

## Kingfisher likely to buy into SpiceJet

UB Group chairman Vijay Mallya is in talks with two major share holders of New Delhi-based low cost carrier SpiceJet to buy the airline.

According to sources familiar with the development, Mallya is in talks with the Gulf-based investor Istithmar and the Britain-based Kansagra family who hold 13.4 percent and 12.9 percent stake respectively in SpiceJet.

The deal is likely to be valued around \$300 million.

If the agreement is sealed, Mallya's Kingfisher airlines would enjoy 40 percent market share beating the ace competitor Naresh Goyal, whose Jet Airways currently leads the Indian sky with 33 percent market share.

SpiceJet flies to 15 destinations with 94 flights a day. The Kingfisher-Deccan combine, with a fleet of 83 aircraft, flies to 63 destinations with 440 flights a day.

The profit-starved aviation industry has recently initiated several measures, including cutting down flights, to deal with the fuel crisis. SpiceJet cut 23 flights and started to sub-lease aircrafts to the Trasavia Airlines, based in Scandinavia.

Earlier, SpiceJet drew plans to raise \$100 million for expansion, but it failed to get investors due to the bearish sentiment in the market.

According to market analysts, acquisition of SpiceJet, which flies Boeing fleet, may strengthen Mallya's ambitions to fly to the US.

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