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A Man with Multiple Hats!

A SUPPLEMENT TO SP’S AVIATION 8/2018

An initiative by SP GUIDE PUBLICATIONS &

ROHIT KAPUR
PRESIDENT, BAOA

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Smart Air has been operating the first Legacy 450 in Europe for many months. We receive very positive feedback from customers using the aircraft as a charter. They are extremely pleased with the comfort.

My favorite elements are the quietness in the cabin, craftsmanship quality, the astonishing cockpit from a quality and technology standpoint, the fly-by-wire as a true added value in terms of comfort and safety. Pilots enjoy flying this aircraft. These are remarkable features that are not present in other similarly priced aircraft.

I now realize that my customer experience with Embraer is far better than what I experienced with other OEMs because we remain customers even after the aircraft delivery. The teams are very invested in customer satisfaction. They have a true willingness in accompanying the customer and ensuring his satisfaction throughout the aircraft operation.

The capability of the aircraft to land in Saint-Tropez/La Môle is an important time saver. The landing is done in very safe conditions. The technical data after certification were far better than preliminary data. Those are good surprises when we take the risk of being the first customer on an aircraft not yet certified without any validated performance. It is very nice, as a consultant company, to be able to go back to our customer and say that the choice we recommended is by far exceeding the reality that existed when the decision was made.”

“Stéphane Ledermann, Founder & President, Smart Air
Watch Stéphane’s story and request more information at EmbraerExecutiveJets.com/Stephane
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Dear Readers,

Our lead story in this issue is an informal interaction with a man for all seasons who wears multiple hats and is known for “calling a spade a spade.” The multi-faceted Rohit Kapur takes us on his journey of trials and tribulations and how he reached where he is today – Managing Director of Arrow Aircraft and third-time President of BAOA. Acknowledging that he is a better man today for the challenges that he had to face, he feels that his journey has just started.

Although predictions about the future of business aviation in India are optimistic, there is certainly the need to explore newer business models to place this segment of the industry on a better footing. One such business model is one that is followed by international carriers Qatar Airways as well as All Nippon Airways or ANA of Japan. Along with their fleets of regular airliners of varying capacity, these international airlines also operate a business aviation wing with high end business jets. This enables the airlines to serve the needs of those who opt to fly onboard a commercial airliner and those that prefer to fly on board a business jet. In this issue, B.K. Pandey argues that a business model similar to the one adopted by the two international carriers would possibly be a convenient solution of the problems faced by air charter companies in India. Having an air charter company as a subsidiary of an airline, would significantly enhance the market potential in the business aviation segment as the parent airline will be able provide far better financial support.

Giving us the current MRO landscape in General Aviation is Sukhchain Singh. The Indian MRO industry has been, for long, severely affected by numerous taxes, losing out to their international competitor and the government has to undertake major programmes to develop and improve the ecosystem for the growth of the MRO sector.

The Indian MRO industry has been, for long, severely affected by numerous taxes, losing out to their international competitor and the government has to undertake major programmes to develop and improve the ecosystem for the growth of the MRO sector.
Rules and regulations are made to streamline processes and create order in the way we do our business. It is an extremely important facet of aviation, and it is absolutely critical that we lay down the ground rules and Standard Operating Procedures to ensure that there we carry out our operations in an orderly manner, which leads to a systematic and safe flying environment for all. However, it is essential that these rules must evolve and adapt with time. Unless they do so, they will lead to undesirable barriers, which beat the very purpose for which they had been initially created. Unfortunately, the way our systems work, modifying or scrapping a rule or a process, is more complex, and takes more time than it had taken to create it! In the rapidly changing environment, where technology and the business environment is changing so fast, there needs to be an easier way in which we can change or do away with an existing rule, or process, in a quicker time frame. Government rules, inherently, do not lend themselves to rapid changes. Two such examples are given in succeeding paras.

The first rule refers to the process of AOR (Air Operations Routine) Number, that Indian registered private aircraft need to acquire from the Ministry of Defence, if they have to operate from an airport that is operated by the Air Force, Navy or the Army, also know as “Defence Airfields”. This clearance is required by Indian registered General Aviation aircraft, if they are being flown by foreign pilots, or have foreign nationals as passengers on board. Most of these Defence Airfields have regular scheduled airlines operating from them, both domestic and International. However, the scheduled airliners can operate from these airports without an AOR, even if they are being flown by foreign pilots, or have foreign nationals as passengers on board. So, in effect, a passenger of foreign nationality can travel to Goa, Chandigarh, Pune or Srinagar via a Jet Airways, Emirates, or Indigo flight without any problems. However, if he needs to fly in private Indian registered aircraft, the operator needs a lead time of 30 days to obtain an AOR from the concerned branch of Service HQs to get the permissions. What could be more absurd! Similarly, all foreign pilots who fly Indian registered GA aircraft can do so only after a stringent security clearance process, and after obtaining a FATA from DGCA. A foreign pilot always must have an Indian co-pilot to operate VT registered aircraft. Why then, would he be required to obtain a fresh AOR every time he needs to operate from a Defence airfield? As the Ministry opens up more and
UNFORTUNATELY, THE WAY OUR SYSTEMS WORK, MODIFYING OR SCRAPPING A RULE OR A PROCESS, IS MORE COMPLEX, AND TAKES MORE TIME THAN IT HAD TAKEN TO CREATE IT! IN THE RAPIDLY CHANGING ENVIRONMENT, WHERE TECHNOLOGY AND THE BUSINESS ENVIRONMENT IS CHANGING SO FAST, THERE NEEDS TO BE AN EASIER WAY IN WHICH WE CAN CHANGE OR DO AWAY WITH AN EXISTING RULE, OR PROCESS, IN A QUICKER TIME FRAME. GOVERNMENT RULES, INHERENTLY, DO NOT LEND THEMSELVES TO RAPID CHANGES.

more Defence airfields for civil flights to cater to the growing aviation needs of UDAN and connectivity, there is a need to get rid of this antiquated rule, which restricts non-scheduled and private aircraft from operating out of these airports. Recently Hindan, Adampur, Halwara etc. have been opened to civil flights, and more are to be added soon. The Ministry of Civil Aviation needs to coordinate with the Ministry of Defence and act on this quickly. All Defence airports with Civil Enclaves should be treated as Civil Airports for all operators for all operational purposes!

The second rule is more of an irritant, rather than causing any operational difficulties. Indian registered aircraft, whether scheduled or non-scheduled, are not allowed to serve alcohol to passengers while operating in Indian skies (No sir, not even a beer). While it is understood that it was a restriction on domestic scheduled carriers, to avoid unruly and drunk passengers on board, the logic of this not being allowed on non-scheduled and private jets seems to defy all logic. In my private conversations with many rule makers and officials, no one seems to give a befitting response to this. The only logic that seems to come to mind is to make life more difficult for the users of private aircraft and harass the operators on sudden tarmac checks! It’s almost like saying “see you can buy your private jet, but I still get to control what you can and what you cannot drink on board!” The policymakers should apply logic and applicability and should not paint everything with same brush. I wonder if anyone amongst the rule makers will take this up. I hope so.

Please fasten your seat belts and enjoy this edition of BizAV India. Please feel free to contact me at rohitkapur@baoa.in with your feedback and suggestions. I look forward to getting your inputs on how to address the issues at hand.

Happy Landings and Safe Flying!

Rohit Kapur
President, Business Aircraft Operators Association
FOR TRAVEL BY AIR in India, whether for business or leisure, one has the option to fly on board a commercial airliner or hire a business aircraft from an Air Charter Company. The hired aircraft could be a business jet, turboprop aircraft or even a rotary wing platform. In all, currently there are 54 Air Charter Companies operating in India. These companies are hiring out a variety of fixed and rotary wing platforms. In the fixed wing regime, at present, there are more than 250 business jets of which around 150 aircraft are owned by the leading business houses and do not operate under the control of Air Charter Companies. The remaining 120 or so are available for chartering by the public. There is also a possibility for large groups to hire a twin turboprop airliner such as the ATR 72 or the Q 400, or for that matter, even a regional jet. However, while there are Air Charter Companies abroad that

A business model adopted by Qatar Airways would possibly be a convenient solution of the problems faced by Air Charter companies in India.

