

Fresh evaluations peg Kingfisher Airlines brand value at less than Rs 100 cr

Ahmedabad-based RBSA Advisors had done valuation exercises in 2013 and 2015 after Grant Thornton had valued the brand at Rs 4100 cr in 2011-12

Sohini Das | Ahmedabad
March 23, 2016 Last Updated at 00:38 IST

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The defunct Kingfisher Airlines, which owes around Rs 9,000 crore to various banks, had used a valuation of Rs 4,100 crore (done by Grant Thornton in 2011-12) for its brand as the single largest collateral for its loans. However, an evaluation done by the lenders through RBSA Advisors in 2013 found the valuation to be around Rs 200 crore, or five per cent of the valuation by Grant Thornton. Another valuation done in 2015 pegged it at Rs 100 crore.

This assumes significance in the context that Kingfisher Airlines' operating licence was suspended in October 2012 by the Directorate General of Civil Aviation.

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The airline shut shop in October 2012. Banks had relied on Grant Thornton's high valuation of the Kingfisher Airlines brand and associated trademarks while funding Kingfisher.

RBSA Advisors, a global valuation and transaction advisory firm having offices across India, New York, Singapore and Dubai, confirmed that it had carried out two valuation exercises for the brand in 2013 and 2015.

Rajeev Shah, managing director and CEO of RBSA, however, refused to divulge any further information on the matter citing confidentiality agreements.

It was State Bank of India (SBI), on behalf of the consortium of lenders, which selected and appointed RBSA Advisors for valuation of the Kingfisher Airlines brand in 2013, said a source familiar with the development.

According to sources, RBSA has highlighted the fact that the rights that have been assigned to the banks are only pertaining to 'Kingfisher' registered under the Class 39 under the Trade Marks Act, 1999. Class 39 broadly refers to — transport; packaging and storage of goods; travel arrangement, etc.

The banks do not have any right over the intangibles or brands of Kingfisher Beer and beverage business category.

In an e-mailed response, Grant Thornton told Business Standard: "We fully stand by our brand valuation report, which we believe was appropriate in the context of when it was done and the purpose for which it was done. Grant Thornton will obviously be pleased to offer all the information we have in connection with the matter to the appropriate authorities, and support any investigations."

It, however, did not respond to queries related to what was the exact valuation of the brand it had calculated in 2011, or whether it repeated the valuation exercise later.

Grant Thornton India LLP is reportedly under the scanner of the Serious Fraud Investigation Office, which is looking into the brand evaluation carried out by the firm for the Kingfisher Airlines.

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