



## Anniversary of Vihaan.AI

The Air India group has embarked upon the final **Climb** phase of its **5-year Vihaan.AI** transformation journey. The green shoots are visible on multiple fronts, including the industry high NPS on our A350 aircraft, significant improvement in operational and commercial metrics in our 2023-24 financial results.

We have the opportunity to build on the foundation we built in the first two years of Vihaan. The Climb phase priorities are:

- Building a fully integrated and optimised airline group
- Drive world-class operations and customer value proposition
- Build a financially robust business model to drive profitability
- Take Indian aviation to the global stage

As we look back, here are some milestones we have crossed in the last two years and a few more to look forward to.

### Build for Customer Convenience and Love

- Launched Air India's **new soft product** with new chinaware, tableware, glassware, bedding and new amenity kits for Business and Premium Economy on the A350 flying between Delhi and London Heathrow
- Launched **new brand identity**, deployed new aircraft liveries for AI and AIX, revealed new uniforms design by Manish Malhotra
- Revamped **website and app** to enhance customer experience. The app has a rating of 4.7 out of 5 on Apple iOS App Store
- New **Flying Returns** loyalty programme launched; moving from distance-based to spend-based accrual, and greatly expanded redemption availability
- Achieved **NPS of 70+** on newly inducted A350 aircraft
- Launched airline industry's **first Generative AI chatbot**
- Appointed leading design agency HBA to initiate **lounge makeover** at DEL & JFK; offering 100% lounge coverage across network
- Launched India's **first biometric enabled self-baggage drop facility** at Bengaluru airport. Started metro station check-in at Delhi
- Inaugurated **5 new contact centres** in Mumbai, Noida, Bengaluru, Cairo and Kuala Lumpur for 24x7 assistance to customers worldwide.
- Introduced seven new Indian languages
- Launched **new ancillary products** at AIX – Xpress Biz, Xpress Holidays, Fare Lock, Gourmair inflight meal, insurance, baggage tracking, visa service, car rental, among others
- Launched India's **first baggage-free fare** Xpress Lite when booking through AIX's website and mobile app

### Drive Robust Operations

- Started long-haul international operations of **brand-new Airbus A350 aircraft** between Delhi and London Heathrow
- Restored **First and Business Class IFE** to 99%+, Economy Class to 90% for legacy fleet
- **Restored 75% of unserviceable seats** across legacy widebody aircraft, **Brought MCC in-house**
- Established new facilities including **Emergency Command Centre & Operations Control Centre**
- Concluded **harmonisation of operating procedures** and supporting manuals across all four carriers
- Initiated **in-housing of line maintenance operations** across Group airlines. Transition of 12 stations completed
- Leased new **57,000 sq. ft. engineering warehouse** for robust spares management
- Launched **Jeppesen rostering and pairing** for cockpit and cabin crew across all fleets. Implemented **Boeing Alertness Model (BAM)** to guard against fatiguing rosters
- Rolled out **Coruson safety management tool**
- Signed **component support agreements** with SIA Engineering for A320, Airbus for A350, Lufthansa Technik for B777 and Turkish Technik for B737
- Commenced construction of **MRO facility in Bengaluru** to become self-reliant

### Create Industry Best Talent

- Hired over **9,000 new employees** across flying and non-flying roles
- Shifted to **modern & contemporary office premises** in Gurugram
- Rolled out **market aligned compensation & contracts** for 12,000 employees globally
- Launched 'Rise.AI' – **new performance management system** to enable meritocratic culture
- Launched ~30 policies and leading **employee benefits**. Benefits harmonization for FTC and Permanent staff
- Launched **Success Factors, Workplace, Gurukul.AI**
- Released **Pilot Policy Handbook & Career Progression Policy** for group
- Launched **Cadet Pilot program** and a new crew transport app
- Enhanced employee experience by launching a single, **unified enterprise portal** for Air India employees, myAI
- Designed and initiated roll out of **integrated organization structure** for both FSC and LCC organizations.
- Successfully completed the **first annual appraisal cycle** for ~14,000 employees including pilots and cabin crew
- Begun training at South Asia's largest **Aviation Training Academy** in Gurugram
- Announced new **Flying Training Organisation** at Amravati to develop future Air India pilots

### Engage on Agenda Items on Industry's Future

- Active in key industry bodies – AAPA, FIA, Assocham; Elected to **IATA Board of Governors**
- Signed MoU for **Sustainable Aviation Fuel** with Council of Scientific and Industrial Research – Indian Institute of Petroleum
- Cleared Carbon Offsetting and Reduction Scheme (**CORSIA**) **audit**
- **Reduced single-use plastic** inflight by 80%
- Rolled out e-signature initiative to **reduce paper usage**
- Engaged in exploratory conversations with Stanford University on improved engine emissions performance

### Grow and become Commercially Efficient

- Placed **order for 470 aircraft**, in addition to 36 leased aircraft
- Adopted AI/ML based **Segment Revenue Management**
- Onboarded new tools for **pax revenue improvement** – Rate Gain, ATPCO Amadeus. Added Sabre as 3rd GDS partner
- Completed cutover of **new enterprise resource management and finance system**, SAP S/4HANA in record time CAE crew manager and other tools
- Inducted **6 A350s, 21 A320neos, 4 A321neos, 11 B777, 35 B737**
- Executed rapid transition from manual to O&D based **revenue management system (NRM)**
- Initiated consolidation of cargo units of Group airlines into one single business unit with state-of-the-art **Cargo Management System**
- **Obtained merger approvals** for Air India-Vistara and Air India Express-AIX Connect mergers.

## Air India Group performance over the past two years



#### New routes

- Launched **35 new routes** (10 domestic, 25 international)



#### New destinations

- Launched **11 new stations** (2 domestic, 9 International)
- **Operational fleet size** – 142 of Air India, which includes 6 new A350s, 36 leased aircraft and 85 of Air India Express, which includes 35 new B737s
- **106 new aircraft**



#### Number of employees added

- Total employees: **18,000**
- Added **9,000 employees**
- **5,000 new crew; 4,000 new employees** hired across departments
- Average age of employees down from **54 to 35**



#### Results

- Passenger market share up from 24% in FY23 to **27% in FY24** for domestic and from 21% in FY23 to **24% in FY24** for international market on the back of network expansion and service improvements
- Customer NPS **consistently high** on our domestic narrowbody (40+) and new widebody A350 aircraft (70+)
- **Refund processing time** down from almost a month to nearly same-day
- **Call-centre wait-time** down by over 80%



#### Upcoming milestones

- **Integration of Air India Express and AIX** from October 2024
- **Integration of Air India and Vistara** from November 2024
- **Introduction of Airbus A350** to the US starting November 2024
- **Installation of 20 Full Flight Simulator Bays** at Aviation Training Academy
- **Operationalisation of Bengaluru MRO facility** in early 2026
- **Retrofit of legacy narrowbody and widebody aircraft**

\*AIX - Air India Express