BY B.K. PANDEY
provide such a facility for group travel, this is not available in India as Air Charter Companies here have not been making any attempt to foray in this domain.

BUSINESS AVIATION IN INDIA

Although the Indian civil aviation industry recovered from the debilitating economic downturn of 2009-10, growth in the business aviation segment has been very slow as there are a number of factors that serve as impediments to its growth. Apart from challenges related to infrastructure, ground handling and somewhat crippling regulatory provisions, the business aviation segment of the industry is afflicted with high cost of maintenance and operations which is further aggravated by extremely low volume of business. As Air Charter Companies have just a few aircraft on their inventory, it is very difficult if not impossible to make their business financially viable. Although predictions about the future of business aviation in India are optimistic, there is certainly the need to explore newer business models to place this segment of the industry on a better footing. One such business model that could be analysed and possibly adopted by the Indian civil aviation industry to mitigate the adversities faced by the business aviation segment, is one that is followed by international carriers Qatar Airways as well as All Nippon Airways or ANA of Japan. Along with their fleets of regular airliners of varying capacity, these international airlines of repute also operate a business aviation wing with high end business jets. This enables the airlines to serve the needs of both categories of air travellers – those who opt to fly on board a commercial airliner and those that prefer to fly on board a business jet.

QATAR EXECUTIVE

Operating since January 1994, Qatar Airways with its headquarters in Doha, is the national carrier of Qatar. With a fleet of more than 200 aircraft on its inventory, the airline operates a hub-and-spoke network linking over 150 international destinations across Africa, Central Asia, Europe, Far East, South Asia, Middle East, North America, South America and Oceania. It was during the Airshow in Paris in the year 2009 that the airline first announced the formation of a subsidiary named as Qatar Executive. This company is meant to operate business jets and this venture was a part of the ongoing robust global growth strategy of Qatar Airways and the airline’s continued commitment to the business travel community of not only the Middle East; but in the rest of the world as well. Based at Hamad International Airport, business jet services by wholly-owned business jet fleet offered by Qatar Executive, is available for worldwide charter. As of now, the business jet fleet has the following 11 aircraft on its inventory: Four Global 5000, one Global XRS, three Challenger 605 and three Gulfstream G650ER.

In less than a decade since its establishment, Qatar Executive has attained a leadership position in air charter services that the company provides to individuals, business community, corporate tycoons and senior functionaries in the government. In May 2015, Qatar Executive made public its plans to purchase up to 90 aircraft from Gulfstream Aerospace Corporation, which includes firm orders and options. This new acquisition would bring the strength of aircraft on the business jet inventory to a level that could match the inventory holding of some airlines in India. The fleet of 90 business jets to be procured by Qatar Executive is planned to be a combination of the G500, the G600 and the flagship G650ER. All these are new, wide-cabin aircraft from Gulfstream. With the financial backing of its parent company Qatar Airways, it would have been easier for Qatar Executive to build up a large fleet of the latest, high-end business jets which in turn would help in making operations by the subsidiary company financially viable as well.

ANA BUSINESS JET COMPANY

The other international carrier with business model that is similar to that of Qatar Airways, is ANA of Japan. Founded in 1952 with just two helicopters, today, ANA is the largest airline in the country on the basis of fleet size, revenue and number of passengers carried. It has 260 commercial aircraft on its inventory and provides connectivity to 85 destinations and carries about 52 million passengers per year. In October 1999, the airline became a member of Star Alliance. ANA controls as many as 64 subsidiaries and as recently as on April 27 this year, the Japanese carrier announced the launch of a new subsidiary named as ANA Business Jet Company Limited, a joint venture with Sojitz Corporation, to offer charter flights by business jets.

On March 28 this year, ANA and Honda Aircraft Company had announced the signing of a Memorandum of Understanding (MOU) for a strategic partnership to support the expansion of the business jet market around the world with the help of the HondaJet, a technologically advanced business jet from Honda Aircraft Company of Japan. ANA will introduce current business jet users and its commercial flight customers to the HondaJet by maximising the utilisation of the aircraft in its charter and feeder flights connecting them to the existing broad network at major travel hubs in North America and Europe. Honda Aircraft will support working with global charter operators to provide exceptional coverage for ANAs customers and establishing a framework for ground support functions at a variety of ANAs transit locations.

The HondaJet is the fastest, highest-flying, quietest, and most fuel-efficient business jet in its class. This platform incorporates several technological innovations in aviation design, including the unique Over-The-Wing Engine Mount (OTWEM) configuration that dramatically improves performance and fuel efficiency by reducing aerodynamic drag. The aircraft is equipped with the most sophisticated glass cockpit available in any light business jet, a Honda-customised Garmin G3X00. This is the first commercial aircraft designed by Honda and lives up to the company’s reputation for superior performance, efficiency, quality and value.

BUSINESS MODEL FOR INDIAN CIVIL AVIATION INDUSTRY

A business model similar to the one adopted by the two international carriers that has been described above, would possibly be a convenient solution of the problems faced by Air Charter Companies in India. Having an Air Charter Company as a subsidiary of an airline, would significantly enhance the market potential in the business aviation segment as the parent airline will be able provide far better financial support. With much higher level of resources, the parent airline will be able to make much larger investments, have larger fleets, provide easier and more efficient marketing, will have access to wider clientele, can provide better maintenance support, encounter fewer problems related to infrastructure and will be able to provide easier and better ground handling for the business jets. The management of the parent airline will also be in far better position to cope with regulatory onslaughts. Business aviation will no longer have to fend for itself and be engaged in a perpetual struggle against the wide range of adversities that currently plague this segment of the industry.
A Man with Multiple Hats!

Hanging his army uniform in the year 2003, he started on an unchartered journey in the aviation sector. After learning the ropes and honing his skills with various aviation key companies, in 2009, Rohit was ready to don the entrepreneurial hat and Arrow Aircraft came to life.

He is the founder President and third time elected President of Business Aircraft Operators Association (BAOA) and is also a member of Civil Aviation Committee of FICCI and CII.

Jayant Baranwal, Editor-in-Chief, BizAvIndia in an exclusive conversation with Rohit Kapur, the man who doesn’t cringe to “call a spade a spade”!
MOCA’S REPORT CARD
The current team at MoCA is a very pro-active team. I have never seen the Civil Aviation Ministry as responsive and approachable as I have seen in this regime. Ask for a meeting and you will get one, plus they will listen to you. However, even though they are giving attention to Business and General Aviation, the industry still needs more efforts to bring it up to global standards and needs the same focus as they are giving to the scheduled airlines and to UDAN. Ministry of Finance needs to understand that they have to make aviation a more viable industry. This is a very capital intensive industry, and subject to a lot of uncertainties, be it the fluctuations in dollar rate, price of crude, infrastructure issues, and many more. Financial viability is a must.

KEEPPING THE DOLLAR IN THE COUNTRY
The whole process of aircraft leasing is carried out from overseas. Why can’t we set up an aircraft leasing company in India? Around six billion dollars go out of India for leasing cost. The same money can be retained in India by making it more tax efficient. If the government support MROs and start reducing taxes on it, around 2-3 billion dollars which go out will remain in the country and it will create additional jobs. The Ministry needs to understand this larger picture, which seems to be lacking at the moment. Twenty percent growth is fantastic, but that’s not our whole objective. Growth must happen with financial viability of the stake holders, only then will it be sustainable. We have approximately 500 commercial aircraft in India and I hear some 900 plus aircraft are on order, but with the way all airlines are under pressure for profitability, worry is that will they have the money to get these aircraft that they have ordered? The government has to make sure that this industry can stand on its own feet. Concession needs to be given and tax breaks need to offered. They must understand that this is an industry which is creating so much of an ecosystem in terms of adding to the GDP and creating jobs. For every job created in the aviation industry, there are six jobs created in supporting industry.

