

**RESPONSE TO QUERIES RECEIVED ON**  
**THE CONSORTIUM'S PROPOSAL DATED JULY 5, 2021**

Below is response issued on behalf of the Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch (“**Consortium**”) to some queries received on the Consortium Proposal for ex-employees and workmen of Jet Airways (India) limited (“**Jet Airways**”), uploaded on [www.JetAirways.com](http://www.JetAirways.com) on July 5, 2021.

**1. *What happens to employees and workmen of Jet Airways after NCLT Approval dated June 22, 2021, approving the Consortium's Resolution Plan?***

As per the Consortium's Resolution Plan:

- (a) The Consortium will retain 50 employees (identified by the Consortium) from the existing employee pool of Jet Airways (“**Retained Employees**”). The Retained Employees will be employed in Jet Airways on fresh employment terms agreed between the Consortium and Retained Employees.
- (b) all the employees and workmen of Jet Airways except the Retained Employees (“**Demerged Employees**”) shall be transferred from the payrolls of Jet Airways to the payrolls of Airjet Ground Services Limited (“**AGSL**”) along with the ground handling business.

The Consortium's Resolution Plan was approved as per NCLT Order dated June 22, 2021 read with detailed order dated June 30, 2021 (collectively “**Plan Approval Order**”). The demerger of ground handling business and the Demerged Employees from Jet Airways to AGSL is ongoing in compliance with the Plan Approval Order.

**2. *What is Clause 6.4.2(i) of the Resolution Plan, as mentioned in the Plan Approval Order?***

Clause 6.4.2(i) of the Resolution Plan is set out below:

“6.4.2

...

(i) *Scheme*

- (i) *The Resolution Applicant propose to retain 50 (fifty) employees and workmen forming part of the APT. Such employees will be given the option to resign and seek re-employment by the Corporate Debtor on fresh employment terms as agreed between the Resolution Applicant and such employees, commencing from the Approval Date. An employee who refuses to exercise such option shall not be retained by the Corporate Debtor ("Retained Employees").*
- (ii) *Excluding the Retained Employees, all employees and workmen of the Corporate Debtor on the payrolls of the Corporate Debtor ("Demerged Employees") as on September 15, 2020 ("Record Date") will be demerged from the Corporate Debtor into Airjet Ground Services Limited, with effect from the Approval Date.*

- (iii) *As part of such demerger, all the past dues towards salaries and other benefits (such as PF dues, leave encashment, retirement benefits, notice pay, termination dues etc.) of the Demerged Employees for the period after the ICD and until the Approval Date; and/ or retirement benefits accruing to Demerged Employees which have arisen after the ICD, shall also stand demerged from the Corporate Debtor to AGSL with effect from the Approval Date and the Corporate Debtor shall absorb no liability or responsibility for such payments as the Resolution Professional has not accounted such salaries and other benefits as CIRP Costs of the Corporate Debtor.*
- (iv) *As part of such demerger, ground handling services business of the Corporate Debtor will be demerged into AGSL along with identified related assets of the Corporate Debtor book valued at approx. Rupees Ten Crore. The business of AGSL will be to provide third party ground handling services in India to any person interested in taking their services and AGSL will apply for all necessary approvals from the relevant Governmental Authority for carrying out such third party ground handling business after the Approval Date.*
- (v) *The Resolution Applicant commits to utilize the ground handling services of AGSL on first priority basis after it has received all necessary approvals from the relevant Governmental Authority.*
- (vi) *The Resolution Applicant commits to transfer the ground support equipment owned by the Corporate Debtor to AGSL after it has received the necessary approvals, to enable AGSL to start operations. Any such transfer of equipment by Corporate Debtor to AGSL will be at nominal consideration in compliance with Applicable Laws.*
- (vii) *The Corporate Debtor will offer 76% of its shareholding in AGSL to the employees Trust and retain the remaining 24% shareholding. If the Trust fails to exercise or refuses to accept such offer within 30 (thirty) days from the Approval Date or challenges the implementation of this Resolution Plan, then the Corporate Debtor will retain 100% shareholding in AGSL and deal with AGSL in such manner as deemed appropriate by it, without any interference of any other person.*
- (viii) *The Corporate Debtor shall not be required to make any separate application before the Adjudicating Authority under the provisions of the IBC for the demerger as stated herein and the approval of this Resolution Plan by the Adjudicating Authority along with the Scheme shall be treated as if the necessary approvals required to have been obtained under the CA 2013, including the consent of shareholders or creditors of the Corporate Debtor and AGSL and application for demerger to Adjudication Authority or any other person/ appropriate authority, as required under CA 2013 (including Chapter XV of the CA 2013), together with the process laid down under the CA 2013, have been obtained and duly complied with. No further approval of the Adjudicating Authority or any other person or authority will be required to give effect to the Scheme, as proposed hereunder.*
- (ix) *The demerger will be on the above-mentioned principal terms and a Scheme will be filed before the Adjudicating Authority for its approval as part of this Resolution Plan. For the purposes of such demerger, the Scheme as set out in its present form or with any modification(s) approved or imposed or directed by the Adjudicating Authority, shall be effective and operative from the "Appointed Date", being the Approval Date for the purposes of this Resolution*

