

Takeoff sign for airline co-operative

JAYANTA ROY CHOWDHURY



Harsh Vardhan: Ready to soar

New Delhi, Sept. 25: Invest just Rs 5-7 crore and own your own little airline.

Sounds crazy? But that's the idea former Vayudoot chief Harsh Vardhan is trying to sell entrepreneurs in different cities. He envisages a new airline called StarAir, which he describes as an "umbrella co-operative of dozens of smaller regional airlines".

Each of these entrepreneurs will own one or two 19-seater Jetstream aircraft and be a member of Vardhan's StarAir.

"StarAir will have more aircraft than the sum total of planes owned by these entrepreneurs — which means we will have standby aircraft, the benefit of which each owner will get. Similarly, each tiny airline will save on insurance, inventory, maintenance and back-up crews, all of which will be taken care of by us," Vardhan said.

This way, the tiny airlines will get economies of scale, which could help them break even soon if they can generate traffic between interior cities and metros, which is the sector Vardhan is looking at. Fares can be at least 70 per cent cheaper than the regular rates of bigger airlines like Indian Airlines, he said.

"I am concentrating on the Northeast network, which I know can be highly profitable if properly run ... in fact, I am in talks with several entrepreneurs and even state governments in that region," he said.

In Arunachal Pradesh, Vardhan has worked out that a Lilabari-Zero ticket could be sold for Rs 430, a Guwaharti-Lilabari ticket for Rs 2,150 and Lilabari-Daparizo ticket for just Rs 1,000.

"Having flown Vayudoot, I know the cost economics of these routes. I know I can make Calcutta-Ranchi, Calcutta-Silchar or Indore-Raipur routes profitable," he said. Vayudoot was a state-run airline that was introduced to connect small hinterland cities with metros but flopped afterwards. "It may have nose-dived after I left but its need and viability was later proved by the government when it launched Alliance Air," he added.

Vardhan said he has tied up with nearly eight entrepreneurs and is looking around for some more. His aim is to cover 25 cities by the end of two years with 100 flights in all.

StarAir will develop the brand and logo, which all franchisee operators will share.

Some entrepreneurs are encouraged to join because they scent profits, while others are attracted by the prospect of owning an airline, said Vardhan.