

requirement is for 10- 12 aircraft. All its present aircraft are to be disposed of. There is a strong likelihood that in order to be selected, an aircraft manufacturer will have to reach a co-production arrangement of some sort with HAL.

## **PAWAN HANS**

Pawan Hans is the new name of the "Helicopter Corporation of India Limited". Set up in October 1985 with the basic objective of providing helicopter support services to the oil sector in offshore exploration, it also connects inaccessible areas in the northwest, northeast and Sikkim, and contemplates a role in tourism promotion and fighting forest fires. Its Corporate Headquarters are in New Delhi. Contact information for Pawan Hans is included in Appendix H.

### **Performance and Financial Summary**

Pawan Hans has steadily improved its net profit (excluding extraordinary adjustments) from a loss of Rs. 81.1 million in 1988-89 to a profit of Rs. 120.8 million in 1991-92. During 1991-92, 65% of its revenue was earned from its Dauphin helicopters and almost 47% from hourly charges on all helicopters. During 1991-92, Pawan Hans incurred foreign exchange costs of Rs. 65.2 million for stores, spares and consumables, Rs. 12.2 million for rotables and repairables, and Rs. 131.7 million for repair charges. For 1992-93, preliminary reports are that its operating profit jumped to Rs. 267 million, on revenue of Rs. 1.24 billion.

### **Fleet**

Pawan Hans' fleet composition is: 19 x SA-356N Dauphin Helicopters, 3 x Mi-8 Helicopters (on lease from Aeroflot until March 1994), and 1 x Bell 206B L4 Longranger. One Mi-8 helicopter crashed recently. Pawan Hans' aging fleet of Dauphin helicopters are catching up with structural fatigue, but should not need to be replaced for another five years. The company also has 19 Westland W30 helicopters which have been grounded since February 9, 1991 because of serious complaints about their performance. A global tender open until July 31, 1993 has been issued for their disposal. In February, Pawan Hans purchased one Bell 206B L4 Longranger, with plans to acquire two more. It is also investigating the purchase of Hallard 12UE helicopters. In May 1993, Pawan Hans floated a tender for the wet lease of five MI-8 and MI-17 helicopters for operation in the northeast and at the Bombay High oil field to be operational by the end of September 1993. As Bombay High is an offshore oil field, the DGCA has questioned Pawan Hans' proposed lease of these helicopters which are not equipped with mandatory flotation bags.

### **Operations**

In 1991-92, Pawan Hans reduced its staff from 747 to 728 employees. Pawan Hans has an Aviation Training School, with an Instrument Procedure Trainer, and a maintenance facility in Bombay, with Category "G" approval from the DGCA. Besides pilot training, the School also provides courses on Dauphin and Chetak helicopters and Arriel and Artouste engines for technicians. Pawan Hans has another maintenance base in New Delhi. Besides the main manufacturers of its helicopters, Pawan Hans sources spares from the UK, USA, Singapore, Australia and France. It has also signed repair contracts with facilities in Singapore, Australia and France.

The Company has leased out 18 helicopters on long term contracts, 15 to the Oil and Natural Gas Commission and one each to the National Thermal Power Corporation, the Lakshadweep Islands Administration and the Punjab State Government. In addition, Pawan Hans has operational and maintenance contracts for a Dauphin helicopter owned by the State Government of Madhya Pradesh and an Ecureuil helicopter owned by the Gas Authority of India Limited. The corporation has been offered a subsidy of Rs. 75.5 million per month by the Government to deploy two helicopters in northeast India to serve the interior areas beginning in September.

## **AIRLINE MANAGEMENT ISSUES**

Two management issues concerning Air-India and Indian Airlines which have evoked public interest and generated controversy are the possibility of a merger and/or privatisation of the airlines.

### **MERGER**

When the Government of India passed the Air Corporations Act in 1953, the thinking was that the nation should consolidate its flying resources and rationalize its route structure. Air-India and Indian Airlines