

Creditors back plan to get India's Jet Airways flying again

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Bankrupt Jet Airways, India's biggest private airline, could take to the skies again if a consortium's plan to revive the carrier is approved

Creditors on Saturday backed a surprise plan by a consortium to revive Jet Airways 18 months after India's biggest private airline went bankrupt with \$1.2 billion in debt.

London investment fund Kalrock Capital and Dubai-based tycoon Murari Lal Jalan proposed the rescue that was "duly approved" by a creditors' committee, Jet said in a statement to the Bombay Stock Exchange.

The statement did not give details of the plan but [media reports](#) said they had offered to make a payment of about \$115 million to creditors and equity in the new firm which they wanted to concentrate on international routes.

Creditors, mainly Indian public sector banks, took over Jet in early 2019 but failed to keep it operating as its cash crunch grew. It was finally grounded in April 2019.

On top of its \$1.2 billion debt to the banks, the

airline also faces huge claims from 20,000 former staff, airports and suppliers. Total liabilities could top \$4 billion.

Kalrock Capital, founded by German entrepreneur Florian Fritsch, focuses on real estate and [venture capital](#) and has a major investment in electric car maker Tesla. Murai Lal Jalan has built up his fortune from mining, paper manufacturing and trading across several countries.

The consortium will need approval from a government tribunal and India's aviation ministry before sealing the deal to purchase the airline which would have to reclaim [flight](#) slots since given to other airlines.

The move comes despite the crippling blow dealt to the global aviation industry by the coronavirus pandemic which this year brought international flights to a near standstill.

India is still only allowing a slow resumption on domestic routes and very limited [international flights](#).

Bad investments, financial mismanagement, competition from low-cost carriers, high oil prices and a weak rupee led to the collapse of Jet.

Several former executives are under investigation for money laundering and fraud. Naresh Goyal, who set up the airline in 1992, is accused of [financial mismanagement](#) and was last year stopped from taking a flight to London at Mumbai airport.

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