



## **AIBEA urges government to take over Jet, help employees**

SPECIAL CORRESPONDENT CHENNAI, APRIL 19, 2019

THE  HINDU



### **Expresses concern over non-payment of salaries**

The Centre should take over Jet Airways to secure the future of the more than 16,000 employees, according to the All India Bank Employees' Association (AIBEA).

In a letter addressed to Prime Minister Narendra Modi on Friday, AIBEA general secretary C.H. Venkatachalam expressed concern over the non-payment of salary to the employees and claimed the situation had further worsened with the management refusing to

accept the bank's proposals for funding to temporarily tide over the crisis.

Pointing out that banks had invited bids from prospective investors to bail out the ailing Jet, he said: "If no bidder is willing to take over the airline, we urge the Centre to take over the airline so that the jobs and the future of thousands of employees, most of whom are young, is safe."

### **Inquiry sought**

Citing reports attributing the airline's woes to 'wrong and unwise' business decisions by promoters, he said there should be a thorough inquiry into the affairs of Jet and wrongdoers must be punished.

Seeking the Centre's immediate intervention, he said: "Naresh Goyal is still the promoter... with 51% stake and it is his headache to run the company or sell it to someone... So, banks should not be pressurised to dole out further loans."

He said when a company makes huge profit, the same is transferred to the owners by way of dividend on which no tax is payable to the government. But, when it is in trouble due to mismanagement, it expects the banks to rescue them.

He also welcomed the Bombay High Court's decision declining to give a direction to the Centre to ask the banks to extend further loans.

## **Jet Airways CEO asks govt for Rs 175 crore to pay one-month salary to staff**

**CEO Vinay Dube says retaining employee and key airport slots primary for a sale**

## Business Standard



*Jet Airways employees at a peaceful demonstration at Jantar Mantar in New Delhi on Thursday*

Jet Airways management has asked the government to release Rs 175 crore to pay one-month of salary to its staff. The airline also asked to retain prime airport slots to retain value for new investor.

A team of employee representatives led by CEO Vinay Dube and Deputy CEO Amit Agarwal later in the evening met Finance Minister Arun Jaitley and requested for Rs 175 crore, which would be used to pay one month salary to the employees.

"We requested for funds to pay at least one month's salary and that will give hope to employees," Jet Airways CEO Vinay Dube told Business Standard.

However, Jaitley did not promise anything and said that he would forward the request to banks.

Civil Aviation secretary Pradeep Singh Kharola was also a part of the team.

The airline shut operations on April 17 as banks refused to release emergency funding of Rs 400 crore.

The lenders consortium refused to release money as they felt they don't have enough collateral to extend further credit.

Asim Valiani, Vice President, National Aviator's Guild, who was part of the team, said that airline's asset, like the Boeing 777 planes, can be kept as collateral to release the amount. " With that one month salary can be paid to the employees," Valiani said.

Jet Airways has defaulted on a loan of EXIM bank through which the aircraft were bought. This is the reason why Indian banks are unable to treat the planes as collateral.

Valiani said they also requested to protect prime airport slots of Jet Airways to give confidence to new investor that operations can be resumed immediately.

The government has started distributing Jet Airways slots temporarily to other airlines. Jet will have the right to retain these slots if it can resume operations in six months.

"Banks were unable to release emergency funds we had sought. But right now it's important to pay the salary of the employees and protect airport slots to create value for the new investor and also for the banks," Dube said.

Dube said that the bank's had their own reasons and rules due to which they couldn't release money.

"Banks have their own commitments and consideration when asked about why banks did not agree on release of loans earlier. Let's focus on future and not on past, " he said.

The employee members also asked to expedite the sale process. "We were told that there were serious bidders," Dube said.

SBI led consortium has called for bids for up to 75 per cent of the company. However, with the Supreme Court striking down a key circular

which had allowed banks to convert the airline's debt into equity, there is uncertainty how much of the stake can actually be sold.

