

Aviation World

VOLUME 05, ISSUE 01, NOVEMBER-DECEMBER 2019

www.aviationworld.in

TRAINING SPECIAL

MAK AIRWAYS

INDIAN AVIATION ACADEMY

IFA INSTITUTION FOR AVIATORS

SCHOOL FOR AIRCRAFT MAINTENANCE ENGINEERING

IN CONVERSATION

P S NAIR, CEO, GMR AVIATION ACADEMY
& ADVISOR, GMR AIRPORTS

CAE

INTERGLOBE

CAE 7000 XR

IN FOCUS

THE BUSINESS LEADER

ASHWANI ACHARYA

CAE SIMULATION TRAINING PVT. LTD.



Business aviation is challenging in India due to multiple factors but despite of all odds, the sector is doing its best. Mr. Rajan Mehra, CEO, Club One Air in an exclusive interview with Vishal Kashyap raises his views on core sectorial issues as well his plans to take his company to a new high with doubling its fleets size and foray into longer range business jets for expanding direct connectivity to Europe and Japan from India. Excerpts of the interaction:

How does Falcon plane fit in your business model?

We found Falcon is possibly the smoothest, the most efficient and the most respected mid-size aircraft available. Initially, we had imported only one Falcon but then we found that it was so popular that a certain category of people preferred that to any other plane. So, we went from 1 to 2, 2 to 3 and we found that there is always a clientele available for this aircraft. We have a lot of respect for Dassault and its Falcon plane. As of now, our fleet is all Falcon 2000 but we could also be looking at longer range Falcon plane in the future that can go to Delhi-Europe non-stop.

Apart from Falcon which all aircraft the company has in its fleet?

We have 3 Cessna aircrafts. One is Cessna XL which is a mid-size aircraft, 2 Cessna C2s which are slightly smaller and one C3 which is one of the rare planes from the Cessna family. We have one Bombardier CRJ 18-seater aircraft, which is the only one of its type business jets in India having largest seating configuration.

How many aircrafts are there in your fleet? And are these on lease basis or outright purchase?

We have 10 aircrafts in our fleet and all are owned by Club One Air. We don't have any rental or leased aircraft.

Any plans to participate into RCS scheme in future?

Lot of people think there is a similarities, perhaps there are in the sense that the infrastructure that's being built for the scheme will be extremely useful for us. Because our planes are going to tier-II and tier-III cities, where our clients would like to go. The difference is now the government is improving the infrastructure there which we can also use. Coming back to your question, it's a totally different ball game as regional travel is very different from business

travel. And I personally feel that for regional airline to be successful, you need to have at least 50-70 seater aircraft. Our planes are mostly between 8-10 seats, the Falcons are about 9-12 seats, the CRJs 18 seats, so we don't have any aircraft which can be successful for regional service. Our's is completely a niche industry where you have totally different set of clientele who would like to go and come back in may be couple of hours, who are not restricted by schedules and timings. The clientele of the regional and charter business is completely different.

What are your plans for expansions in terms of fleet size and aircraft type?

As of now we have 10 aircrafts and in next 2-3 years we could double the number of our fleet size. The ideal projections would be 2022 and it will be like adding 3 planes in a year. Regarding the type of aircraft, it's still under study as it could be like I said Falcon 2000 series and also we could branch out into longer range planes which could go non-stop to Europe and to Japan. This could be possibly Falcon planes may be 7X series, even Global or Gulfstream planes longer range.

How supportive is present govt.

towards the growth of general aviation in India?

For any government even the previous government to show that they are trying to support the general aviation is something they would not like. They don't want to be seen supporting the rich and famous. So that mindset has to change. And fortunately they are lot more receptive now; the regulatory authority, the DGCA, the ministry now understand that business aviation is not just for the rich and famous but is also an engine to economic growth as the United States has shown. The large contributor of their economy has been business aviation. Off course they are very mature market but India too with the kind of size it has, with the kind of small towns & cities where now business man wants to go. It doesn't take a rocket science to see that there is tremendous potential and if the government starts supporting it, which I have often said that the business aviation in India could explode. There is such a requirement, now you don't have only the top industrialist but the middle-level business man who value time prefers travelling in business jets. Things are changing and with more and more businesses & corporate realizing the value of time, it will only keep increasing.

