

Paramount Air to buy out Wadias in GoAir

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In a new twist to the ongoing airline consolidation story, Chennai-based Paramount Airways said it wants to buy out promoters Wadias in GoAir. Wadias, the promoters of textile giant Bombay Dyeing, had reportedly offered 40% to 60% stake in low-cost carrier GoAir to the promoters of Paramount Airways. "A complete buy-out will make the difference rather than owning partially," sources said. However, speaking to *FE*, Jeh Wadia, managing director, GoAir said, "Neither have officials of Paramount Airways approached me nor have I talked to them on these lines. We have been considering options of private placement and are in talks

with some strategic players. In the near future, I do not see GoAir offering any stakes to the airline whatsoever." He ridiculed rumours about GoAir divesting 40% equity in favour of the Chennai-headquartered premium service carrier.

Paramount Airways, which is planning to enter the western market in 2008, is keen on acquiring an airline, especially with a strong presence in western India, Paramount Airways MD M Thiagarajan said on Tuesday. Paramount is also placing orders for 40 Embraer - 175 extended range aircraft at a list price of \$2 billion. The formal announcement for the purchase order will be made in Brazil in July this year. The acquisition would be funded internally, Thiagarajan said.

Paramount Airways, which at present claims to have the largest market share of

26% in southern India, plans a pan-Indian presence by 2011 and would first spread its wing to western India, then move to north and east and last to the north-east. Thiagarajan also said that he was looking at over 3,000 flights a month exclusively in western India once they emerge as the market leaders in west, which they plan to achieve by 2009. The airline has about 1,600 flights within the southern region.

Spice Jet investor offers stake

In an interesting twist to the ongoing talks between GoAir and Paramount Airways, a major investor of Spice Jet has offered to sell stake to Paramount Airways. The investor is said to be holding 10% to 12% in Spice Jet and informed the merchant bankers of its intention to sell the same, the industry sources said here.