

NCLT approves Jet Airways ownership transfer to consortium

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The National Company Law Tribunal (NCLT) on Friday (Jan 13) approved the transfer of ownership of bankrupt Jet Airways to the Jalan-Kalrock consortium and gave the winning bidder more time to pay the dues to the creditors.

The latest rulings have come on two petitions filed by the consortium. One plea pertained to approval of transfer of ownership and the second one related to extension of time for the payment of dues to the creditors.

Earlier, the tribunal had given time till November 16, 2022 for the consortium to make the payments to the creditors of the airline.

The latest orders also come against the backdrop of differences between the consortium and the lenders of the airline, which has been grounded for nearly four years now. On Friday, the tribunal allowed Jalan-Kalrock consortium's plea to transfer the ownership of the airline.

A two-member NCLT Mumbai Bench of Pradeep Narhari Deshmukh and Shyam Babu Gautam said as the effective date of the resolution plan has been taken as November 16, the consortium will get six months from the said date to make the

payments to the creditors.

Now, the consortium will have time till mid-May this year to make the payments to all the creditors, including workmen and employees.

The counsel for the lenders Rohan Rajadhyaksha had sought a two-week stay on the order but the plea was rejected by the tribunal.

In a statement, the consortium said the tribunal has ordered the transfer of ownership of the airline to it in compliance with the resolution plan the tribunal previously approved.

As per the resolution plan approved in June 2021, the consortium has so far deposited bank guarantees worth Rs 150 crore with the lenders.

It also has to make cash payments of Rs 185 crore to the creditors. A total cash infusion of Rs 1,375 crore, including Rs 475 crore for payment to stakeholders, has been proposed by the winning bidder. The remaining Rs 900 crore is to be infused for capital expenditure and working capital requirements.

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