

## 9. INDIAN AIRLINES LIMITED

### 9.1 ORGANISATION

9.1.1 Indian Airlines was set up under the Air Corporations Act, 1953 with an initial capital of Rs. 3.25 crores with its Corporate Headquarters at Delhi. The undertaking of Indian Airlines was transferred to and vested in Indian Airlines Limited with effect from 1st March, 1994 in pursuance of the Air Corporations (Transfer of Undertakings and Repeal) Act, 1994. It has four Regional Offices located at Mumbai, Kolkata, Delhi and Chennai. Its main objective is to provide safe, efficient, adequate, economical and properly co-ordinated air transport service. It is basically a passenger oriented Airlines which operates to 63 domestic stations (including Alliance Air operations) and 17 international stations in 13 countries Karachi(Pakistan), Kathmandu(Nepal), Colombo(Sri Lanka), Male(Maldives), Dhaka, (Bangladesh), Bangkok (Thailand), Sharjah, Fujairah, Ras-al-Khaimah (U.A.E.), Doha(Qatar), Bahrain, Muscat (Oman), Kuala Lumpur(Malaysia), Yangon (Mynamar), Kuwait and Singapore.

### 9.2 OPERATIONAL FLEET

9.2.1 The Operational Fleet of Indian Airlines/Alliance Air at present is as under:

	No of Aircraft	Average 31st Dec., <b>Years</b>	Age as on 2000 <b>Months</b>
Airbus A-300	10*	20	03
Airbus A-320	30	09	05
Boeing-737	11	19	03
Dornier	03	15	06
Total	54		

\*includes 2 A-300 taken on dry lease.

All Boeing 737-200 aircraft are being operated by Alliance Air.

### 9.3 OPERATIONS

#### 9.3.1 NEW INTERNATIONAL AIRLINKS

- i) Bangkok-Singapore
- ii) Delhi-Bangkok
- iii) Hyderabad-Doha
- iv) Cochin-Doha
- v) Chennai-Muscat

#### 9.3.2 NEW DOMESTIC AIRLINKS

- i) Goa-Agra(One way)
- ii) Udaipur-Jaisalmer(Seasonal)

#### 9.4 CAPITAL STRUCTURE

9.4.1 There has been no change in the capital structure during the year. Company's capital as on 31.3.2000 stood at Rs. 105.19 crores in the form of equity capital. This includes loan capital of Rs. 50.04 crores converted into equity capital in June, 1995.

#### 9.5 FINANCIAL PERFORMANCE

9.5.1 There has been an operating profit of Rs. 199.81 crores during the year 1999-2000 and net profit (Before Tax) of Rs. 51.42 crores compared to net profit (Before Tax) of Rs. 14.17 crores during the year 1998-99.

9.5.2 Net Profit for the third consecutive year has been achieved inspite of sluggish industrial growth and over-capacity in the domestic market, mainly due to marketing initiatives, capacity redeployment and cost cutting measures undertaken by the company. Although there was no fare increase during the year under review, the Company has achieved an Operating Profit of Rs. 199.81 crores and a Net Profit of Rs. 51.42 crores during the year 1999-2000.

9.5.3 Financial Results for the year 1998-99 and 1999-2000 and for the period April-December, 2000 vis. vis April-Dec., 1999 are summarized below:-

(Rs.in crores)

	1998-99	1999-2000	April-Dec 1999	Apr-Dec 2000
Operating Revenue	3423.57	3549.17	2677.90	2754.20
Operating Expenses	3129.33	3349.36	2496.80	2816.50
Operating Profit/ (Loss)	294.24	199.81	181.10	(62.30)
Non-Operating Revenue	22.04	16.71	4.85	40.20
Non-Operating Expenses	302.11	165.10	134.70	125.30
Profit/(Loss) before tax	14.17	51.42	51.25	(147.40)
Profit/(Loss) after tax	13.12	45.27	51.25	(147.40)
Foreign Exchange Earnings	1400.88	1313.20	901.85	884.25

There has been no fare increase during 2000-2001 (Upto December, 2000). The year is expected to close with a profit of Rs.5.65 crores (Before tax) (Based on IEBR Projections, subject to change at the time of finalisation of Revenue and Expenditure Budget).

