

<u>NAME</u>	<u>BASE</u>	<u>ROUTES</u>
ARCHANA AIRWAYS	Delhi	Regional
CITYLINK AIRWAYS	Delhi	Major routes
DAMANIA AIRWAYS	Bombay	Major routes
EAST WEST AIRLINES	Bombay	Major routes
JET AIRWAYS	Bombay	Major routes
MODILUFT	Delhi	Major routes

In addition, there are five companies offering strictly air taxi operations, i.e. on a charter basis:

<u>NAME</u>	<u>BASE</u>	<u>FLEET</u>
AERIAL SERVICES PVT LTD	Bombay	Fixed Wing
DELHI GULF AIRWAYS	Delhi	Helicopter
INDIA INTERNATIONAL AIRWAYS	Delhi	Fixed wing
MESCO AIRLINES	Delhi	Helicopter
TRANS BHARAT AVIATION	Delhi	Fixed wing

Operations

The five private airlines operating on the major routes are actively competing with Indian Airlines, particularly on the Bombay-Delhi sector. They all offer superior in-flight service for the same fare that Indian Airlines charges ("air taxis" are not permitted to charge lower fares than Indian Airlines). Two of the operators have separate classes in their Boeing 737 configuration: Jet Airways has business and economy; and Modiluft has first, business and economy.

Despite the roadblocks and uncertainties, the private airlines have begun to make their presence felt, especially in Bombay. While in 1988-89, the national carriers handled 100% of India's domestic traffic, in 1992-93, their share dropped to 90%. Furthermore, in Bombay, where most private airlines are based, they have a total of 28 arrivals and departures compared to 38 for Indian Airlines, and they handle over 16% of domestic passengers. The number of passengers carried annually by private operators has increased from less than 600 in 1990-91 to almost 700,000 in 1992-93, of which East West Airlines accounts for 80-85%. Most private airlines have been operating at or above their break even load factors.

In total, private airlines with scheduled services operate almost 25 aircraft, with expansion plans to add another 20 aircraft within the next year. The largest, East West Airlines, has been operating for almost 18 months and has a fleet of ten aircraft. The remaining companies have all commenced operations within the past five months and have small fleets of less than five aircraft. Except for Archana Airways, all of the private airlines are operating leased aircraft, with the aircraft of choice being the Boeing 737-200. Until these private airlines become more firmly established, and legislation is passed to legalize scheduled operations, it is unlikely that they will be in a position to purchase aircraft. While all of the private airlines have announced fleet expansions, most are currently on hold because of the uncertain political climate.

Recent reports indicate that Citylink may wind up its operations in July upon the expiry of its aircraft lease. There are also reports that UB Air, Sahara India Airlines and Raj Aviation will start operations shortly. Two private airlines, Modiluft and East West, have received landing rights to Gulf countries, and have been seeking permission from the Indian government to fly these routes. Modiluft has an upcoming public issue to raise funds and East West has made several announcements that it intends to have a public issue as well. No doubt others are contemplating it, particularly once the primary market regains its buoyancy. Air fares in India are charged either in Rupees for Indian residents or US dollars for foreigners, with the value of the hard currency ticket being approximately 50% higher than that of the Rupee ticket. This makes foreign passengers very attractive, and several of the private airlines have sought and concluded interline agreements with Air-India and major international carriers. A profile of each private airline and air taxi operator, as well as a listing of all the companies that have been involved or have announced their involvement in the business, are included in Appendix I.

An Association of Air Taxi Operators was launched earlier this year to lobby for its members. It has not been successful to date and is, in effect, inoperative, perhaps due to the fact that most operators, in the current rapidly changing circumstances, spend all their time fighting for their individual, rather than their collective, rights.