CHANGING MINDSETS – NOT A RICH MAN’S TOY
The government needs to change the way it thinks about the general aviation and business aviation industry. They are still talking about this industry as something that only rich people use. Yes, business leaders do use it, as do the politicians. The main motive of both is to use its flexibility and save time, which is the primary purpose of flying in a private aircraft. If their companies grow, the economy grows. It is not the luxury that they are using, it is a business tool. When you have companies all across the country and half of them are not even properly connected, the business leaders need to travel comfortably, in privacy and safely. A business aircraft allows all this, which ultimately transforms into productivity.

“I STRONGLY RECOMMEND THAT WE SHOULD IMPOSE A TAX THAT IS FAIR AND REASONABLE, WHICH PEOPLE ARE WILLING TO PAY, AND WHICH ENCOURAGES GROWTH.”

GST ON PRIVATE CATEGORY
A 28 percent GST with no input tax credit is a definite impediment and as a result, nobody wants to buy an aircraft in the private category. I am an aircraft salesperson and I am getting a very clear message from potential buyers that they are not willing to pay 28 percent GST. If need be, they will go ahead and buy the aircraft overseas from one of their subsidiaries, which is an absolutely legal option. If the asset is not coming in the country then the jobs are not being created here. In short, we are giving employment opportunities to foreign pilots and spending dollars as against adding these to our economy.

Most countries have zero-rated tax on import of aircraft. There are many countries that do charge a tax, but at most places, it is 5 per cent or 7 per cent or a maximum of 10 per cent. I have not seen any country which imposes 28 per cent plus 5 percent, amounting to a 31 percent tax, with no input credits. It is killing this market. I strongly recommend that we should impose a tax that is fair and reasonable, which people are willing to pay, and which encourages growth.

DGCA REFORMS AND MODERNIZATION
The reforms are long overdue. The regulator needs to be more efficient, it needs to be more professional. Unless you appoint people with proper experience, background, and knowledge; unless you empower them with correct kind of tools to do their work, they will not be able to do the optimum.

DGCA needs to be modernized and it needs to have more professionals working in it. It needs to adopt technology and reduce people to people interaction to the minimum. Here we are talking about growth and being the third largest aviation market by 2025, but the pillar on which you are trying to make this happen is weak. Unless you modernize and empower DGCA, it will not be able to support the growth that we all want.

ARROW AIRCRAFT
Arrow was conceptualised in 2009, when three of us from the industry, that is myself, Shailendra and Samir, decided to establish a company focused on the needs of the private aviation. Our initial goal was to be a Sales and charter company. In 2011 we got the dealership for Gulfstream and after some time we got the dealership for Beechcraft. We were selling aircraft and as our charter business grew, we also became an aircraft management company. Jet Aviation became a partner in 2019. We signed up with HondaJet as their partners in South Asia earlier this year. We are focused as a dedicated sales, charter and management company. All our businesses are unique, and we provide a holistic solution to our clients. From the time a client thinks of flying in a private aircraft, and till the time she is actually flying in one, we walk
“I TRULY ENJOYED MY SERVICE IN UNIFORM AND LOVED FLYING HELICOPTERS IN THE ARMY. AT THE AGE OF 41, AND WITH 20 YEARS OF UNIFORMED SERVICE, I SET OUT ON A DIFFERENT CAREER PATH.”

reason is that you have more flexibility in terms of operating under all weather, and in using it day and night. If you decide at midnight to go from Bombay to Pune, in a helicopter you will not be able to do so, but in a fixed wing you can go anytime and in all weather conditions.

BUSINESS AIRCRAFT OPERATORS ASSOCIATION (BAOA)

In 2010, some of us industry professionals thought of setting up an organization which could be the common voice for the entire industry. A few of these associations were already in existence, but were weak and working at cross purposes. It was decided to close down the existing associations and form a new one, hence BAOA was incorporated in March 2011. I must give credit to some of the founder Members, who worked overtime in 2010-2011 to make this happen, with special mention to Capt Karan Singh (Indo Pacific), Col. Madan Thadani (JEPL), Sudhir Nayak (RCDL), Harsh Vardhan (Himalaya Heli) and Col. Sanjeev Sethi (Raymond). Without their support then, and over the years, BAOA would not have come into existence or survived so well.

The initial election was to be held in three months, and I was elected as the interim President with an aim to oversee a free and fair election. That was the mandate given to me. Within three months we held the election and I got elected as the first President. We hired Group Captain R. K. Bali in December 2011 as the Managing Director of BAOA, and he has been the main driving force for the Association since then.

When I became the founder President, I had two things in my mind. Firstly, I wanted to make sure that this became a professional organization and no single person or organization should be able to dictate its agenda in times to come. Secondly, it was imperative to me that the Association should be an independent and vibrant body, run democratically, with inputs and views of all members being important to us. It was also essential to make the Association financially independent as soon as possible. We have achieved some success in this, but still some work needs to be done here. It is a matter of pride for all of us today that BAOA is recognized as the voice of the industry by all major stakeholders, be it the Ministry of Civil Aviation, DGCA, industry bodies, such as FICCI, CII, Assocham etc., or by the industry itself. Our membership consists of all the leading operators in the country, service providers and OEMs. We have achieved a fair amount of success in our work and hope to get more done in the coming years.

In the end, I would like to say that I am grateful for all the opportunities that have come my way. Very rarely do people have the chance to get the best of both worlds. I truly enjoyed my service in uniform and loved flying helicopters in the Army. At the age of 41, and with 20 years of uniformed service, I set out on a different career path. Achievements came with a lot of hard work, struggles, support of friends and family. Giving up was never an option. I believe that the biggest factor in achieving anything you believe in is hard work and perseverance. The rest will fall into place.

“ALL OUR BUSINESSES ARE UNIQUE, AND WE PROVIDE A HOLISTIC SOLUTION TO OUR CLIENTS. FROM THE TIME A CLIENT THINKS OF FLYING IN A PRIVATE AIRCRAFT, AND TILL THE TIME SHE IS ACTUALLY FLYING IN ONE, WE WALK HER THROUGH THE ENTIRE JOURNEY.”

DYNAMIC LEADER: ROHIT KAPUR LED ARROW AIRCRAFT SALES & CHARTERS HAS RECENTLY BAGGED THE SOUTH ASIAN TRAVEL AWARD 2018 IN THE ‘LEADING DOMESTIC TRANSPORT PROVIDER (AIR) CATEGORY’
The MRO for Business Aviation is closely linked and intertwined with general aviation. The growth in general aviation MRO combined with FAA certifications and quality service will be a win-win for the Business aviation.
India's Aviation sector has become the world's fastest-growing aviation market. According to a passenger forecast issued by the International Air Transport Association (IATA), it is expected to become the third largest aviation market by 2026.

A smaller part of this prediction is the business aviation industry, which has been on a slow upward trajectory. The industry saw phenomenal growth between 2006 and 2009, and the industry has maintained a slow-paced growth thereafter. India has the largest fleet of charter aircraft in Asia, and is mainly dominated by mid-size private jets. The present industry comprises 199 business jets, 248 helicopters and 102 turboprops. Popular aircraft in the Indian market are the Falcon 2000, Hawker 850XP and Cessna Citation XLS.