## 9.6 RESERVES & SURPLUS

9.6.1 The position of the Reserves and Surplus, Loan Funds as on 31.3.1999 and 31.3.2000 are summarised below:-

(Rs.in crores)

Particulars	As on 31.3.1999	As on 31.3.2000
Equity Capital	105.19	105.19
Reserves & Surplus	548.54	551.39
Secured Loans	73.04	51.05
Unsecured Loans (Liability for aircraft & spares)	2041.60	1627.88
Net Worth	94.41	142.53

## 9.7 PERFORMANCE RATIO

9.7.1 The financial performance ratios of Indian Airlines for the last 7 years are as follows:-

Particulars	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
i) Ratio of Operating Profit/(Loss) to operating Revenue(%)	(3.8)	1.77	6.35	4.75	7.98	8.59	5.63
ii) Ratio of net Profit(before tax)to equity capital	-	-	-	-	44.94	13.46	48.88
iii) Ratio of net Profit(before tax)to capital employed	-	-	-	-	1.89	0.64	2.84
iv) Ratio of Current Assets to	1.2	0.81	0.70	0.68	0.66	0.61	0.53

Current Liabilities							
v) Ratio of Net Profit(before tax) to Net Worth	-	-	-	-	59.27	15.01	36.08
vi) Operating Ratio(Ratio of Operating Expenses to Operating Revenue)	103.80	98.23	93.66	95.25	92.02	91.41	94.37
vii) Available Tonne Kilometers per employee	47325	47674	48187	50166	51656	53209	54072
viii) Revenue Tonne Kilometers per employee Based on average no. of employees	31133	31861	33217	32574	33106	33632	35484

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#### 9.8 PHYSICAL PERFORMANCE

Particulars	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00
Available Tonne Kilometers (ATKMs) (Million)	1056.888	1025.754	1045.813	1075.238	1094.132	1122.922	1120.926
Revenue Tonne Kilometers (RTKms) (Million)	695.291	686.329	722.686	698.116	700.896	709.079	740.285
Overall Load Factor(%)	65.8	66.9	69.1	64.9	64.1	63.1	66.0
Revenue Pax carried (Million)	7.891	7.635	7.742	7.098	6.363	6.069	5.927
Freight including excess baggage(Tonnes)	85204	87854	93430	85766	82150	86317	91392

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12 Boeing 737 aircraft were made available to M/s. Airline Allied Services Limited a wholly owned subsidiary of the Company, during 1996-97 in a phased manner. Out of twelve Boeing 737 one aircraft met with an accident in Patna on 17th July, 2000.

#### 9.9 PHYSICAL & FINANCIAL PERFORMANCE

9.9.1 The Company formulated its Budget Estimates for the year 2000-2001 on the assumption of carriage of 16518 passengers per day on an average.

9.9.2 During the current year there was decline in the number of passengers flown due to sluggish market. The financial performance of the Company during the current year i.e. 2000-2001 will be lower than the Budget Estimates. This is due to substantial increase in various input costs since the preparation of Budget in December, 1999. Since then, increase in Sales Tax, International Fuel prices, Domestic ATF Rates, Landing & Navigational Charges and Foreign Exchange Rates etc. have taken place which have put tremendous pressure on the margin. Additional revenue through fare increase has been considered to offset a part of increases in input costs. The year will now end up with an Operating Profit of Rs. 125.15 crores and a Net Profit (Before tax) of Rs. 5.65 crores (Based on IEBR Projections, subject to change at the time of finalisation of Revenue and Expenditure Budget).

9.9.3 The estimated physical and financial performance during 2000-2001 as compared to budget estimates is as follows:

	Budget Estimates	Anticipated
Available Tonne Kilometers (Million)	1137.505	1152.000
Revenue Tonne Kilometers (Million)	732.205	768.000
Passenger Load Factor(%)	63.8	64.1
Overall Load Factor(%)	64.4	66.7
Passenger carried(Million)	6.029	5.791
Operating Revenue (Rs. in crores)	3681.00	3883.00
Operating Expenses	3508.25	3757.85

(Rs. in crores)

Operating Profit/(Loss) (Rs. in crores)	172.75	125.15
Total Revenue(Rs. in crores)	3687.50	3924.50
Total Expenses(Rs.in crores)	3658.75	3918.85
Net Profit/(Loss)(before tax) (Rs. in crores)	28.75	5.65
Foreign Exchange Earnings	1460.00	1400.00

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\*Based on IEBR Projections, subject to change at the time of finalisation of Revenue and Expenditure Budget).

#### 9.10 ANNUAL PLAN 2000-2001 - A REVIEW

9.10.1 The Company's annual plan for the year 2000-2001 was approved by the Government with an outlay of Rs. 550.00 crores. The Company has formulated the Capital Budget Estimates for 2000-2001 keeping its requirement at Rs. 550.00 crores.

