Indian airline IndiGo to fight virus woes with $534 mn share issue

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Indian carrier IndiGo has suffered record losses, reflecting the struggles facing airlines worldwide during the coronavirus pandemic

India's largest airline IndiGo hopes to raise $534 million by issuing shares to try and boost liquidity after the coronavirus pandemic sparked

record losses and job cuts.

Airlines worldwide have reported steep falls in revenue because of a slump in demand as governments impose sweeping travel restrictions to battle COVID-19.

IndiGo last month reported its highest-ever loss of 28.49 billion rupees ($382 million) for the quarter ending June 30, and said it would cut 10 percent of its staff.

The carrier's parent firm Interglobe Aviation announced late Monday that its board had approved the issue of shares to raise 40 billion rupees ($534 million).

The pandemic has dealt a sharp blow to India's aviation industry, which had seen tremendous growth in recent years.

Adding to the gloom, industry body IATA warned last month that global air traffic would not return to pre-pandemic levels until 2024, a year later than previously forecast.

Other Indian budget carriers GoAir and SpiceJet are also struggling to manage their finances and are renegotiating contracts with aircraft owners.

The IndiGo share issue decision follows its announcement in June to slash expenditure by 40 billion rupees and cut costs by quickly returning older planes to leasing firms.

Shares in Interglobe Aviation were down over one percent in Mumbai on Tuesday following the equity announcement.

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