

**GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
STARRED QUESTION NO. : 99  
(To be answered on the 27<sup>th</sup> June 2019)**

**CLOSURE OF JET AIRWAYS**

**\*99. SHRI BIDYUT BARAN MAHATO**

**Will the Minister of CIVIL AVIATION**

**नागर विमानन मंत्री**

**be pleased to state:-**

- (a) whether Jet Airways is on the brink of closure as the lenders consortium led by State Bank of India has refused to infuse the committed interim fund of Rs. 1,500 crores and if so, the details thereof and the reaction of the Government in this regard;
- (b) whether thousands of airline employees have become unemployed due to sudden closure of Jet Airways and if so, the details thereof; and
- (c) whether the Government has any proposal to bailout the Jet Airways by providing a package for the same and if so, the details thereof and the steps taken in this regard so far?

**ANSWER**

**Minister of State (IC) in the Ministry of CIVIL AVIATION**

**नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)**

**(Shri Hardeep Singh Puri)**

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**(a) to (c): A statement is laid on the table of the House.**

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**STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO. 99 FOR REPLY ON 27.06.2019 REGARDING CLOSURE OF JET AIRWAYS**

**(a) to (c): Jet Airways (India) Limited reported aggregated losses during last few quarters which eroded its liquidity and jeopardized its ability to sustain its operations. As a result there were significant overdues towards all creditors including the lessors of the aircrafts, pilots, suppliers, oil companies, employees etc. Lenders explored various options for revival of Company through Resolution Plan. To mitigate immediate operation crisis faced by the Company an interim funding of Rs. 1500 crores was proposed. Out of Rs. 1500 crores required for interim funding, promoters were expected to bring in Rs. 750 crores and the Lenders would provide the remaining amount. However, the promoters did not bring in full amount of their share. Therefore, the lenders consortium led by State Bank of India could not infuse the committed interim fund.**

**Meanwhile, bids were called by the Lenders for change in ownership/management of the Company. However, no unconditional and proper bids was received. It was understood that some of the relaxation/waiver sought are only available under a Corporate Insolvency Resolution Process(CIRP) under the Insolvency & Bankruptcy Code, 2016 (IBC). Hence State Bank of India (SBI) has filed an application in National Company Law Tribunal (NCLT), Mumbai on 17.06.2019 under the Insolvency & Bankruptcy Code, 2016 (IBC) to work out a resolution plan. The said application was admitted by NCLT, Mumbai on 20th June, 2019. Revival of the airline is now possible only under IBC.**

**Due to the suspension of operation by Jet Airways, large number of employees of different category working with the airline have been adversely affected. Further, each airline prepares its business plan on the basis of its own market assessment and liabilities. Mobilizing financial resources and ensuring efficient operations as per business plan are the responsibility of the airline. Government of India has no role in raising funds for M/s Jet Airways (India) Limited, as it is an internal matter of the airline.**

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