9.10.2 As against above, the outflow of 2000-2001 on account of capital expenditure is now estimated at Rs. 588.81 crores. The main reason for variation between the original Budget Estimates and anticipated expenditure is the increase in outgo for aircraft fleet where there is an increase of Rs. 13.83 crores due to higher exchange rate and 25.00 crores towards advance payment. Provision has been made in anticipated expenditure towards advance payment in the end of this financial year for 50 seater aircraft or any other type of new aircraft. Details of the expenditure of 2000-2001 Budget Estimates vis-a-vis outgo (provisional) are as under (Based on IEBR Projections, subject to change at the time of finalisation of Revenue and Expenditure Budget):

	Budget Estimates 2000-2001 (Rupees in crores)	Provisional 2000-2001
Aircraft Fleet	496.48	535.31
Building Projects	6.88	5.66
Computer/Communication	19.07	19.81
Corporate Computerisation	13.00	8.69
Ground Support Equipment including vehicles	6.62	11.34

Others(Renovation of	7.95	7.00
Booking office,furniture & fixture and unforeseen expenses etc.)		
Grant in aid to IGRUA	-	1.00
Total	550.00	588.81

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#### 9.11 WORKSHOP BUILDINGS & OPERATIONS BUILDINGS, BOOKING OFFICES AND STAFF QUARTERS

9.11.1 The Hangers at Chennai, Mumbai and Kolkata, Engine Run-up Bay and Blast Fence at Mumbai, Avionics Shop at Delhi, GSD Hanger at Hyderabad Engineering Base, Structural repairs and protective/water proofing treatment of the old cantilever prestressed hanger at Mumbai have been completed and Commissioned. Stores Building at Delhi is in progress.

Besides the above, major renovation of IA offices/Counters at Delhi, Bangalore, Hyderabad (Airports) and Staff Quarters at Delhi/Amritsar/Bangalore have also been completed.

#### 9.12 HRD INITIATIVES

9.12.1 As per the Memorandum of Settlement signed between Indian Airlines and the Ministry of Civil Aviation for 2000-2001, the target of 5600 employees to be trained has been set. As on 30th November, 2000, Indian Airlines have trained 4107 employees.

#### 9.12.2 MANAGEMENT TRAINING CENTRE

\* The Management Training Centre has introduced several new programmes in 2000-2001. Some of them are given below:-

- a) Managing Teams
- b) Managing Emotions
- c) Strategies for Peak Performance
- d) Managerial Wisdom
- e) Problems Solving & Decision Making
- f) Seven Habits for Highly Effective people.

9.12.3 Two programmes on Personal Effectiveness for Cargo Profit Centre were conducted in their effort to get ISO 9000 Certification.

9.12.4 A programme on Personal Effectiveness for women Executives was organised during 2000.

9.12.5 Three programmes on "Effective Trade Union

Management" were organized at the Management Training Centre. A total of 75 office bearers of Unions/Associations attended the programme.

9.12.6 The Central Training Establishment(CTE) is the best-equipped facility of its kind in South Asian Region since its inception in 1958. The establishment has developed into an internationally acclaimed epicenter for training of all aspects of Civil Aviation. CTE has been conceived and is being developed like an university devoted to civil aviation and air transportation. CTE, therefore, attempts to use all facilities relating to training in the field of aviation management within a single campus. The CTE continues to extend the infrastructure facilities for training demands of external agencies, airlines and private candidates apart from fulfilling the training commitments of Indian Airlines and Alliance Air.

9.12.7 Following upgradation of ILS system in December, 1999 at Delhi, CTE conducted low visibility training for pilots covering all pilots on A320/A 300 aircraft, CAT II/CAT III and TCAS programmes were conducted.

9.12.8 Core competence and infrastructure facilities at CTE helped Indian Airlines' participation and supportive roles in organizing "Flight Simulator Approval Course" under the aegis of Director General Civil Aviation (India), Airbus Industrie, France, other airlines in India and abroad and with the help of Co-operative Development of Operational Safety and Continuing Airworthiness(COSCAP) of South Asia(April 2000).

9.12.12 Following the hijack of Indian Airlines Airbus A300 aircraft(IC-814 on 24th Dec 1999), seminars were held for senior pilots, flight safety officers and faculty members of CTE to develop special/integrated training module for future which incorporates and focuses on "Role of Human Factors in improving Aviation safety". Under the guidance of Bureau of Civil Aviation Security, special training programmes were held in which IA participated, covering nearly 400 pilots of Indian Airlines and Alliance Air to highlight handling in crisis situations, human factors, safety devices. These were later incorporated/emphasized in the Training Manual.

#### 9.12.13 COMMERCIAL TRAINING COLLEGE

On Indian Airlines getting Quality Accreditation for ISO 9002 from the Registrar of Accreditation (RAB) of USA, the commercial training college conducted revised Basic Dangerous Goods programmes to cover all the cargo personnel of Indian Airlines.

#### 9.12.14 THE GROUND SUPPORT TRAINING SCHOOL

Organised special programmes for Plant/Ground support officials/technicians for ramp equipment operations and maintenance apart from functional training courses for operators and drivers.