The role played by the Business and General Aviation industry is finally seeing a rising trajectory as the Government of India accelerates its vision to improve air connectivity and tourism in India. The General Aviation (GA) market, which includes business jets, is expected to grow at almost 10% per annum to cross about 16 billion INR. The sector comprises aircraft owners, pilots, engineers, technicians, operations staff, and also the regulator, who continue contribute directly and indirectly to the GDP in a significant manner.

In USA many business aviation operators under Part 135 category, have evolved to additionally operate Commuter flights (commercial scheduled-non airline, using small aircraft). Such an evolution might happen in India as well, depending on the success of India's new civil aviation policy which was released in June 2016. With the economy growing at a fast pace in the 2000s, a strong business environment and corporate ecosystem saw Indian businesses benefit from business aviation.

**MRO Landscape**

Alongside, as support to the aviation industry, the opportunity to provide maintenance, repair and overhaul (MRO) activities has also grown with the industry. India's MRO segment is estimated to grow furthermore at 10% and reach USD 2.6 billion by 2020.

100% per cent foreign direct investment (FDI) is permitted under the automatic route for MRO, flying training institutes and technical training institutions. Also, the government has also undertaken a major programme to develop and improve the ecosystem for the civil aviation sector.

The Indian MRO industry has been, for long, severely affected by numerous taxes, losing out to their international competitors. The industry had been opposing the levy of the 13% royalty levied by the Airport Authority operated airports, along with the 12.5% service tax, and an import duty including countervailing duty of 18.5% on spares. Realising the potential of the sector, the civil aviation ministry decided to roll back a hike in royalty charged from the companies providing maintenance, repair and overhaul services (esp. for business jet owners and charter flight operators). Despite many challenges, air-framers (like Bombardier, Embraer, Cessna, Falcon, Gulfstream, etc.) are not holding back in strengthening their resources in India. Cessna is looking to create another service centre in India, Hawker Beechcraft is setting up a service centre in Mumbai, to add to an existing one in New Delhi. It is also planning a bonded warehouse to increase the availability of spare parts.

India's ministry of civil aviation is working on a model that would better accommodate business aircraft management and being spearheaded by India Business Aviation Operators Association (BAOA). These new guidelines would help the country's business aviation sector to become more cost-effective. It is learned that the ministry of civil aviation had appointed an economic advisor to liaise with numerous ministries, including those of finance and trade, to ensure the rules are enforced expeditiously.

Present guidelines require every non-scheduled operator to handle its own fleet management. Eighty percent of such operators in India have only one aircraft. Each owner is required to have a maintenance technician, flight safety manager, and a complement of pilots with every aircraft, increasing the cost substantially. Even if the aircraft is not underutilized, operations costs go up by at least two to three times compared to an aircraft management company handling a larger fleet. As a result, economies of scale cannot be reached.

Air Works' Dubai-based subsidiary Empire Aviation—one of the region's largest managed fleets of business jets has been waiting to start aircraft management services in India. Unlike the US with zero import tax rates, certain countries in Europe also have differential tax rates on commercial and private aircraft as in India, but take a more mature attitude towards it. India imposes high and differential import duties on business aircraft based on their end use. For charter companies, it is at 18%; that rises to 28% for aircraft procured only for personal use. A dedicated infrastructure for business aviation has been lacking in India, and there is an absence of dedicated business aviation airports in the country. In 2009, India's first dedicated corporate aviation terminal was opened at Mumbai. In 2016, Bird Execujet Airport Services was appointed by Delhi to establish a dedicated FBO and MRO. The project is likely to be completed by 2020 and will be India's first full service-offering FBO in the country.

The present industry is undergoing a consolidation phase, and small fleet aircraft owners are now looking to surrender their air operator certificates (AOCs) and shift to aircraft management companies. Aircraft management companies offering charter, maintenance and management under one roof will have more acceptance and demand in the future. Bird Execujet Airport Services is one such company based in New Delhi, acting as a one-stop shop solution for its clients, with an FBO, MRO, and aircraft management and concierge services under one roof.

**Business Model**

There are three main options for private jet users — they can purchase a jet, lease/hire a jet or buy a share in a fractional membership scheme. The eventual decision to buy or lease the aircraft depends on the frequency of flying and the financial wealth of the company. Buying a jet makes economic sense for those who fly over about 400 hours a year. However, its maintenance is a very tough job and will
require investment in hiring the staff required for operation. Pilot salaries, fuel cost, plane maintenance and storage are some of the major cost areas. On the other hand, leasing a private jet is considered to be the best business model when it is required for personal usage. Leasing a jet does not involve a lengthy process or huge cost as seen in purchasing a private jet. In the leasing process, a company or individual can take the private jet on lease from the leasing companies on a contract basis that varies as per the client needs. In general, leasing offers a number of compelling cash management and risk benefits over ownership. The third alternative, that is, the fractional membership ownership scheme is gaining equal importance in the Indian private jet market along with leasing. The fractional ownership model offers an individual or company the option to purchase a share of an aircraft, which can be as low as 1/16 of an aircraft, offering approximately 50 hours of flight time per year, to 1/2 of an aircraft depending on the needs of the operator. In addition, the management company provides all scheduling, flight planning, staffing, catering, maintenance, communications, and insurance services. A fractional owner just has to call the dispatcher and request for a flight.

In India, most of the private aviation aircraft are purchased by the companies/individuals rather than leased. Purchasing an aircraft provides long-term benefits to the companies rather than short-term gains. However, risks are equally involved in the purchasing of the aircraft. The owners of executive jets don’t haggle over price. They would rather push you for the right level of service and quality than bargain aggressively.

**MRO SERVICE PROVIDERS GEARING UP**

The MRO for Business Aviation is closely linked and intertwined with general aviation. The growth in general aviation MRO combined with FAA certifications and quality service will be a win-win for the Business aviation.

Air Works has three major facilities in India with hangars at its base in Mumbai and Delhi dedicated to GA. A third facility at Hosur, near Bengaluru, handles commercial airline MRO, carrying out C-checks on B737s, A320s and ATR turboprops. The company also has line maintenance centres at nine other locations around the country. Air Works plans to acquire more hangars in India for GA and may look at an opportunity to gain a toehold in the Middle East. Along with this strategy, Air Works is likely to continue to pursue commercial aviation through its narrow body hangars and a wide body hangar currently being built at Hosur. The company also took over the British firm, Air Livery, Europe’s largest aircraft painting business. A new wide body paint shop is being built at Hosur. It will be the only such facility in the Asia-Pacific outside of China.

With the potential arrival of several major MRO operators in India, mostly joint ventures (JVs) involving big foreign companies, the competition is heating up. US manufacturer Boeing is setting up a multi-million-dollar MRO facility at the SEZ near Nagpur in a JV with Air India. The USD 100 million MRO, spread over an area of 50 acres, is a part of the industrial offset agreement between Air India and Boeing following the placement of a massive USD 11 billion order for 68 Boeing aircraft, including 27 B787 Dreamliners, in January 2006.

Malaysia Airlines, GMR Hyderabad (MAS-GMR Aerospace) has already a 10-year deal with Jet to provide heavy maintenance for the carrier’s entire fleet. The facility initially offers C- and D-checks for A320s and B7357s and will move onto long-haul types.

Dassault Aviation, a part of French aerospace company Groupe Dassault, has drawn up an ambitious map for expansion in the Indian market. The company, with a majority share in the Indian business jet market, is looking at setting up an MRO centre. Its business jets are sold under the ‘Falcon’ brand name.

**ADDITIONAL INCENTIVES: THE NEED OF THE HOUR**

There are, however, other challenges in the way of MROs in India. Imported spare parts attract customs duty and there are various service taxes that add to costs. The Indian government needs to develop aviation and the MRO sector in a strategic and comprehensive manner, including investing more money into training. Leased aircraft (nearly 60 per cent aircraft are leased or vendor financed in some form) require Federal Aviation Administration (FAA) facilities for MRO to satisfy the lease covenants, lessees typically being western financial companies. FAA-approved MRO facilities in India are currently far and few. In October 2015, when a new policy to give a push to the maintenance, repair and overhaul, or MRO, sector in India was announced, hopes were high.

