

Go Air files IPO papers to raise Rs 3,600 crore, rebrands itself



[Go Air](#) has filed a draft red herring prospectus for a share sale to raise Rs 3,600 crore, as it rebrands to become an "ultra-low-cost" airline.

The Wadia group airline will use the proceeds to meet debt obligations, pay oil companies and for replacement of letter of credit to aircraft lessors for lease rental payment and future maintenance of aircraft.

ICICI Securities, Citi Bank, Morgan Stanley will handle the share sale process. Known as [GoAir](#) since its inception in 2005, the airline changed its name to Go First on Thursday.

The airline, India's largest airline by market share, is raising funds plans and rebranding in the midst of a second wave of Covid-19 that has decimated travel demand. Airlines have grounded aircraft, cut flights and deferred payments to ride out of the crisis.

According to documents filed with market regulator SEBI, the Wadia family and their Go Investments company hold 100 per cent stake in the airline. At least 22.56 per cent of Go Investment is pledged with a lender's consortium.

In the nine month ending December, the airline posted a loss of Rs 470 crore on total income of Rs 1438 crore. The [airline](#) in FY 2020 posted a loss of Rs 1270 crore on an income of Rs 7258 crore, according to consolidated financial statements that form a part of the [IPO](#) filing.

[Go Air](#) will be the third Indian airline to list in stock exchanges. [IndiGo](#) and [SpiceJet](#) are listed. Jet Airways and Kingfisher Airlines were listed before shutting down.

In 2015, IndiGo raised Rs 3,008 crore from public listing. [Go Air](#) currently holds a little more than eight percent market share of the domestic market.

India suspended air travel for two months for a national lockdown last year and resumed it on May 24 with caps on capacity.

Go Air