#### 9.12.15 THE CABIN CREW TRAINING SCHOOL

Conducted induction courses for the 38/39th batch of Cabin crew, in addition to Refresher courses of all Senior Cabin Crew.

Rajbhasha section spearheaded CTE's contribution for implementation of official language policy. Pushpak for 1999/2000 was published on the occasion of Rajbhasha Swarna Jayanthi celebrations which concluded on 14.9.2000.

#### 9.13 SCHEDULED CASTE/TRIBE WELFARE/HUMAN WELFARE

9.13.1 Special Cells have been formed under the direct supervision of Liaison Officer (Corporate) at Headquarters and one each in the four regions viz. Northern, Southern, Eastern and Western. Adequate number of Scheduled Caste/Tribe employees man these Cells and are primarily responsible to ensure implementation of reservation orders in the organisation and also to deal with individual grievances and representations submitted by Scheduled Caste/Tirbe employees.

9.13.2 Periodical meetings are held with scheduled Caste/Tribe Associations both at the Central and Regional level.

#### 9.14 WOMEN WELFARE

9.14.1 Indian Airlines had a staff strength of 19744 employees as on 30.12.2000, out of which 2853 are women employees.

9.14.2 Indian Airlines is amongst the few organisations in the world to employ women in highly skilled vocations such as flying and maintenance of aircraft.

9.14.3 Today, the airline has as many as 19 woman Pilots whom six are Commanders. In addition, there are 10 Aircraft Engineers, 28 aircraft Technicians and besides 2196 women in other categories. Women constitute over 13.81 per cent of the total workforce in the airline at present.

9.14.4 Indian Airlines is a life member of Forum of Women in Public Sector(WIPS) which has been formed under the aegis of SCOPE and actively participates in all the activities of this forum.

9.14.5 Indian Airlines also conducts Springboard Women Development Training Programme exclusively for women. This Programme has been designed by Liz Wills and Jenny Daisley of the Springboard Consultancy, U.K. This programme is specifically devised for organisations that are committed to help their women employees gain their full potential.

9.14.6 As per the guidelines issued by the National Commission for Women, Indian Airlines has formed Women Cell at Headquarters and in each of the four Regions to follow up developmental activities for women. These Cells are functioning effectively.

9.14.7 In pursuance to the Order of the Supreme Court case of Vishakha and Others Vs. State of Rajasthan, the following actions have been taken:-

- 1) Prohibition of sexual harrasment has been expressed at all the work places.
- 2) List of Do's and Dont's prepared by National Commission of Women has been displayed at work places.
- 3) In addition to the existing Women Cells, Cells to look into the complaints received regarding sexual harrasment have been formed in Headquarters and in all the Regions and these have been given wide publicity.
- 4) The two sets of Standing Orders concerning Discipline & Appeals have been amended to include sexual harrasment in the list of misconduct.

## 9.15 SPORTS

### 9.15.1 CARROM

World Championship held in Delhi, M. Nataraj finished 3rd in the individual Championship and was a member of the World Cup winning Indian team.

### 9.15.2 CHESS

Ms. S. Vijaylakshmi, finished 4th in the WIPRO Grandmaster Tournament at Hyderabad and became the first "WOMEN GRANDMASTER" in India.

Indian Airlines won the title in the All India Public Sector Chess tournament at Ahmedabad and finished runner-up in the 2nd Inter Institution Chess at Chennai.

Tejas Bakre won the National "B" Chess Championship at Jamshedpur.

Ms.S. Vijayalakshmi and S. Meenakshi represented India in the Chess Olympiad at Istanbul and S. Vijayalakshmi won a Silver Medal.

Satyapragyan won the U-25 Chess Championship held at Bangalore and Ms. S. Meenakshi won the Junior National Chess Championship held at Calicut.

#### 9.15.3 CRICKET

J.Srinath and Nikhil Chopra were members of the Indian team which won the one day series against South Africa.

Vijay Dahiya and Yuvraj, Scholarship holder were members of the Indian team in the ICC 2000 knock out trophy at Nairobi and 3-Nation tournament at Sharjah.

J.Srinath, Yuvraj, Vijay Dahiya and V.V.S.Laxman were members of the Indian team for the test series against Zimbabwe.

Nikhil Chopra, Yuvraj and Vijay Dahiya were members of the Indian team which won the one-day series against Zimbabwe.

#### 9.15.4 HOCKEY

Sameer Dad, Dilip Tirkey, Mohd. Riaz and Harendra Singh (Asstt. Coach) were members of the Indian team which toured Australia and won the 4 Nation cup.