*Plan.*

(x) *The Scheme is expected to result in the following benefits:*

- *Demerger is in the commercial interest of the Demerged Employees, given as part of such demerger, AGSL will be entitled to carry out ground handling services, subject to receipt of approvals under Applicable Laws.*
- *It would facilitate focused growth, concentrated approach, business synergies and increased operational and focus of the Demerged Employees in the business verticals they have knowledge of.*
- *The demerger will help in the rationalization of operations, with greater degree of operational efficiency and optimum utilization of various resources for both AGSL and the Corporate Debtor.*
- *Demerger is the most suited manner to address unemployment in skilled/ unskilled sectors associated to aviation and welfare of the Demerged Employees will be taken care of through such demerger and concentrating of resources and associated manpower in the relevant entity and business vertical.*
- *Demerger of AGSL will be enable it to address its independent business opportunities with efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders, thus leading to enhanced value creation for the employees and shareholders of AGSL and would therefore be in the best interest of AGSL, the Corporate Debtor and their respective stakeholders connected therewith.*

(xi) *For the avoidance of doubt it is hereby clarified that notwithstanding the acceptance or rejection of the terms of the proposed demerger by the employees and/or workmen, the Resolution Applicant shall ensure the payment of (i) minimum value due and payable to such employees and workmen (under Section 30(2) of the IBC); and (ii) the CIRP costs admitted by the Resolution Professional, subject to a maximum of Rs. 475 Crores.”*

### **3. Who all are now employees and workmen of Jet Airways?**

As on date, the Retained Employees are the only employees of Jet Airways. The Retained Employees will be re-employed on fresh employment terms agreed between them and the Consortium.

To begin with, the Consortium may employ more than 50 employees based on its needs and requirements and such additional employees may or may not be from the Demerged Employees.

The selection of Retained Employees (and such additional employees the Consortium decides to employ) will be made by the Consortium in its sole discretion.

The Retained Employees have been selected based on the current needs and requirements of the Consortium and Jet Airways.

Each of the Retained Employees will be communicated their new role and responsibility in Jet Airways 2.0 by the representatives of the Consortium and list of Retained Employees will be published on the Jet Airways Website.

### **4. Who all are the employees and workmen of AGSL?**

As per the Plan Approval Order, all Demerged Employees are employees of AGSL. If any Demerged Employee resigned from the employment of Jet Airways after September 15, 2020, then such employee will not be considered as an employee of AGSL.

The Plan Approval Order has approved the demerger of Demerged Employees along with all their employment benefits to AGSL.

**5. *Whether retrenchment compensation and notice pay is payable to employees and workmen?***

The Plan Approval Order has approved the demerger of the Demerged Employees to the payrolls of AGSL along with all their employment and past dues.

No employee or workmen has been removed or terminated from the employment of Jet Airways and the demerger related activities are ongoing in compliance with Plan Approval Order. Since all the Demerged Employees are now employees of AGSL, AGSL is responsible for payment of all their past dues including any retrenchment compensation, notice pay, gratuity, provident fund, or other labour benefits (as applicable), which are payable for the period after June 20, 2019.

Amounts payable for the period up to June 20, 2019 will be paid as per the Plan Approval Order.

**6. *What is AGSL? What is the business of AGSL?***

AGSL currently is a wholly owned subsidiary of Jet Airways. It was incorporated to execute the ground handling business for Jet Airways and that remains its principal business, subject to receipt of necessary approvals in compliance with applicable laws.