The industry wants the Airport Authority of India (AAI) to allow MRO work to happen at its airports across the country. Although this is permitted at their airports, detailed rules and regulations make it practically impossible. The space needs to be made available at reasonable rents and procedures simplified for MRO work to be carried out. Sources also argue that rents at the two main airports of Delhi and Mumbai need to be rationalised. Rents charged at Delhi and Mumbai airports are 50-100 per cent higher than that charged at equivalent facilities in Europe and Turkey.

Another issue for the MRO sector is poor training infrastructure. The quality of institutes that are approved by the DGCA for technicians for MRO work is so poor that companies effectively have to retrain them for two years before they let them loose on the aircraft. Other than one or two reasonable quality institutes in Bengaluru, there are at least 20-50 institutes that do not even have an aircraft in-house for training. While there has been some progress towards fulfilling the fair demands of the beleaguered Indian MRO sector much more needs to be done to revive the industry. Government support is vital for the growth of MROs in India.

**KEY REFORMS IN MRO**

MRO work for aircraft registered in India must be treated as deemed export and the irregularities in tax structure faced by the Indian MRO industry when compared with their overseas competitors must be eliminated.

MROs should be included in the harmonised list of infrastructure sub-sectors. Engine and component MROs should also be included under infrastructure, even if they are not located at an airport, to enable them to com-

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**WITH THE GROWTH OF BUSINESS AVIATION, IT IS TIME FOR THE POLICY MAKERS TO CONSIDER THE ROLE OF THIS SECTOR IN CONTRIBUTING TO THE ECONOMY AND ITS SPECIFIC NEEDS, WHICH ARE FAR DIFFERENT FROM THAT OF THE COMMERCIAL AIRLINES**
pete with overseas rivals.

MROs in India, which are capable of maintaining the engines and the components of foreign operators, should be allowed to export substitute engines and components to these foreign operators against the equipment sent to India for MRO work.

The current deficiency in technological expertise will have to be met through skill development. The Ministry of Civil Aviation (MoCA) has drawn up plans to set up a National Aviation University (NAU). BAOA has also embarked on an ambitious plan to start its own training academy to meet the requirements of the BA/GA industry.

The biggest boost to ‘Make in India’ and to ‘Skill India’ will be growth in numbers of aircraft, be it scheduled airliners or business aircraft. The government must pull out all stops to ensure fleet growth and more jobs. Every tax and import duty application, or procedure needs to be looked at through this prism.

**SUMMING UP**

At present a lot of emphasis and focus is given to scheduled airlines, right from the planning stage until the implementation of aviation policies and programmes. With the growth of business aviation, it is time for the policy makers to consider the role of this sector in contributing to the economy and its specific needs, which are far different from that of the commercial airlines. Business aviation is an integral part of air transportation akin to on-demand cars/taxis while scheduled airlines are akin to public buses. Both modes of transportation have their place and need to be encouraged, on roads and in air. More specifically, there is a need to acknowledge the role of the sector in nation building. There are encouraging words from the Shipping and Waterways ministry to allow operation of seaplanes to provide cab-like services in India.

In December 2017, the Prime Minister travelled from the Sabarmati River in Ahmedabad to the Dharoi Dam via seaplane, which was the first-ever flight by such a craft in the country. There is a lot going in the aviation sector, which will have its rub-off on business aviation as well because of the ongoing development of airport infrastructure and MRO facilities in India.
BizAvIndia (BAI): Tell us about your background and what solutions does your company offer?
Anad Bhaskar (Bhaskar): Hi, my name is Anand. I have a total experience of 27 years, including over 10 years as CFO/ Controller of Large Corporations until recently since I became the Chief Executive Officer of Air Works. Prior joining Air Works, I served as VP Finance at Moser Baer, as Senior Vice President & Global Controller at Genpact and as Head of Finance at Canon India. I did my Bachelor of Commerce from Delhi University and am a Chartered Accountant.

Air Works is a leading diversified aviation services provider with presence in 4 continents across the globe founded in 1951, Air Works provides engineering, asset management and safety and technology solutions to the commercial and business aviation communities.

We are India’s first and largest EASA Certified Airline MRO and the only Indian MRO to provide services to OEMs, Indian carriers and defence forces. We are service providers to global aircraft leasing companies and airlines, first-line service providers to leading OEMs, 1 of only 6 IATA certified safety auditors and a global market leader for charter safety ratings.

BAI: What is impeding the growth of the MRO industry in India? What are the main challenges faced by the MRO/ Ground Handling industry?
Bhaskar: At the outset, I would like to stress the point the MRO is a different industry than ground handling with its own nuances and challenges and that clubbing the two together is probably one of the impeding factors for the growth of this industry.

Speaking specifically of the MRO industry, I see several roadblocks to a vibrant MRO industry in India.

Firstly, the key international airports have lack of hanger space, which is needed for temporary protective storage of the aircrafts. Secondly, setting up MRO is highly capital intensive with high initial as well as recurring investments and a long break-even time. Thirdly, operating a credible MRO is highly dependent on investing in the right manpower – that is regularly trained and optimally utilized with a strong focus on quality and turnaround time. It also requires continuous investment in tooling, certification from safety regulators. Fourthly, non-availability of spare parts leads to frequent grounding of aircraft for lack of spares. The custom duty regime discourages the MROs from stocking parts on behalf of customers.

BAI: How are taxes/GST affecting the MRO industry in India?
Bhaskar: Though there have been several improvements in the recent past, the present tax regime still doesn’t address some key issues faced by the industry. MRO activity attracts GST at 18 per cent. A lot of carriers presently fly their aircraft outside India for maintenance where they don’t have to pay any tax. There is no duty imposed on the aircraft when it flies back to India after maintenance. This creates a peculiar problem for the domestic MROs. Though airlines can get a credit of the GST that they have to pay on getting MRO done in India, there is no clarity if this input credit for the spares and parts component of the MRO is available for their economy class revenue. For low cost carriers, this may mean an extra cost of straight 18% as their entire revenue is from economy class tickets. We see this as a big revenue loss to the exchequer whenever an aircraft flies out of India for maintenance even though the capabilities and capacities are available within the country.

D. Anand Bhaskar, Chief Executive Officer, Air Works India Private Limited in conversation exclusively with BizAvIndia
BAI: What does the MRO sector mean for our country (India)?

Bhaskar: With the commercial aviation fleet expected to almost double in the next 10 years, from ~600 now to ~1200 by 2028, the size of the Indian MRO market will increase from ~$1.8 billion now to ~$3.2 billion by 2028. A large part of this MRO spend currently goes out of the country. With this kind of growth, we will need to ramp up the MRO capacity in the country to service the expanding per cent of this spend which presently goes out of the country. Similarly, a conducive tax regime would help in reducing the “import” of the airframe maintenance for which the capabilities are very much present in the country.

MRO is a skill intensive industry and every crore of rupee spent in India has the potential to create 3.5 skilled jobs. Hence, we are looking at a resource requirement of 40,000-50,000 highly skilled and trained engineers and technicians in the next 10 years in the Indian market and about 750,000 personnel globally. India is very well poised to take advantage of this huge global demand for skilled resources because of its large pool of technical talent.

The landscape of the maintenance industry is evolving rapidly, and the stakes are high. Establishing MRO facilities in India will enable operators to achieve quicker service time, savings in operating costs and a decline of foreign exchange outflows. To support the fast-growing aviation industry, a robust MRO is needed, which will not only create large-scale employment but also act as opportunities for the SMEs. Efficient MRO facilities would also attract work from overseas, which will result in overall lift of the economy.

BAI: What could prove to be a game changer for the MRO sector in India?