Indian Airlines were the winners of the Obaidullah hockey tournament at Bhopal, Shere-I-Kashmir at Jammu and the 60th National Hockey tournament held in Jammu.

Mohd.Riaz, Mukesh Kumar, Dilip Tirkey, L.Barla, Sameer Dad and Harendra Singh(Asstt. Coach) were members of the Indian team for the Sydney 2000 Olympics.

#### 9.15.5 SHOOTING

Vivek Singh was honoured with the prestigious "Arjuna Award" and became the 14th employees from Indian Airlines to be honoured.

Ms. Swata Chaudhary(Gold), Zakir Khan and Alok Singh (Silvers) all scholarship holders won medals in the National Shooting Championship at Phillaur.

Indian Airlines won the team Championship in the Northern India Shooting Championship and Vivek Singh was awarded the Best Shooter Award in the same tournament.

#### 9.15.6 GOLF

Indian Airlines won the All India Public Sector Golf held at Sambalpur.

M.P. Singh and Capt. Ahluwalia won the ITDC Chivas Regal Corporate Golf tournament held in Delhi.

9.15.7 TABLE-TENNIS

\* Indian Airlines team finished runner-up in the 21st Wings of Frienship Inter Airlines (WOFIA) hosted by indian Airlines at Goa in July 2000.

9.16 ENGINEERING

9.16.1 i) Global Positioning System (GPS) is being installed on all Boeing 737-200 aircraft. This retrofit has been completed on nine(9) aircraft.

ii) Solid State Cockpit Recorder (SSCVR) is being installed progressively in A-320 fleet. This equipment has two hours of recording capability on a solid state memory in place of 30 minutes magnetic tape on earlier equipment. Repair facilities for this equipment has been set up Radio Shop, Delhi after successful completion of training by the vendor.

iii) Retrofit of Cargo Smoke Detection and Fire extinguishing system on Boeing 737-200 fleet is under progress.

iv) The process for retrofit of Enhanced Ground Proximity Warning System (EGPWS) has been initiated.

9.16.2 Life development of `C' check on A320 aircraft from 4000 flying hours/3200 cycles to 4200 flying/3200 cycles has been achieved.

Life development has been done on following components also:-

i) A320 NLG Uplock Overhaul at 5000 landings  
Assembly Condition Monitoring.

ii) A320 Thrust Reverse Bench Check at 15000 hours  
Hydraulic Control Unit Filler Check at `A' check.

iii) A300 Fan Reversers Overhaul at 8000 cycles  
Overhaul at 9000 hours.

9.16.3 A DGCA mandatory major structural modification on A320 aircraft involving replacement of five frame sctions was carried out in-house on all affected aircraft of our fleet, well before the FAA set time limit. Incorporation of another major modification f re-enforcement of pressure floor in the wheel well area is in progress.

9.16.4 i) As a part of shop improvement efforts, a sophisticated painting booth with automatic temperature and humidity control has been established. This will bring about

qualitative and quantitative improvements in the performance of the painting shop. Also this is expected to reduce the man-hours and paint consumption to a great extent.

ii) In-house test set up has been established for B737 TCAS/ATC Controller and necessary approvals have been obtained from DGCA for the same. The units which until now were being sent to vendor for repairs will be serviced in-house, thereby saving considerable foreign exchange.

iii) APU Centre, Kolkata has established repair facility for a duct (P/N 38104326) of A320 APU. By repairing this duct in-house, considerable foreign exchange is being saved as a new duct costs USD 20,000. Some of the ducts which were earlier being scrapped by vendor were also salvaged.

9.16.5 Engineering Department is carrying out progressive computerization of engineering activities. QC computerization in Northern Region is already complete while in Western Region it is planned to be completed in next three months.

9.16.6 To comply with the ozone protection rules, a new rain repellent fluid has been developed and the old one is no longer in production. Necessary modification of A320 fleet has been carried out and now we are using ozone friendly rain repellent fluid on our aircraft.

#### 9.17 JET ENGINE OVERHAUL COMPLEX

9.17.1 Full JT8D engine work-load is continued to be undertaken in-house.

Till January, 2001, a total of 360 Engines (260 JT8D and 100 V2500 Engines) have been serviced by JEOC.

9.17.2 The HPC module training is over and the V2500 Engine, with first HPC module refurbished in-house, has been giving satisfactory performance. Another HPC is under final stages of assembly. Tools/Equipments are being upgraded for handling V2500 engine modules/parts. The piece-part repair is being increased, which includes Plasma Repair and Weld Repair. This is to reduce the turn-around time of the engine and reduce the repair cost of the engine parts. The Draft Shop System Manual has been compiled and is in the process of approval. This is an essential step towards obtaining FAA approval for the shop. The FAA approval shall enable us to undertake 3rd party work.

