

# India's TruJet changes ownership - report

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India's infrastructure giant Megha Engineering & Infrastructures Ltd (MEIL) has reportedly divested from Turbo Megha Airways Ltd. t/a TruJet (2T, Hyderabad Int'l), with former promoter Vankayalapati Umesh having regained ownership of the airline, according to the Hindu Business Line newspaper.

Neither of the companies was immediately available for comment.

Business Line reported that MEIL had sold the cash-strapped airline back to Umesh for an undisclosed amount and that he had taken over as managing director of the company on October 9, 2021, while most of the board had resigned.

The newspaper was citing an email from Umesh to the airline's employees, in which he claimed to be in advanced discussions with Irish lessor Elix Aviation Capital for an equity stake in the airline and the lease of 10 turboprop aircraft.

Elix Aviation did not immediately respond to an emailed query from ch-aviation.

Umesh had claimed the Irish turboprop lessor was keen to come on board as an equity partner besides leasing the aircraft, two of which were to be acquired immediately. "Our existing lessor, Elix Capital, is also keen on leasing 10 aircraft to us with two aircraft immediately. They also want to be equity partners in the airline and will bring in value by way of aircraft induction and their global relationship in the aviation industry," he said.

"I am at advanced stages of discussion with entities for institutional funding and to raise funds for the airline

and I believe to be able to conclude the same in the next three months,” he told Business Line in the e-mail. “I am restructuring TruJet,” he confirmed.

“MEIL realised that this was not part of its core business functions and wanted to hand over the airline business to someone capable and keen on its safekeeping and continuous expansion,” Umesh was quoted.

Turbo Megha Airways Ltd. was incorporated on March 14, 2013, with Umesh as the promoter. In 2014, he sold a 90% stake in the airline to MEIL in order to fund the operations.

The airline adopted the brand name TruJet in February 2015 and received its AOC for regional operations from the Directorate General of Civil Aviation on July 7, 2015. It commenced operations later that July with a flight from its Hyderabad Int’l hub to Tirupati. In May 2017, it changed its AOC to become a scheduled commuter operator, allowing the carrier to operate flights to other regions in India under the government’s UDAN Regional Connectivity Scheme.

The carrier had expanded gradually but was hard hit by the severity of the COVID-19 pandemic and lockdown in India. From July 12, 2020, five out of seven of its ATRs were grounded by lessors due to unpaid dues.

In April 2021, TruJet and US-based fund Interups Inc. signed an agreement under which Interups agreed to pick up 49% of the company, for an undisclosed amount. The deal was seen as a huge relief to the cash-strapped airline, but months later, Interups was yet to infuse the funds. A source told the newspaper that TruJet needed INR3 billion rupees (almost USD40 million) immediately to stay afloat.

As reported previously, TruJet had been scouting unsuccessfully for an investor for the past six months.

When Business Line contacted Interups’ chairman Laxmi Prasad, he maintained that he was still a part of the airline but declined to comment further.

According to ch-aviation fleets advanced data, TruJet currently has one aircraft, an ATR72-500, in active service. The rest of its fleet is stored. Its fleet comprises two ATR72-600s leased from DAE Capital, and five ATR72-500s, three leased from Elix Aviation Capital, and two from Aergo Capital.

About TruJet

Type Scheduled Carrier

Base Hyderabad Int’l

Aircraft 7

Destinations 24

Routes 29

Daily Flights 66

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