## **Jet Airways employees seek President's intervention for salary dues, emergency funds to airline**

[PTI](#)

NEW DELHI, APRIL 20, 2019

**THE HINDU**

***The unions highlighted that a section of employees have not been paid their salaries on time for the last seven months and that the distressing situation was also brought to the notice of the Ministry of Labour and Employment in March***

Employees of Jet Airways have written to President Ram Nath Kovind and Prime Minister Narendra Modi seeking their intervention to recover outstanding dues as well as to expedite the process of emergency funds for the airline, which has shuttered its operations temporarily.

Cash-starved Jet Airways, which has around 23,000 employees, has delayed payment of salaries to the employees, including pilots. Amid uncertainty over the future course of the carrier, two employees' unions have now written to the President and the Prime Minister.

In separate but similarly-worded letters this week, the Society for Welfare of Indian Pilots (SWIP) and Jet Aircraft Maintenance Engineers Welfare Association (JAMEWA) have requested help in clearing their outstanding salary dues.

"We request you to consider the situation with the urgency it deserves and direct the management of Jet Airways (India) Ltd to expeditiously disburse all outstanding dues to affected employees. We also urge you to expedite the process of emergency funding, as every minute and every decision is very critical in these testing times," one of the letters said.

After months of uncertainty, Jet Airways announced temporary suspension of its operations on April 17 as it failed to receive emergency funds from lenders. The unions highlighted that a section of employees have not been paid their salaries on time for the last seven months and that the distressing situation was also brought to the notice of the Ministry of Labour and Employment in March.

“The management of Jet Airways has gone back on its salary arrears payment schedule conveyed by mail dated December 7, 2018. The outstanding amount for pilots and engineers as of now is three months salary (full salaries for the months of January, February and March), and for all other staff is one month’s salary,” the letter said.

Noting that employees did their best to keep up the highest standards of safety and professionalism in these trying times, the grouping said non-payment of salaries is causing extreme hardships to employees. “... even after all our efforts, we are not seeing any ray of hope and so it is our humble plea to take this matter under your guidance for an immediate action for the revival of the entire system,” the letter said.

SWIP has around 1,200 members while JAMEWA represents more than 500 employees. “We have also realised that along with our Jet Airways sinking, we are not only 23,000 employees who will be affected directly but a number of people who are running business or are associated with us some way or the other. Even the shops at the airports are facing a lull. Such a big airline going down will leave a huge vacuum behind. Passengers are already facing the brunt of it,” they said.

The unions also flagged that air ticket prices are “sky rocketing.” A day after the airline suspended operations, hundreds of employees had gathered in the national capital seeking measures to revive the carrier, which has been in operation for nearly 26 years.

Domestic lenders have invited bids for selling stake in Jet Airways. On April 18, the lenders said they were “reasonably hopeful” that the bidding process for the airline would end successfully.

# Jet Airways staff want Jaitley to intervene

[SPECIAL CORRESPONDENT](#)

MUMBAI, APRIL 20, 2019

THE  HINDU

## ***Plead for at least a month's salary***

Employees of Jet Airways on Saturday met Union Finance Minister Arun Jaitley in New Delhi with an appeal that the airline be saved from permanent closure.

Accompanied by Maharashtra Finance Minister Sudhir Mungantiwar, Jet Airways CEO Vinay Dube and CFO Amit Agarwal, the employees, comprising pilots, cabin crew, engineers and ground staff, handed over a letter highlighting the plight of employees in the wake of the airline temporarily suspending flight operations.

It was learnt that the employees appealed to Mr. Jaitley to ensure that at least a month's salary is paid since many had EMIs to pay and families to support. Mr. Jaitley is said to have assured the employees that the bidding process would be carried out in a transparent and fair manner. Jet had suspended all operations temporarily on Wednesday with no money to fly and banks refusing to lend any more. This had left over 16,000 employees in the lurch.