## 9.18 COMPUTERIZATION

### 9.18.1 YEAR 2000 COMPLIANCE

Indian Airlines successfully migrated its systems including Airborne Systems, Computer Hardware, System Software, Communication and Network Equipment, Test Equipment and Computerised Applications to the year 2000. This was achieved through a detailed in-house assessment, rigorous testing and remedial actions carried out during the year 1999. The Y2K compliance was successfully cleared by an external audit agency and also by an expert of the

International Civil Aviation Organisation. The transition to the Year 2000 has been smooth and there was no disruption to the operations and services with a few flights actually having been operated during the roll-over period.

### 9.18.2 INDIAN AIRLINES WEB SITE

The Web Site of Indian Airlines, which is hosted in the server of the National Informatics Centre, was upgraded during the year for on-line access to the Indian Airlines Host. A new address, i.e. [www.indian-airlines.com](http://www.indian-airlines.com) has been  
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registered which is hyper linked to the web site of Indian Airlines and the following facilities are now available to the Internet clients:-

- \* On-line Schedule Information.
- \* On-line Seat Availability Status.
- \* On-line Frequent Flyer Mileage Status.
- \* Information on IAL maintenance infrastructure facilities.

The work is under progress to upgrade the Web Site further to provide the following facilities:

- \* Arrival and Departure Information.
- \* PNR Status.
- \* On-line Fares.

### 9.18.3 INTERACTIVE VOICE RECOGNITION SYSTEM (IVRS)

Interactive Voice Response System (IVRS) have been installed at Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad Airports with multiple telephone lines. These systems retrieve the latest information from the Indian Airlines Host Computer and translate this into simple language to the caller. With this facility anyone check the status of a flight through dialing on phone.

### 9.18.4 INTERACTIVE SELL USING EDIFACT FOR CRS COMPANIES

Interactive Sell facility - Higher Level of Participation in Central Reservation Systems (CRS) for Global Travel Agents using Standard EDIFACT formats has been

implemented for the three major CRS systems namely, SABRE, ABACUS & GALILEO. This will enable travel agents world over to make bookings in our system in on-line mode.

#### 9.18.5 COMPUTERISED CHECK-IN

\* Host based check-in facility has been introduced at Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bangalore and Trivandrum.

\* Advance Seat Reservation System(ASR) was introduced from Delhi Mumbai, Chennai, Kolkata, Hyderabad and Bangalore. This facility enables executive class passengers to pre-reserve their seats in the Aircraft at the time of booking or on request.

The work is under progress to implement the following facilities:-

\* To extend host based check-in at the following stations on IAL network. The project is being executed in two phases, and the phase-wise coverage is as follows:

Phase-I Stations: Ahmedabad, Calicut,  
Varanasi, Patna, Lucknow, Coimbatore,  
Aurangabad, Ranchi, Srinagar, Jammu.

Phase-II Stations: Goa, Pune, Guwahati,  
Indore, Vishakhapatnam, Bhubaneshwar, Nagpur,  
Baroda, Jaipur, Udaipur.

\* To enhance/upgrade the DCS facilities at the six metros by introducing baggage tags and boarding pass printing by using Thermal Printers.

\* To introduce through check-in facility with other airlines using EDIFACT. This feature supports automatic check-in on flights hosted in the systems of other airlines. The Boarding Pass and Bag Tags are issued at the starting point and baggage is booked through.

#### 9.19 PRODUCT IMPROVEMENT

9.19.1 Advance seat Reservation - facility of advance seat reservation for executive class passengers/frequent flyer members has been introduced effective 29th March from six major metros i.e. Delhi, Mumbai, Kolkata, Chennai, Hyderabad and Bangalore. The facility enables a passenger to seat selection at the time of making reservations which is available upto departure minus 4 hours of the flight.

9.19.2 Interactive Voice Response System for flight information with the call transfer facility to the manual enquiry desk has been introduced at Delhi, Mumbai, Kolkata, Chennai, Hyderabad and Bangalore. There are 20 lines each at

Delhi, Mumbai, Kolkata and Chennai and 10 lines each at Hyderabad and Bangalore. The introduction of above facility has considerably improved the system of dissemination of flight information.

9.19.3 Advanced seat reservation facility is being offered to all J Class and FFP Passengers at the six major metros. Moreover, meet and greet service at Mumbai and Delhi for international passengers connecting to domestic sectors has been introduced. Indian Airlines has also introduced IA flyaways scheme international holiday packages as well as domestic holiday packages for its passengers travelling to Bangkok, Singapore, Kuala Lumpur and Colombo and Goa, Kerala, Karnataka and Jaisalmer respectively. Sleepovers tie-up has also been launched with group of hotels at six major metros where Indian Airlines passengers get special rates.

