



LENDERS TO GROUNDED KINGFISHER AIR TO AUCTION SOME ASSETS

News / Finance



Lenders who are owed more than US\$1 billion by grounded carrier Kingfisher Airlines Ltd are putting up for sale some of its assets including cars and forklifts.

An auction notice appeared on Saturday on the website of the trustee company representing the creditors.

Kingfisher, founded by liquor baron Vijay Mallya and once India's second-biggest airline, stopped flying three years ago as it ran out of cash. It owes money to its lenders, mostly state-run banks, and suppliers.

As of end-January 2014, the airline owed 69.63 billion rupees (US\$1.1 billion) to its banks, who are assessing interest of 15.5 percent a year on the debt.

On Dec. 7, the banks will sell moveable pledged assets through an auction over the Internet.

The reserve price for the assets going on sale has set at 6.5 million rupees, meaning that at most the auction will let the lenders recover just a fraction of what they are owed. The banks earlier this year took over US\$15 million worth of airline property after a two-year legal battle.

Mallya was once known as "The King of Good Times" for his flamboyant lifestyle.

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