

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 4305
(To be answered on the 18th July 2019)**

REVIVAL OF JET AIRWAYS

4305. SHRI KAUSHALENDRA KUMAR

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Government is making a significant effort to revive Jet Airways and if so, the details thereof;
- (b) whether such a situation of Jet Airways has occurred due to not taking timely decision on loan related proposal of SBI and if so, the facts thereof;
- (c) whether the owner of Jet Airways has transferred huge amount of money from the said company to other companies in the name of commission and caused the Jet Airways to reach the stage of closure as a result of the same; and
- (d) if so, the details thereof?

ANSWER

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

नागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार)

(Shri Hardeep Singh Puri)

(a) to (d): 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, promoters and lenders were expected to infuse funds. Since 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 bid 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.

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.
