

Can Fly91's flightpath for India's smallest airline defy the doomy past?

When Goa-based regional airline Fly91 announced the appointment of its first COO and a new CFO late last month, there was a feeling among aviation experts that the six-plane player may be overextending itself.

After all, why would one need to bring in a COO, Krishnan Balakrishnan, a former deputy CEO of Jazeera Airways, for an airline that has not even crossed the 30-aircraft mark? It's a different discussion that Jazeera itself is a 22-aircraft airline — albeit one operating larger Airbus A320-family jets.



Over the following weeks it became clear that this was part of a plan driven by Fly91's CEO Manoj Chacko and its key financial backer, a private equity firm called Convergent Finance LLP, to bet on the India growth story and not remain a small regional player operating largely out of the relaxed beaches of Goa.

The airline on September 3, announced a mega 40-plane order for ATR planes, with aviation minister Ram Mohan Naidu and ATR's CEO Nathalie Tarnaud Laude in attendance in New Delhi. Just before the order, Naidu also announced in a post on X that former Indian Air Force Group Captain and Vir Chakra awardee Abhinandan Varthaman, who became famous during the India-Pakistan dogfight in 2019, has joined Fly91 as a commercial pilot in August 2026.

The blitzkrieg in Delhi was part of a mega plan to push the airline into national importance in the most low-cost way possible, a person aware of the development who did not want to be named said. To some extent, it did indeed succeed because even those who don't track aviation know of Fly91 as the airline "where Abhinandan has joined," as another person put it.

What next?

The airline may be preparing for an IPO in three years, much like Rakesh Jhunjhunwala-backed Akasa Air, India's third largest airline.

"Yes, one would have some kind of capital event," Chacko confirmed to ET Prime in an interview. "One would need to have a capital event because that's how an organisation should be. Would we do one? Yes, we would, subject to all conditions being conducive. We've got people who have bet on this model, and we also need to demonstrate that this model is working. So yes, but when exactly it is going to happen and how big it is going to be, time will tell. But I think a three-year timeframe is a fairly reasonable timeframe to look at."

A three-year timeframe would mean the airline will likely target an IPO in around 2029 or 2030. Akasa Air too has said it sees that window of 2028-2030 as it crosses the 100-aircraft mark for a listing on the Bombay Stock Exchange.

By 2029, will Fly91 also be a 30-40 aircraft airline?

"That's fair enough. But, again, there is nobody we can really benchmark against. The last time India saw a pure-play regional airline was 30 or 40 years ago. Otherwise, regional aviation has always been part of a larger airline. For us, the aim is to make sure the business is profitable, sustainable and able to deliver what we want," Chacko said.

Harsha Raghavan, managing partner of Convergent Finance LLP, Fly91's largest shareholder, also appeared comfortable with the idea of an IPO.

"From an investor standpoint, at Convergent we are always focused on investing to build businesses, as opposed to a buy-and-sell approach. Especially given the nature of our long-term investors, we have no

timeframes. What we really want to do is build a solid business,” he told ET Prime. But when pushed that there is no harm in an IPO when the airline is ready, he added, “I agree (there isn’t).”

Can Fly91 make money as it scales?

In simple terms, that means a profit. Fly91 has to make a profit. It posted a loss of INR100 crore in the first two years of its operations ending March 2025 and likely posted a small loss or broke even in the financial year ending March 2026, results for which are still not public. The current financial year, hit by the spike in oil prices and a delayed hike in UDAN (Ude Desh ka Aam Naagrik) subsidy linked to those costs, could mean things may not be as rosy in the months ahead either.

Also, India has a history of smaller regional airlines falling by the wayside as they scale up, and over a dozen such players, including Paramount Airways, Air Costa, MDLR Airlines, TruJet, among others, have met the same fate.

Can Fly91 sustain itself?

Convergent Finance LLP holds approximately 48% stake in Fly91. Chacko is the second-largest shareholder, with around 15%, and after that, there are a lot of HNIs, friends and family making up the balance. Ramesh Damani, a veteran stock market investor and the chairman of Avenue Supermarts (DMart), is also one of the notable angel investors in FLY91.

So far, the company is “debt-free”, Raghavan said, and has raised INR250 crore of equity.

It is now raising another INR250 crore to support this aircraft order and expansion plans, taking the total equity raised to INR500 crore.

Of the INR250 crore, it has already closed 25% through a convertible option offered to existing investors, so about INR63 crore has already come into the company. The balance is at the “closing” stage.

“We, as the primary backer, have funded, underwritten or backstopped every single round. That continues to be the case,” Raghavan said.

How long will these funds last despite the windfall that comes to regional players of this era from UDAN subsidy?

“Of the eight full quarters of operating history so far, the seventh was actually a profitable quarter at the company level. The eighth dipped back into negative territory because we onboarded three more aircraft and incurred the associated costs,” Raghavan said. “We will continue to go through those ups and downs. We are not done with them. But that is also part and parcel of scaling up.”

It expects the airline to turn profitable when it becomes a “teen” in fleet size.

“What we anticipate is that once we hit our first stride — I don’t know exactly what fleet size that will be — when we hit full stride, we become a completely profitable company,” Raghavan added. “Hopefully before the teens. It could be at 10, 11 or 12 aircraft. If not, then by the early teens.”

The airline plans to add six-eight planes every year, and in the final years of the order in 2032, the number may go up to around 9-10. In effect, it will hit the teens in its fleet size in 2028.

Convergent has already sought government approvals allowing it to have a larger stake in the airline of up to 74% from 49% currently, if needed.

But will Fly91 be the only airline play for Convergent in the aviation space or have other airline startups reached out to them as well?

“I’ve seen the business plans of every airline in this country, going back to East-West and Damania,” Raghavan said. “I’ve seen and read other people’s business plans. But I only chose to fund one.”

Beyond Fly91

Beyond the airline, though, there is more on the horizon.

“In the past, as head of Fairfax, I was the key person involved in Bengaluru airport. Before that, I acquired Thomas Cook India, which is how Manoj (Chacko) and I first met. So, in terms of aviation, I've already started my journey. But I'm not done with it at all. There is a lot more to do,” he said. “There is truly opportunity everywhere: manufacturing and the supply chain, service provision, people and cargo, infrastructure and more.”

Clearly, as Raghavan hunts for more opportunities in the allied space, for the new COO and CFO at Fly91, the key result areas must be crystal clear: with a big order in place, potential gains from sale and leaseback of planes on the way, and government policy on regional connectivity under UDAN approved for the next decade, get down to increasing aircraft utilisation, expand to quality routes, shave costs where needed, and prepare the airline for profits and an eventual listing — all while flying under the radar as IndiGo, Air India, and Akasa Air fight it out on the grand trunk routes.

Will Fly91 defy its predecessors, most of which are now in the graveyard, or have some of their aircraft mothballed somewhere in a corner of an airport?

Only time will tell.

Till then, passengers can enjoy being greeted by fighter pilot Abhinandan announcing, “This is your pilot speaking,” as they board their regional flight, while the airline enjoys the social media traction that will follow with selfies galore.