

Jet Airways lenders lay out bid terms for 75 per cent stake in airline

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The last day for the submitting the bids is April 10

State Bank of India (SBI), the lead lender to **Jet Airways** has invited Expression of Interest (EoI) from potential investors for the debt-strapped airline on Monday, "to effect change in control and management of Jet Airways (India) Limited," with maximum 75 per cent of stake in the stressed airline.

SBI would sell the airline to either a strategic investor from the airline industry or a financial investor. The criteria for a strategic investor would be to have a net worth of at least Rs 1,000 crore or three years of experience in the aviation business. Whereas, for a financial investor's company it would be with at least Rs 2,000 crore of net-worth. In case if the bidder is a consortium, it shall consist of not more than 3 (three) members with shareholding of an individual member not being less than 15 per cent, said the EoI document .

According to the invite, State entities/public sector undertakings (PSU) or any other agency or instrumentality of any Government of India (or State) shall not be required to respond to EoI and would be eligible to directly procure the Bid document free of cost and submit their bids till the last day announced for submission of bids. The Government promoted funds/quasi-sovereign wealth

funds shall not be required to meet the qualification criteria. Further, such funds shall not be required to respond to EoI and would be eligible to directly procure the bid document free of cost and submit their bids till the last day announced for submission of bids.

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"The Lenders, pursuant to the guidelines issued by the Reserve Bank of India (from time to time) (the "RBI Guidelines"), are in the process of formulation of a resolution plan for resolving stress in the Company, inter alia, involving change in control and management of the Company (the "Resolution Plan").

After reviewing the bid and all relevant documents, SBI will transfer the ownership of Jet Airways of at least 3.54 crore equity shares of the company, comprising 31.2 per cent of equity share capital of the company, on fully diluted basis and up to a maximum of 8.51 crore equity shares of the company, comprising 75 per cent equity share capital of the Company, on fully diluted basis.

The debt-strapped airline has a gross loan of Rs 8,400 crore, 91 aircraft grounded on account of non-payment of dues to the lessors, and pending salaries of pilots, engineers and general managers for the past three months. The airline has also unpaid dues towards its vendors. The EoI is a part of the resolution plan that was proposed by SBI, the State-run bank to recover its loans from the airline. The last date for submission of EoIs is April 10.

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