the National Remote Sensing Agency, the Border Security Force, and the Indian Air Force. Current Government regulations prohibit Indian Airlines from offering commercial maintenance services to private airlines.

Indian Airlines has three A-320 hangars in New Delhi. In the Avionics Shop, a new ATEC Tester has been commissioned to test A-320 components. The Jet Engine Overhaul Shop does heavy maintenance on JT8D engines. Expansion of the engineering workshop hangar at Bombay, and construction of new hangars in Calcutta and Madras are in progress. There is a Fuel and Oil Testing Lab in Bombay. Indian Airlines also intends to construct engineering sub-bases at Ahmedabad, Bhubaneshwar and Guwahati for night stopping of aircraft.

### **Fleet**

On December 31, 1992, the fleet of Indian Airlines consisted of 52 aircraft: 11 x Airbus A-300, 18 x Airbus A-320, and 23 x Boeing 737. It also has 3 Fokker F-27 aircraft, two of which have been leased to the Coast Guard and 1 to Vayudoot. After losing one B-737 in an accident in April 1993, Indian Airlines has decided to ground four 20-year old B-737s, and dispose of them during 1993-94. It will be left with twelve B-737s which are 10-15 years old and six which are 15-20 years old. In the past three years, Indian Airlines' aircraft utilization hours have dropped considerably. From 1989-90 to 1992-93 the average annual hours of its A-300 aircraft dropped from 2,901 to 2,100; A-320 from 2,080 to 1,900, and B-737 from 2,607 to 1,900.

Indian Airlines plans to augment its fleet on the basis of 8% annual growth in traffic. It has already ordered 12 additional A-320 aircraft. Two of these were received in February and March 1993, five are expected to arrive in 1993-94 and the remaining five in 1994-95. Indian Airlines has entered into a financing arrangement with a consortium of European banks for the purchase of six of the A-320s. Indian Airlines envisages a fleet size of 175 aircraft by 2010, with a mix of 100-, 150- and 300-seat aircraft, at a cost of approximately Rs. 280 billion. For a fleet of this size, Indian Airlines will require 2,000 pilots. According to the long term fleet renewal plan of Indian Airlines, after the year 2000, aircraft will be replaced after 14 to 16 years of service. This will ensure a younger and more modern fleet.

### **Routes**

Indian Airlines has a network of 65 on-line stations. Its domestic network links 54 stations and it serves 11 stations in the neighbouring countries of Pakistan, Nepal, Sri Lanka, Maldives, Bangladesh, Afghanistan, Thailand, UAE and Singapore. During 1991-92, it operated 169 scheduled services daily. Its profitable routes are the trunk routes between Delhi, Bombay, Calcutta, Madras, Bangalore, Hyderabad and Trivandrum. On most other services it breaks even, while it operates a few unprofitable routes as a part of its social obligations.

There has been considerable discussion of an Indian Airlines merger with Air-India. While this may happen in the medium to long term, in the short term, the Government has instructed both airlines to undertake joint fleet planning and route scheduling (see Merger under Airline Management Issues for more details).