The Consortium has offered 76% equity and majority control in AGSL to the Trust formed by the Demerged Employees.

**7. *What are the assets owned by AGSL?***

In compliance with the Plan Approval Order, Jet Airways' ground support equipment assets having a book value of Rs. 10 Crores stands transferred to AGSL.

The Consortium has identified the said assets (being ground support equipment currently located at Mumbai International Airport) and the same will be handed over to the Trust after the Consortium's Proposal dated July 5, 2021, is approved with 95% vote.

The assets have been transferred by Jet Airways to AGSL on an "as is where is whatever is basis" and the Consortium cannot confirm the current condition of assets owned by AGSL.

Parking charges and/or airport rental dues, if any, of Jet Airways have not been transferred to AGSL and the same shall be paid and settled by the Consortium in compliance with the Plan Approval Order.

**8. *Is an ex-employee/ workman of Jet Airways or Demerged Employee eligible to apply for employment in Jet Airways?***

Every person including ex-employees/ workmen/ Demerged Employees are eligible to apply for employment in Jet Airways. Every application for employment will be reviewed by the Consortium in a fair and transparent manner, and as per the needs and requirement of Jet Airways 2.0. The Consortium does not guarantee employment to all or any ex-employees/

workmen of Jet Airways or to Demerged Employees but shall take all reasonable endeavours to employ or engage in future, people who were previously in the employment of Jet Airways.

**9. *Will an ex-employee/ workman of Jet Airways or Demerged Employees lose their eligibility to apply for employment in Jet Airways if they do not support the Consortium's Proposal dated July 5, 2021?***

**NO.** As stated above, any person including ex-employees/ workmen/ Demerged Employees are eligible to apply for employment in Jet Airways and every application will be reviewed by the Consortium in a fair and transparent manner, and as per the needs and requirement of Jet Airways 2.0. The Consortium will not accept or reject employment applications solely on the ground of an ex-employee/ workman supporting/ not supporting the Consortium's Proposal.

The Consortium Proposal dated July 5, 2021, is an offer made over and above the amounts the Consortium is required to pay under applicable laws and has been offered in recognition of all the hard work which the Demerged Employees have put in Jet Airways/ Jet 1.0.

The Consortium's Proposal needs to be reviewed objectively and not as compensation for losses, if any, suffered by the Demerged Employees in Jet 1.0. The Consortium is a new promoter of an existing company and cannot be blamed for the past acts of the erstwhile management.

The Consortium seeks support of all ex-employees/ workmen/ Demerged Employees as revival of the airline leaves hope for any future employment in Jet Airways.

**10. *How much money will the Operational Creditors (Employees and Workmen) receive under the Resolution Plan?***

The Consortium has offered a sum of Rs. 52 Crores or minimum liquidation value for the employees and workmen of Jet Airways/ Jet 1.0. As per reasonable estimates of the Consortium, the minimum liquidation value for the employees and workmen of Jet Airways / Jet 1.0 will be approximately Rs. 100 Crores and as per the Plan Approval Order, the additional sum of approximately Rs. 48 Crores will be paid out of the amounts reserved for the financial creditors and other operational creditors.

To put it simply, the employees and workmen of Jet Airways/ Jet 1.0 will be entitled to a total sum of approximately Rs. 100 Crores and the entitlement of each employee and workmen will be uploaded on the Jet Airways website.

To reiterate, the amounts mentioned under the Consortium's Proposal dated July 5, 2021 are additional amounts being paid by the Consortium and is over and above the amounts employees are entitled to receive as per the Plan Approval Order.

**11. *When will the above-stated amounts paid?***

The amounts payable to Operational Creditors (Employees and Workmen) are payable in priority to any amounts payable to the Financial Creditors. These amounts will be paid within a maximum period of 175 days from the date all the conditions precedent under the Resolution Plan are fulfilled. The Consortium and its team are working tirelessly to complete the conditions precedent and would take all reasonable endeavours to advance the payment date after completion of conditions precedent, to ensure no inconvenience is caused to the Operational Creditors (Employees and Workmen) of Jet Airways.

It is however clarified that the amounts payable under the Consortium's Proposal dated July 5, 2021, shall be paid only if the proposal is approved by 95% vote.