Bhaskar: With the growth in GDP and the increasing disposable incomes, the air traffic is growing at a tremendous pace leading to a fast growth in aircraft fleet. In the next two decades, India is projected to increase its aircraft density (i.e. no. of aircraft per 10,000 sq. km. area) from 7 to about 15 at present. This growth in itself is a game changer for the MRO sector in India. A large fleet and increasing cost pressures would force airlines to look for cheaper alternatives for their MRO requirements closer home rather than flying their aircraft abroad.

The regional connectivity scheme (UDAN) is also going to provide a big fillip to the domestic MRO industry. The first 2 rounds of RCM bidding has seen four new operators with a total of 15 to 18 aircraft there are four more similar rounds expected in the near future. UDAN operators with small fleets (~20) of both fixed-wing and rotary-wing aircraft will opt for outsourced turnkey maintenance to drive efficiency and reduce lead time to revenue flying.

BAI: What is being done to attract talent to the MRO sector in India?

Bhaskar: India’s current civilian MRO market size is estimated to be around $1.8 billion. The market is expected to grow at 6 per cent CAGR for the next 10 years to reach over $3.2 billion by 2028. Globally, this number is projected to increase from $77 billion at present to $114 billion in the next 10 years.

It is projected that the worldwide demand for maintenance technicians will outstrip the supply by 9 per cent in next 10 years and a bigger problem will be that of an ‘expertise gap’ with fleet being divided between older and newer technology aircraft.

The projected growth in the MRO sector and government’s focus on skill development would result in a large and steady availability of manpower and I don’t see availability of talent as an issue at least for India. Just to give some numbers, 8 AMEs (Aircraft Maintenance Engineers) and 92 Technicians are required for a C-Check. Low entry level qualification (10-2 for AME certification course) and desired conversion ratio from technician to AME (1 out of 5) provides us with a significant talent pool at low cost and protects against high attrition at technician level.

The relatively young fleet in India (only 16 per cent fleet is >10 years old) reduces the exposure to technology gap as well.

On our part, we have invested in a Part 147 training institute to provide practical training to students of AME course to improve their skill set and ensure availability of good talent.

BAI: How does the technology play a role in this MRO sector and what are the latest technological advantages being utilized?

Bhaskar: Though aerospace industry is an early adopter of new technologies, the MRO industry has lagged in adopting technology in the past. The things are now changing. The key change I see coming is from the evolution in the field of data analytics and Big Data. An aircraft generates a huge amount of data both from flying operations as well as from maintenance records. Smart analytics on this data could give important insights into the preventive maintenance scheduling of the aircraft and help the MROs in better planning their operations.

BAI: How do you see the MRO sector evolving in India and what are your future plans?

Bhaskar: I see Indian aviation industry to follow the same pattern over the next 2 decades that China has seen in its aviation industry in the last 2 decades. Our fleet size today (at ~600) is comparable to China’s (~700) 20 years ago. China’s present GDP (PPP) per capita is ~$18K and we are projected to reach that in the next 20 years. China has seen an exponential growth in its domestic traffic in the last two decades and to support that growth and the resulting increase in fleet size, a lot of MRO capacity was added. The future growth in Chinese aviation will be led by the international traffic. Similarly, India will see a huge growth in the next 20 years in its domestic traffic, and in fact we have started experiencing the beginning of this phase. MROs in India will have to step up their game to support this growth.

We intend to face this challenge upfront and lead the independent MRO industry in India from the front. We have recently taken narrow body hangars at a South India airport to cater to the domestic demand and to target foreign carriers flying into India for base maintenance checks. We already have a wide body facility at Hosur near Bangalore and would develop that further.

We also intend to cater to the requirements of the defence forces. Largely hidden from plain eyesight, Defence MRO is an equally bigger market, if not bigger, as the civil MRO market. The defence forces are now looking to outsource MRO of the non-combat aircraft (troop carriers, trainers, etc.). We already count the defence services amongst our esteemed customers and would continue to build on that relationship and serve the nation.
‘Aircraft management company will boost private jet sales’

At a time when government is mulling over giving approval to the proposal for setting up of aircraft maintenance company, BizAvIndia caught up with Mahesh Iyer, President of Titan Aviation group to learn more about it and his company’s future plans.
BizAvIndia (BAI): Tell us about your company’s background?
Mahesh Iyer (Iyer): We are basically business aircraft sales char-
ter and management company. It is pertaining to business aircraft
sales and managing it for the client. Apart from that, the additional
component is aviation HR where we provide pilots and cabin crew to
different airlines and private operators. Our core business is aircraft
sales, management and charter. We provide HR to all airlines includ-
ing unscheduled airlines. We have got clients like Kalyan Jewelry,
Zee Tv; Essel Group.

BAI: What is impeding the growth of MRO industry in India?
Iyer: The government is planning to come up with lot of facilities
for these organisations but it is still under proposal and once it is
done it will be more friendly to do business in India. To promote
outside party other than the present players requires lot of permis-
sion from the DGCA and lot of infrastructure. I see good future for
MRO in India as there are not many players in India now. Market
is still open.

BAI: As part of policy, what are the areas government should
focus on?
Iyer: Lots of people are suffering with the single ownership. If any-
body wants to buy single aero plane and operate it then also I have to
start a company manage it, maintain it, the whole certification has
to be done on my name. We have given a proposal to the government
to list out aircraft management companies where they (DGCA) can
approve listed management companies for the aircraft to be man-
ageD. Once they approve the management company people who fly
single aero planes they will not have to everything by themselves.
This is the proposal government is looking at it and we are seriously
looking at it. All players are looking towards the government for
approval of the management companies to be certified. The certi-
fication will be done by the DGCA. This way business will also get
promoted. This will make aircraft operations cheaper and there will
huge business in India for private jet.

BAI: How GST is affecting the industry?
Iyer: GST is not affecting much. It is just slight difference (only three
per cent) from the previous one. Until now we
do not see any impact of that. Because people
who own private jet do not care for two-three
per cent difference in the total invoice. It is a
niche market. I do not see any issue in business
aviation because of this. Currently the GST on
charter aircraft is 18 and for non-scheduled
transport purpose it is three per cent.

BAI: What is the significance of MRO sec-
tor?
Iyer: It is question of demand and supply. There is a huge demand for MRO facility.
But there are only two or three constructive
players. There are not many aircraft mainte-
ance companies in India and I see a tremen-
dous growth. Some of the operators are going
abroad for maintenance so, India is a huge
market for MRO facility. By starting another
company definitely you will get good demand
on that.

BAI: What could prove to be the game changer for this sector?
Iyer: The game changer will be the aircraft management com-
pany which is going to give the real impact to the business, import
of aircraft will be more, private owners will come forward and they
will give aircraft to management companies. This will give positive
impact to the industry.

BAI: What is being done to attract talent to this sector?
Iyer: Many of the universities have added avi-
ation as a subject. Before, there was no course
on aviation. MBA- Aviation was not there in
India. Many of the universities have included
MBA with specialization in aviation. By this
way lot of talent will be groomed.

BAI: What are your future plans?
Iyer: We are planning to develop the char-
ter market; we are in touch with few owners.
We are planning to position few jets in south
Indian and also in north given the connec-
tivity between the cities. We are planning to
bring in four seater and eight seater. We have a
back order of around three and we are expect-
ing another four or five within a span of one
or two years. Out of the backorder of three,
one should be operational within a month and
another should be operational in another six
month, then the next one should be in eight to
nine months.
Medevac Aircraft

A multimission Gulfstream medevac aircraft provides the best platform for quality care during transit while offering proven performance and mission flexibility.
Gulfstream aircraft are uniquely capable of providing high-speed, long-range medevac transport engineered for passenger and patient comfort while incorporating state-of-the-art onboard medical assessment, stabilization and treatment. Whether the longest-range G650ER or the superbly reliable G550, Gulfstream aircraft offer low cabin altitude and 100 per cent fresh air distribution that aid respiration, advanced soundproofing for ultraquiet travel, and low vibration, all contributing to patient comfort. A multimission Gulfstream medevac aircraft provides the best platform for quality care during transit while offering proven performance and mission flexibility. The business jet design offers substantially lower operating costs and minimal maintenance support compared to traditional large-body platforms.

