

New Delhi. Air-India is looking into the possibility of establishing a third party heavy maintenance facility in collaboration with Hindustan Aeronautics Limited (see Maintenance of Civil Aircraft for details).

Fleet

Air-India's fleet consists of 22 aircraft: 9 x Boeing 747-200, 3 x Airbus A300-B4, 8 x Airbus A310-300, and 2 x Boeing 747-300 Combi. In addition, Air-India has wet-leased one IL-62M aircraft from Aeroflot for its Moscow operations and one IL-76 freighter from Aeroflot for freighter operations on the India/Moscow/Zurich route. It has also leased one DC-8 for its Madras/New York cargo route. The corporation is investing Rs. 19.03 billion to acquire four Boeing 747-400 aircraft. Air-India will take delivery of the first aircraft in August 1993. It is scheduled to receive the second in November 1993, the third in December 1993 and the fourth in June 1994. It plans to convert its A-300s into freighters. Air-India is carrying out a survey to select a medium capacity (250-seat) aircraft with long range intercontinental capability, for which it is said to be evaluating the A-340, the MD-11, and the B-767X. Air-India is planning to add 10 more long range aircraft by the end of the decade. Boeing, which is trying to persuade Air-India to purchase the B-777, predicts that the Indian aviation market could spend as much as US\$ 7 billion over the next decade to meet rising air traffic demands. In order to have a younger and more modern fleet, Air-India has drawn up a long term fleet renewal plan which envisages replacement of aircraft after 10 years instead of the current standard of 20 years.

Routes

Air-India operates scheduled passenger services to the following destinations (frequencies per week are given in brackets): USA (7), Toronto, Canada (2), London (2), Europe (8), Japan (6), Singapore (10), Gulf countries (57), Moscow (2), East Africa (3), Thailand (2); and freighter operations - India/Moscow/Zurich (2), and Madras/New York (1).

Air India plans to introduce flights to South Africa, Scandinavia, Philippines and Indonesia in the near future. Later it intends to fly through China and Japan to the west coast of the USA, and through Spain to South America. Before the end of the decade it intends to fly the Trans-Polar route to the USA west coast.

INDIAN AIRLINES

Indian Airlines, like Air-India, was set up under the Air Corporations Act, 1953. Primarily a passenger airline, its main objective is to provide safe, efficient, adequate, economical and properly co-ordinated air transport services. Its Corporate Headquarters are in New Delhi. It has four Regional Offices located in Bombay, Calcutta, Delhi and Madras.

In May 1993, Mr. L. Vasudev, resigned as Chairman of Indian Airlines. Mr. Brijesh Kumar, Joint Secretary, Ministry of Civil Aviation, has been given the additional responsibility of heading the airline until a new Chairman is appointed. Indian Airlines has been known for its inability to maintain on-time departures, its indifferent service and labour unrest. It currently has over 22,000 employees. The most recent labour incident was a 46-day strike by its pilots from December 10, 1992 to January 24, 1993, which cost the airline Rs. 466 million. The emergence of significant private sector competition, primarily on the major trunk routes, is forcing Indian Airlines to improve its performance, service and labour relations. In response to competition from private airlines, Indian Airlines has announced that it will soon provide business class service in its A-320 aircraft. In the last year, 101 pilots, 40 engineers and 12 instructors have left Indian Airlines, mostly to join one of the private sector airlines. Indian Airlines requires 100 commanders for its twenty A-320 aircraft and 95 for its B-737s, for which it respectively has only 67 and 46 pilots. In July 1993, 40 of Indian Airlines' 70 pilots in the southern region sought no objection certificates to leave the airline. As the demands leading to the December 1992 strike have not yet been addressed, there has been talk of another strike in December 1993. Contact information for Indian Airlines is included in Appendix F.

Performance and Financial Summary

On March 31, 1991, Indian Airlines' capital stood at Rs. 1.05 billion, out of which Rs. 549.2 million was equity capital and Rs. 500.4 million was loan capital. The financial results for the year 1991-92 show an operating profit of Rs. 183.28 million and an overall before tax loss of Rs. 1.99 billion, compared to the previous year's operating profit of Rs. 507.7 million and before tax loss of Rs. 643.9 million. This continues a steady downward trend from a peak operating profit of Rs. 1.06 billion and before tax profit of Rs. 756 million in 1987-88. Preliminary estimates for 1992-93, project that Indian Airlines had a before tax loss of Rs. 1.5 to 2.1 billion.