## 9.20 FARES

9.20.1 Indian Airlines has not effected any increase in fares on North-East sectors, since October, 1997. Fares on North-East are about 30-35% on an average lower than the fares on other domestic sectors having comparable distances.

9.20.2 As per Government Notification dated 2nd May, 2000, IATT has been exempted on all Sectors within North-East.

9.20.2 Indian Airlines offers 50% discount in air fare to all Senior Citizens who are residing in India, for travel on its domestic sectors. This discount was being offered to all Senior Citizens who had completed 65 years of age on the date of commencement of travel. With effect from 9th August, 2000, Indian Airlines has reduced the age for availing this discount, in the case of female passengers from 65 to 63 years.

## 9.21 CARGO PROMOTIONAL ACTIVITIES

9.21.1 Indian Airlines and M/s. Emery Worldwide of USA entered a new marketing alliance w.e.f. 15th August, 1999 for assured movement of international cargo from Singapore to India. Indian Airlines generated a revenue of Rs. 3.83 crores during 10 months period effective August 1999 to June 2000.

9.21.2 There was an increase of approx. Rs. 1722 lakhs and Rs. 4.36 lakhs in domestic and international cargo sales respectively during 1999-2000 over the preceding year due to marketing efforts including productivity linked incentive scheme for cargo agents.

9.21.3 The Achieved revenue and tonnage (Indian Airlines/ Alliance Air) for cargo/excess baggage/mail during 1999-2000 recorded an increase of approx. Rs. 10.11 crores and 7 thousand tones over the preceding year as follows:

Cargo/Excess Baggage/Mail	1999-2000	1998-1999
Revenue (Rs.in crores)	379.98	269.87
Tonnage (in lakh tonnes)	1.20	1.13

## 9.22 USE IN HINDI

9.22.1 Cash awards given to the winners of different Hindi competitions organized during the course of Hindi week/fortnight have been enhanced from Rs. 500/- to Rs. 1000/-. Similarly the amount given to outstations for this purpose has also been increased from Rs. 2000/- to Rs. 4000/-.

9.22.2 Incentive being given to the employees for providing articles in in-house magazines has also been increased from Rs. 250/- to Rs. 500/-. Retired employees have also been brought under the purview of this scheme.

9.22.3 Honorarium being given to the outside faculty for delivering lectures in the Hindi Workshop Training programmes has also been increased from Rs. 100/- to Rs. 300/-per hour.

9.22.4 An amount of Rs.1000/- per year is ear-marked for each out station to purchase Hindi books. This amount has been doubled.

9.22.5 The facility of printing bilingual ticket through computer has been extended to the Parliament House Booking Office of Indian Airlines. Previously this facility was available at the booking office situated at PTI Building.

9.22.6 Indian Airlines was given Nagar Vimanan Rajbhasha Shield for outstanding Hindi work. All regional magazines viz. Purvodaya, Uttari Uran, Pashimi Uran, Dakshim Sagar and Pushpak were also awarded by the Ministry.

## 9.23 ACTIVITIES & ACHIEVEMENTS

9.23.1 An important function of the Vigilance Department is to advise on improvements in procedures and practices. Special emphasis was laid down on this preventive aspect of the Vigilance so that evil of corruption could be nipped in the bud.

9.23.2 The Vigilance Department took up a number of fresh systems studies during the year 2000. These studies related to streamlining of systems and procedures in respect of various activities of Indian Airlines. Details of some of

the important studies are given below:

- a) Handling of cargo
- b) Surplus inventory holdings of spare parts/rotables
- c) Streamlining of system for engagement of man-power for support functions by IT Department.
- d) Monitoring of flight position on high-density routes to detect fictitious bookings by Agents.
- e) Reconciliation of revenue documents.
- f) Improvement in recruitment procedures.
- g) Automation of cargo to prevent incidents underweight
- h) Streamlining of system for issue of Senior Citizen Discount tickets and other concessional tickets.

9.23.3 The Vigilance Department specially focused attention on creating 'Vigilance Awareness' in the organization so that the Executives and Managers at various levels could be effectively involved in containing corruption. This was considered essential in view of the meager strength of the Vigilance Department. It was felt that the involvement of employees at various levels shall help in creating a healthy atmosphere in the organisation.

9.23.4 Vigilance Awareness Week was observed from 31st October to 4th November, 2000 in Indian Airlines at Headquarters, base stations and outstations. The employees at various levels actively participated in the programmes besides taking a Pledge to eradicate corruption.