CONFIGURATION EASE
Each Gulfstream medevac unit is engineered to meet a customer’s specific programme needs. A multimission option provides the widest range of uses by quickly converting from passenger aircraft to patient transport, executive airlift or to a logistics payload configuration in less than two hours.

MEDEVAC PATIENT LOADING SYSTEM
Gulfstream medevac aircraft are equipped with an electric patient loading system that further ensures patient comfort and safety and reduces exertion and risk of injury for medical personnel. A powered mechanical lift raises patient and stretcher from the ground to the aircraft door. The unit assembles and disassembles quickly and stores easily in the baggage area.

INTEGRATED MEDEVAC SYSTEMS
Highly specialized Gulfstream Special Missions engineers work with each medevac customer to identify and incorporate medical transport equipment specifically suited for that customer’s needs.

Typical integrated systems include:
Oxygen/suction/compressed air components built into the aircraft and plumbed to each patient bed
- Permanent medical beds or beds replaced with seats or divans
- Individual control of each bed
- 26,000-litre oxygen capacity
- Electrical sockets for medical equipment
- Dual instrument panel arches

Specialized systems include:
- Surgical suite
- Integrated electrocardiographic monitor and defibrillator
- Infant incubator
- Blood bank
- Robust data information and image transmission system for telemedical consultation

AIRCRAFT PERFORMANCE ATTRIBUTES
High-altitude Capability. With a maximum cruise altitude of 51,000 feet/15,545 metres, large-cabin Gulfstream aircraft fly above other air traffic and rise above storm systems that can bring turbulence and cause patient discomfort.

Ultralong Range. With maximum ranges of up to 7,500 nautical miles/13,890 kilometres, Gulfstream aircraft allow patients nonstop flights that avoid inconvenient refueling stops.

High speed Cruise. The ability to cruise at speeds up to Mach 0.90 reduces flight time, delivering patients more quickly to medical facilities and necessary treatment.

More than two dozen Gulfstream aircraft have been specially configured to offer the highest caliber of air medical transport around the world. The high-speed, long-range and passenger comfort attributes inherent in Gulfstream aircraft serve as an ideal platform for rapidly converted medevac transport today and well into the future.
The reputation and the numbers show that this aircraft is second to none in its category, and together with Embraer’s outperforming and holistic customer support, this aircraft is truly a joy to fly.
BASED ON AN INDUSTRY-WIDE COUNT, the Phenom 300 was once again the most delivered light business jet – a title it has held for the past six years. The Phenom 300E, the latest derivative of the Phenom 300, was most recently on display at EBACE in Geneva where it attracted a great deal of attention for its ramp presence, design and interior aesthetics. Beyond its looks, lies a solid performing aircraft that has earned its reputation for its operating economics, advanced technology and short field performance.

JUST WHAT MAKES THE PHENOM 300 SO SPECIAL?
The Phenom 300 entered into service at the end of 2009, and now there is the current Phenom 300E. In total, there are 435 in operation in 30 countries around the world.

In Asia Pacific, it is owned by operators in countries such as India, China, Malaysia, Indonesia and Australia. It is used by operators and businesspeople who are time-pressed and value the ability to travel when they need and where they need. It has enabled businesspeople an efficient way to travel and be present on the ground to monitor their business ventures across multiple cities.

With a list price of $9.45 million and a range of 3,650 km, the Phenom 300E can fly non-stop from New Delhi to cities like Male, Dubai, Bangkok, Kunming or Ulaanbaatar.

The Phenom 300E and Phenom 300 offers a high level of utilisation and reliability, coupled with a low operating cost. In addition, the flexibility and short-field performance of this jet allows it to take off and land on short runways.

The cabin of the Phenom 300 is longer, taller, and wider than its competitors, thanks to the Oval Lite cabin design, which delivers ample space, abundant natural light from large windows, a private aft lavatory with windows, and amenities such as inflight entertainment, a wardrobe/refreshment centre, and satellite communications. The aircraft features a full-coverage air-stair door, which is unique to this aircraft category.

The ‘E’ in the Phenom 300E which is designated for ‘Enhanced’ is in reference to the aircraft’s entirely redesigned cabin and the addition of the industry-leading nice® HD CMS/IFE (Cabin Management System/InFlight Entertainment) by Lufthansa Technik. The application of this design in the Phenom 300E renders a more spacious cabin with more customization options and ease of maintainability.

The aircraft offers unmatched comfort and personalisation in its class. The seat profile, with enhanced headrest, retractable armrest, along with the new table, side ledge, side wall, and valance designs, optimize passenger mobility in the cabin with expanded aisle clearance and increased cabin space.

The new seats in the Phenom 300E feature broader backs for greater support, extendable headrests with bolsters, and extendable leg rests for improved ergonomics. The aircraft’s seats were designed and engineered by Embraer and are being manufactured at Embraer Aero Seating Technologies, in Titusville, Florida.

Commenting on the Phenom 300E’s attributes, the aircraft’s launch customer had this to say, when he received the aircraft earlier this year in March, “The Phenom 300E is an elegant and comfortable aircraft that is the best match for our travel needs throughout Africa,” said Mr. John McCormick, a South Africa businessman. “The interior architecture and design are modern and all the customization options allowed us to make the aircraft perfect for us. The Phenom 300 has served us quite well and we’re even more excited to fly the Phenom 300E home.”

The Phenom 300E features an industry-exclusive upper technology panel (upper tech panel) along the centerline of the aircraft’s ceiling, significantly improving passenger ergonomics. The innovative upper tech panel presents passengers with pertinent inflight information, while allowing for convenient interaction with cabin management controls, as well as the option of inflight entertainment with audio and video on demand via two slender swing-down seven-inch displays. The unit also offers an enhanced cabin lighting scheme, with a broad range of ambient mood selections, as well as integrates sleek, silent gaspers enhancing acoustic comfort. Bluetooth connectivity also allows passengers to view inflight information on their personal devices.

The reputation and the numbers show that this aircraft is second to none in its category, and together with Embraer’s outperforming and holistic customer support, this aircraft is truly a joy to fly.
WHY ARE MORE INDIAN companies choosing to fly private aircraft? As you can imagine, the benefits are numerous. Think of them as the four “Cs”:

• comfort,
• convenience,
• capacity and
• cost-efficiency.

The fact that flying private offers unmatched comfort compared to the commercial alternative goes without saying. But there is also greater convenience for you, your team members and above all—your clients. Greater privacy and less hassles: no airport crowds, no lost luggage, and fewer flight cancellations or delays. Business aircraft deliver a measurable increase in your organization’s overall capacity. It’s simply the capability to extend or expand your business in places you never thought possible and the opportunity for you and your staff to get more done in less time, while exceeding client demands.

Of course, the more elusive fourth C is perhaps the most challenging for C-level managers to realize. Cost-efficiency. It isn’t a term one associates with operating business aircraft. However, there is one reason why it should be: Operating Leases.

Operating leases are an increasingly popular financing tool that allows business aircraft users to gain access to private aircraft. In an operating lease financing structure, you can: enter into a sale and leaseback arrangement for your pre-owned jet; identify a jet to purchase; or assign your purchase contracts to your new, on-order jet. And, in each of these scenarios, you do not take ownership of the aircraft, but have full use of it as if you do. This means your crew, your pilot and your flight path; with less risk, more freed up capital and the ability to change aircraft easily at the end of lease.

