

Akasa Air aims to go public by end of decade

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New Delhi: India's newest airline Akasa Air, which is set to soon fly on international routes and will be placing a three-digit aircraft order, plans to list on the bourses by the end of the decade, its Chief Executive Officer Vinay Dube told media.

The 14-month-old Akasa Air, which already operates more than 750 weekly flights across 16 domestic destinations, including Mumbai, Ahmedabad, Bengaluru and Delhi, is looking at “gathering a little more history” before launching an initial public offering (IPO), he said.

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The airline plans to start international services by the end of this fiscal and has placed a firm order for 76 Boeing 737 MAX aeroplanes, all of which will join its fleet by mid-2027. Currently, Akasa Air has a fleet of 20 aircraft and is looking to place an order for three-digit aircraft before the end of 2023, he noted.

Dube, the founder and CEO, said the airline is already generating free cash from operations and is well-funded for the new aircraft order it is going to place. About the medium-term goals, Dube, in an interview, said that as a timeframe, by mid-2027, the airline expects to have 76 planes.

The aim is to be a pan India player with a very healthy domestic and international network and multiple bases, he added. On going public, Dube said, “I don’t think 2027 will be possible for a listing, but the listing is something that we definitely want to do. We may have to gather a little more history before we can list. Certainly, listing or an IPO is something that we would desire”.

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When asked whether listing could happen before the end of this decade, the Akasa Air chief said that is a “much more realistic goal”. Currently, two operational scheduled carriers are listed on the bourses — IndiGo and SpiceJet. Jet Airways, which stopped flying in April 2019 due to financial woes, is also listed. The now-grounded Go First’s earlier attempts for an IPO did not take off.

Meanwhile, Akasa Air has received international flying rights for Riyadh and Jeddah (Saudi Arabia), Doha (Qatar) and Kuwait. It will soon be starting overseas operations. “We are in growth mode. We should have two more aircraft delivered before the end of this calendar year. We will exit the financial year with 25 aircraft. We will exit the following financial year with approximately 40 aircraft,” Dube said.

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