How do you see change in DGCA?

We find a definite change in the mindset of DGCA. In the last 2-3 years, they are very more receptive towards our ideas & plans. But the ways Indian system works and even the DGCA gets convinced you cannot change the rules. For rules to change you require a lot more to do; to go and talk to the ministry, the policy-makers, politicians, etc. It takes time but things are moving slowly. The good news is that this government is very practical, they appreciate aviation, and they understand the value of aviation as the prime minister himself does. I can see the things happening. They are quite keen on privatizing Air India. That will change the whole dynamics of the industry both for the general aviation and for commercial aviation.

What's your vision towards taking Club One Air to a new high?

Club One Air is already the best in the country. We have the largest fleet with us but our focus would be not to compete with any one in India but to compete

with general aviation companies in the west, in Europe, in the US. We would like to raise our self to a standard which is acceptable in the western world also. Once we have something like 15-20 planes in our fleet so that we look forward towards our actual desire to be mini NetJets in India. Though NetJets is an American company having 150+ planes but we, with our 20 aircrafts would be largest in India. So, we are looking at developing a company which mirrors NetJets to some extent in the US where we can give out again time to industrialist and people who value service and professionalism. We have our own engineering & maintenance team and in that sphere also we want to do own like C-Checks of Falcon planes. We are talking to Dassault that once we have few more Falcons they should

● ● ● ● ● —————
“Regarding the type of aircraft, it's still under study as it could be like I said Falcon 2000 series and also we could branch out into longer range planes which could go non-stop to Europe and to Japan.”

————— ● ● ● ● ●
permit us do C-Check which is the main maintenance checks done every couple of years for all Falcon planes in India. The idea is to develop in every sphere like maintenance, engineering, customer delights, and aircraft types as we would like to do better in all areas so effectively we are at par with the west.

What's your observation on the industry requirement?

The requirement that India right now has is for professional training academies. There are just not enough professional training academies In India. There is either for pilot or for cabin crew and that's an area which is exactly lacking. The requirement in the airlines will increase so much in next few years that they will not be able to get skilled staff. So companies have to look into this part. Even now most of the pilots have to go overseas to get trained. It is unfortunate that foreign

exchange is going on, lot of this could be happening in India.

Where does the industry lack?

The two sectors where development needs are general aviation and training academy. The scheduled aviation is doing commercially quite well and you will find all airlines buying aircrafts and they are improving their services. But challenges are with general aviation and they have to pull up their socks and get better.

What emphasis you give to your cabin crew and ground staff as part of training?

Though we are the biggest charter operator but the requirement is nowhere near to those of the scheduled one. We pick the best and then further train them in-house to ensure that our service standards are met. For us it's easy to get very high class cabin crew, pilots, and ground staffs as our requirement is very limited.

Any challenges/bottlenecks that you find that is not helping the industry to grow as per the expectations?

The biggest issue is a consequence of that mindset that aviation is not really for the common man, the taxes are extremely high. Now ATF, all over the world oil contributes to about 10-15 per cent so straightaway 50 per cent of your budget will go in fuel in India which makes it very difficult to make profit. That's one reason why even the commercial airlines sometimes struggle to make profit. The government has to look into this and when we talk to the govt. they say it's the state subject. But if they have converted that into general goods services there would be uniform focus in tax and would straightaway reduce operating cost of all airlines considerably. So we are fighting for that and the govt. is receptive, somehow they can bite the bullet as they have done in several other cases. Second the taxes on parts are extremely high in India. Even those parts which are not used are taxed here. Even if you bring parts here to keep them in stock they are taxed. So, this all is the result of mindset that aviation need to be taxed nicely. If govt. would reduce the taxes then aviation would grow so much that all that revenue which theoretically is going to be lost will be back. 