Using traditional loan financing represents a significant allocation of capital into a depreciating asset. However, with an operating lease, up to 100% of the aircraft’s market value can be funded. Clients typically only have to fund the security deposit, import duties and VAT (Value Added Tax), and certain other transaction costs at closing. This allows high net worth individuals and corporations the opportunity to gain access to a long-range jet without having to tie up significant amounts of capital in a non-core asset. Further, importing an aircraft into India on an operating lease can significantly reduce the impact of taxes and duties applicable to the aircraft, ultimately saving you money.

SHIFT THE RISK
Operating leases shift the risk of ownership to the lessor and away from the lessee. At the end of the operating lease, the customer simply returns the aircraft. The value of the asset at the end of the lease is the lessor’s issue, not the customer’s. Other factors that can go into making an operating lease more attractive are things like a slump in global equity markets, or an excess supply of pre-owned aircraft. All affect the future value of private aircraft, but with an operating lease the customer has no exposure to any of these events.

At the end of the loan term, when it comes time to sell your aircraft, cost of ownership can jump if you end up not being able to sell in a timely manner, or if the net proceeds fall short of your ideal expectations. With an operating lease, there is a shift of the residual value risk to the lender, which provides the customer with a certainty of cost associated with the term of use for an aircraft. In short, you know what you are getting into and eventually, getting out of.

Along with allocation of capital, no residual value risk and certainty of cost, you get an additional benefit with an operation lease – flexibility. If you are interested in moving into a different aircraft model at the end of your lease, an operating lease model allows for this seamlessly. You can upgrade to the latest technology aircraft, adjust the size or capabilities of it to reflect a changing mission profile, or seek to extend the lease on your current aircraft.

In India, the trend towards operating leases is growing because it’s simply more efficient to lease an aircraft than to buy one. Operating leases also allow you to reduce the complexity of typical regulations that can make purchasing aircraft more of a challenge in certain regions.

So, now that you know your 4Cs of business aircraft operation: comfort, convenience, capacity and cost-efficiency with the advantages of an operating lease, private aircraft ownership for your enterprise in India is less elusive than first thought.
Embraer delivers Asia-Pacific’s first Phenom 300E

Embraer has delivered its first Phenom 300E in Asia Pacific to Northern Escape Collection. The new light jet model, which is an enhancement of the Phenom 300 – the world’s most delivered light business jet for the past six years – offers Northern Escape Collection an elegant solution to provide their guests access to its collection of private lodges in Queensland including Orpheus Island Lodge, Daintree Ecolodge and Mt Mulligan Lodge.

“We are committed to providing our guests with luxury, once in a lifetime experiences every time, where they can discover the diverse natural beauty of Queensland, including the reef, rainforest and the outback. Adding the jet transfer to the Northern Escape Collection, which is also serviced by our private helicopter fleet Nautilus Aviation, allows our guests to travel in style and comfort throughout their entire journey,” said Chris Morris, Executive Chairman, Morris Group, parent company of Northern Escape Collection.

Australia-based aircraft and charter management company Avcair will operate the new Phenom 300E on behalf of Northern Escape Collection. Avcair will also offer it for VIP domestic and international charter services.

“Northern Escape Collection’s Phenom 300E brings to the Australian market a new, elegantly designed state-of-the-art aircraft that features advanced avionics and impressive operating economics,” said Michael Cooke, CEO of Avcair. “We look forward to operating the aircraft soon.”

“We are delighted that Northern Escape Collection guests will enjoy the Phenom 300E’s innovation in cabin comfort, design and technology,” said Michael Amalfitano, President & CEO, Embraer Executive Jets. “The true value delivered by the Phenom 300E elevates the customer experience in flight, operations, support, and in ownership.”

The delivery of Embraer’s new Phenom 300E to the Australia-based company brings Embraer’s Executive Jets’ fleet in the Asia Pacific and China region to over 90 in more than 10 countries.

Arrow Aircraft wins South Asian Travel Award 2018

Rohit Kapur led Arrow Aircraft Sales & Charters has bagged the South Asian Travel Award 2018 in the ‘Leading Domestic Transport Provider (Air) category’, beating two of leading Maldivian air transport provider, Villa Air and Island Aviation Services.

This is a regional travel award endorsed by multi-national associations providing the tourism sector of the South Asian Region with recognition towards their facilities and service excellence.

Reacting to the honour, Rohit Kapur, Managing Director, Arrow Aircraft, said, “We are truly honoured to be selected by SATA as the leading domestic transport provider (air). This is a result of sustained efforts by the Arrow team over the years and a result of hard work and team effort. At Arrow, we have constantly tried to provide exceptional services to our customers, with full transparency, honesty and integrity. Our name stands for credibility in the business. We thank our customers for their continued faith in us, and assure them of our best services in the future.”

The SATA 2018 took place in Mumbai. SATA 2016 was held in Sri Lanka and last year it was held in Maldives. SATA has affiliations from regional associations of South Asian countries.

According to the SATA, “nominations for the third edition of SATA, which consisted of 36 categories in 10 segments, closed in April with a record 500 plus nominations from the Maldives, Sri Lanka, India, Nepal and Bhutan. Online voting was carried out via the official website till June 30. This year’s Evaluation Process was carried out in Maldives capital Male, Sri Lankan capital Colombo, South Indian city of Bangalore, Indian capital New Delhi, Nepalese capital Kathmandu and the Bhutanese town of Paro by an all-women jury.”

The award being received by Sanjeev Choudhary on behalf of Arrow Aircraft Sales & Charters, India North, in Hotel Taj Mahal Palace, Mumbai.
Honda Aircraft Company has announced that it has begun deliveries of its new advanced aircraft, the HondaJet Elite, at its headquarters in Greensboro, NC. Deliveries of the HondaJet Elite begin as the HondaJet marks the first half of 2018 as the most delivered aircraft in its class, based on information provided by the General Aviation Manufacturers Association (GAMA).

“We are proud to announce that deliveries of the HondaJet Elite have begun,” said Honda Aircraft Company President and CEO Michimasa Fujino. “This milestone showcases Honda Aircraft’s steadfast commitment to setting new standards in business aviation and enthusiasm for remaining at the forefront of an evolving industry.” He added, “We are excited about the very positive worldwide reaction to the HondaJet Elite’s market entrance and are pleased to announce that, most recently, more than 10 orders in Japan were placed following our expansion to the region in June. Deliveries in Japan will begin following receiving type certification from the Japan Civil Aviation Bureau early next year.”

During the first half of 2018, Honda Aircraft delivered 17 HondaJets to customers, making it the most delivered aircraft in its class. When discussing the HondaJet ranking as most delivered, Fujino stated, “When creating the HondaJet, my priority was to enhance the lives of business jet users by designing an aircraft that offered unrivaled performance, value and comfort. As the HondaJet remains the most delivered very light jet, we would like to thank our customers for choosing the aircraft for its best-in-class attributes. We are looking forward to continuing to deliver the HondaJet and HondaJet Elite around the globe.”

Honda Aircraft Company has established a worldwide dealer and authorized sales network to provide unsurpassed service and support for HondaJet Elite customers that spans territories in North America, Europe, Middle and South America, Southeast Asia, China, India, the Middle East and Japan. Manufactured at Honda Aircraft Company’s world headquarters in Greensboro, NC, the HondaJet Elite is type certified by the United States Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA).
AN INDISPENSABLE REFERENCE DOCUMENT FOR THE FIRST TIME IN THE REGION

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Union Minister for Civil Aviation, Suresh Prabhu receiving a copy of SP’s Civil Aviation Yearbook from Publisher and Editor-in-Chief of SP Guide Publications Jayant Baranwal.

Minister of State for Civil Aviation Jayant Sinha receiving a copy of SP’s Civil Aviation Yearbook from Publisher and Editor-in-Chief of SP Guide Publications Jayant Baranwal.

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