# Bankers hope for less pain as RBI readies new stressed-asset norms

[K Ram Kumar](#) Mumbai | April 19, 2019

THE  HINDU  
**BusinessLine**

## ***Central bank working on revised rules to replace Feb 12 circular***

Bankers are hoping the Reserve Bank of India (RBI) will be somewhat liberal when it brings out a fresh circular on the resolution of stressed

assets. On the wish-list are an extended timeline for filing of the Corporate Insolvency Resolution Process (CIRP) with the National Company Law Tribunal (NCLT) as well as implementation of the resolution plan, and reversal of provisions at the time of change of management.

A fresh circular is required as the Supreme Court on April 2 set aside the RBI's February 12, 2018, circular on revised framework for the resolution of stressed assets.

RBI Governor Shaktikanta Das had said necessary steps, including the issuance of a revised circular for quick and effective resolution of stressed assets, will be taken.

Banks have suggested to the RBI that the time period for the filing of the CIRP with the NCLT be extended to 30 days (against 15 days in the defunct circular) on default during the 'specified period'. Extra time has been sought to explore the possibility of regularisation of accounts.

'Specified period' means the period from the date of implementation of the resolution plan (RP) up to the date by which at least 20 per cent of the outstanding principal debt as per the RP and interest capitalisation sanctioned as part of the restructuring, if any, is repaid.

Further, banks have pitched for an extension of the 180-day timeline from the reference date for implementation of the RP in the case of large accounts to 270 days. Bankers reasoned that implementation of the CIRP within 180 days from the date of default — with mandate approval from all the banks in the consortium, taking into account techno-economic viability study, stock audit, forensic audit, completion of documentation and creation of security interest — is difficult, especially in the case of large and complex projects.

To alleviate the impact of provisions on their bottomline, banks have made a plea that they should be allowed to reverse provisions at the time of change of management under the Insolvency and Bankruptcy Code as well as outside it.

The February 12 circular had stipulated that the quantum of provisions held by a bank against a stressed account as on the date of change in

ownership of a borrowing entity can be reversed only after satisfactory performance during the specified period.

### **Flexible restructuring**

As finance to stressed infrastructure projects is difficult when taken to the NCLT, bankers feel the circulars allowing flexible restructuring of loans to infrastructure and core industries, which were withdrawn after the February 12 circular was issued, can be brought back.

## **SBI wasting Indian taxpayers' money on UK legal fees: Mallya**

PTI London | April 19, 2019  
THE HINDU  
**BusinessLine**

Embattled liquor tycoon Vijay Mallya once again used social media to reiterate his offer to pay back the debt owed to public sector banks in India, targeting this time the State Bank of India (SBI) for allegedly wasting Indian taxpayers' money on expensive legal fees in the UK.

Days after a UK High Court judge refused to dismiss an interim order freezing nearly £260,000 in one of his London bank accounts, the 63-year-old issued a string of statements on Twitter to allege that the SBI-led consortium of PSU banks were wrongly going after him in the UK courts.

"SBI lawyers in UK making presentations on their accomplishments against me. Indian tax payers cost. Despite full recovery in India confirmed by the Prime Minister himself," he tweeted on Friday.

His statements were illustrated with a series of document screenshots showing TLT LLP, the banks' law firm, hailing its victory in the £1.142-billion worldwide freezing order judgment in their favour last May.

"SBI UK lawyers in self-promotion at Indian public cost. SBI must answer," reads Mallya's tweet.

## India govt had no outstanding loans from RBI in week to April 12

Reuters April 19 | April 19, 2019

THE HINDU  
**BusinessLine**

India's government had no outstanding loans with the Reserve Bank of India (RBI) under ways and means advances in the week ended April 12, according to the central bank's [weekly statistical supplement](#) released on Friday.

The central government had no outstanding loans in the week earlier as well.

The state governments had Rs 6,032 crore (\$869.34 million) loans from the RBI in the week ended April 12, compared with Rs 7,382 crore in the previous week, the release showed.

(\$1 = 69.3860 Indian rupees)



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