**12. *Is the Consortium legally required to give what it has offered under its Proposal dated July 5, 2021?***

No. The Consortium Proposal dated July 5, 2021, is an offer made over and above the maximum amounts the employees and workmen of Jet Airways/ Jet 1.0 can receive as Operational Creditors of Jet Airways as per IBC and the Plan Approval Order. The Consortium's Proposal only increases the net recovery of amounts for the employees and workmen and assures revival of the company. Revival of Jet Airways is a hope for employees and workmen for future job opportunities with the company. If the Consortium's Proposal does not receive the minimum voting of 95%, the proposal shall stand withdrawn and no one will be entitled to the amounts and benefits stated thereunder.

**13. *By voting "Yes" to the Consortium's Proposal, does it mean that employees/ workmen cannot challenge the Resolution Plan?***

As per Section 31(1) of the Insolvency and Bankruptcy Code, 2016, the Resolution Plan approved as part of the Plan Approval Order is binding on Jet Airways, all its employees, members, creditors, guarantors, and other stakeholders involved in the Resolution Plan. However, every stakeholder has their statutory rights under the IBC, including the right to challenge. However, any challenge or stay would delay the ongoing revival of Jet Airways, including payment of amounts thereunder.

The Consortium seeks support of all creditors of Jet Airways including ex-employees and workmen as revival of the company is in the best interest of all parties.

**14. *What happens if the Consortium's Proposal does not receive the minimum voting of 95%?***

The Consortium's Proposal has been approved as part of the Plan Approval Order and would be governed by its terms and conditions. If the Consortium's Proposal does not receive the minimum voting of 95%, the proposal shall stand withdrawn and no employee or workmen (including those voting in favour of the Consortium's Proposal) will be entitled to the amounts and benefits stated thereunder. However, such failure would not impact the minimum liquidation value (approximate INR 100 Crores) which the employees and workmen are entitled to receive as per the Plan Approval Order.

Further, rejection of the Consortium's Proposal would confirm that the Demerged Employees are not inclined in running the business and operations of AGSL, in which case, Jet Airways shall apply for the voluntary liquidation of AGSL and all assets of AGSL shall be liquidated to settle any outstanding dues of AGSL.

The Consortium can confirm that AGSL has no creditors and Jet Airways currently has no claims against AGSL. Accordingly, in case of liquidation, all proceeds received from sale of assets/ liquidation shall be utilised towards payment of outstanding dues of Demerged Employees which have been transferred from Jet Airways to AGSL in compliance with the Plan Approval Order.

**15. *Is voting on the Consortium's Proposal and employment in Jet Airways / AGSL related?***

NO.

**16. *Is the voting applicable for employees who resigned on June 20, 2019?***

NO. Voting is applicable for employees who are on the payrolls of Jet Airways after June 20, 2019. Any person who resigned from the employment of Jet Airways on June 20, 2019, is not eligible to vote.

**17. *Is the voting applicable to employees who have resigned or only the ones who have not?***

Voting is applicable to all employees who were on the payrolls of the company after June 20, 2019. Subsequent resignation from the employment does not disentitle them from voting.

**18. *What is the planned date of release of results of voting?***

The voting on the Consortium's Proposal ends on August 4, 2021.

The Consortium would require few days to reconcile the votes with GT Team and present the same before the Monitoring Committee for their information and records. After completion of these actions, the results will be released on the Jet Airways Website. The Consortium believes that the results can be made public before end of August 2021.

**19. *Will the counting be fair and transparent?***

To keep the process transparent, the Consortium is only accepting votes by email on two separate email ids (one controlled by GT Team and the other controlled by the Consortium) so that each vote can be counted and cross verified. As stated above, the voting results will be published on the Jet Airways Website.

The Consortium would be happy to share copies of all emails received by it with any person who seeks to verify the votes or has any concerns on the transparency of the entire process.

**20. *Can employees of Jet Lite (India) Ltd vote on the Consortium's Proposal?***

NO. The Consortium's Proposal is only for the employees and workmen of Jet Airways (India) Ltd.

**21. *Will the employees of Jet Lite (India) Ltd be employed by Jet Airways and/or demerged to AGSL?***

NO.

**22. *What is the status of employees of Jet Lite (India) Ltd?***

The Consortium's Resolution Plan states that the Consortium will not be acquiring Jet Lite (India) Ltd, including its business and employees and as per the Plan Approval Order, Jet Lite (India) Ltd will be liquidated. The Consortium will comply with the terms of the Plan Approval Order.

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