9.23.5 A fraud Prevention Unit has been established at Headquarters, which functions under the direct control of Chief Vigilance Officer. Some of the main functions of the Unit are mentioned below:-

- i) Investigation of all smuggling activities involving IAL aircraft and staff.
- ii) Investigation and detection of all types of frauds relating to Cash Value Documents.
- iii) Investigation of all cases of Credit Card/ Traveller Cheques fraud.
- iv) Detect fraud by Travel Agents.

v) Maintain a dossier of fraudsters and records of all types of frauds committed against Indian Airlines including details of employees and outside Agencies.

vi) Organize Fraud Prevention Programmes and advise the Management on preventive steps to curb fraud.

9.23.6 Fraud Prevention Unit organized Training Programmes at Chennai on 9th October 2000 and at Delhi on 20th October 2000. The programmes covered Frauds in ticketing, credit card and Passport/Visa.

9.23.7 During the period from January 2000 to December 2000, the Vigilance Department took up investigation of 72 inquiries. Eight cases were registered with CBI on the basis of written complaints from the IAL Vigilance Department and joint surprise checks. 21 Departmental Inquiries were completed during this period, which were instituted as a result of Vigilance/CBI reports.

#### 9.24 MEASURES TAKEN DURING THE YEAR FOR POLLUTION CONTROL

9.24.1 Indian Airlines continues to give high priority to Pollution Control of its vehicles in Delhi. The statutory Checks for both petrol as well as diesel vehicles continue to be carried out every three months. Indian Airlines has withdrawn 8 staff buses which had exceeded life of 15 years as stipulated by the Hon'ble Supreme Court of India in connection with Pollution Control of Diesel buses in Delhi. No new Cars or jeeps have been procured during the current year. Three Maruti Omani Vans have been fitted with CNG kit for Zero Pollution.

#### 9.25 AIRLINE ALLIED SERVICES LIMITED

9.25.1 Indian Airlines had set up a wholly owned Public Limited Company in 1983 known as Airline Allied Services Limited (AASL). The objects of the Company as enumerated in the Memorandum and Articles of Association envisaged providing support services to the core activities of Indian Airlines for e.g. setting up of hotels, flight kitchen etc. In the year 1988 Memorandum and Articles of Association of AASL were amended to include the following mandate:-

a) To establish, maintain operate international and domestic Air Transport Services, scheduled and non-scheduled, for the carriage of passengers, mail and freight and for any other purpose.

b) To buy, sell, hire, let on hire and deal in aeroplanes, flying machines, aircraft and the component parts and all kinds of machinery and appliances for use in connection therewith.

9.25.2 Airline Allied Services Limited started Airline operations with B-737 aircraft under the brand name of `Alliance Air'. The company commenced its operations effective 15th April, 1996. Alliance Air in all facets of Airline Allied Services Ltd. Operations such as engineering, ground handling, marketing, ticketing facilities etc.

9.25.3 With a turn over of Rs. 266 crores in its first year, Alliance Air had reached a turn over of Rs. 600 crores in 1999-2000. The physical & financial performance of Alliance Air since its inception in the 1996-97 and upto the month of December, 2000 are as detailed below :-

(a) PHYSICAL PERFORMANCE OF ALLIANCE AIR

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-2001 (Upto Dec. 2000)
Available Tonne Kms.(Million)	103.420	202.025	211.32	213.22	135.76
Revenue Tonne Kms.(Million)	69.50	126.657	131.72	130.94	83.58
Available Seat Kms.(Million)	1073.182	2039.695	2116.08	2160.85	1390.83
Revenue Passenger Kms. (Million)	772.971	1405.297	1417.940	1400.40	886.62
Load Factor	67.26%	62.70%	62.33%	61.41%	61.57%
Seat Factor	72.03%	68.90%	67.01%	64.81%	63.75%
Number of Passengers (Million)	1.073	2.015	1.944	1.877	1.225
Effective Fleet during the year	5.69	12	12	12	11
Aircraft utilization per aircraft on Total Hours.	2956	2799	2888	2845	2674

## (b) FINANCIAL PERFORMANCE OF ALLIANCE AIR

	Rs. in Crores				
	1996-97	1997-98	1998-99	1999-00	2000-01 (Upto Dec. 2000)
Operating Revenue	266.72	525.75	602.17	605.31	386.07
Operating Expenses	263.78	523.09	596.70	601.63	446.74
Operating Profit/Loss	2.94	2.66	5.47	3.68	60.67
Prior Period Items	(0.05)	2.14	1.13	(1.83)	-
Non-Operating Revenue	-	-	-	-	-
Non-Operating Expenses	-	-	-	-	-
Profit/(Loss) before tax	2.89	4.80	6.50	1.85	(60.67)
Profit/(Loss) after tax	1.59	2.99	4.10	0.94	(60.67)
Foreign Exchange Earnings	23.76	50.71	56.38	43.07	-