March 20, 2023

Jet Airways (India) Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based- Term Loan	4970.00	4970.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Bonds/NCD/LTD	698.90	698.90	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Non-Fund Based-Others	700.00	700.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Long Term-Fund Based- Cash Credit	645.00	645.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Short Term-Non-Fund Based-Others	3950.00	3950.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Total	**10963.90**	**10963.90**	

**Issuer did not cooperate; based on best available information.*

^Instrument details are provided in Annexure-1

Rationale

ICRA has retained the long term and short-term ratings for the bank facilities of Jet Airways (India) Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]D/[ICRA]D; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: **Click here**. ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1992 as a private limited company, Jet Airways (India) Limited commenced operations as an Air Taxi Operator in May 1993, with a fleet of four leased Boeing 737 aircraft. The company was granted scheduled airline status in January 1995. Jet Airways was founded by Mr. Naresh Goyal. Post infusion of Rs. 2,057.6 crore by Etihad Airways in November 2013, Mr. Nreash Goyal held 51% stake in the company, with 24% held by Etihad Airways. Due to the liquidity constraints faced by the company, its aircraft had to be grounded starting December 2019 due to non-payment of lease rentals to the lessors.

Subsequently, the company announced temporary shutdown of its operations from April 18, 2019. Pursuant to an Order dated 20 June, 2019 of the National Company Law Tribunal, Mumbai Bench, Corporate Insolvency Resolution Process ("CIRP") has been initiated for Jet Airways (India) Limited ("Company" or "Corporate Debtor") as per the provisions of the Insolvency and Bankruptcy Code, 2016. Mr. Ashish Chhawchharia was appointed as the Interim Resolution Professional ("IRP") for the Company, via order dated 20 June 2019. Upon initiation of CIRP, the powers of the Board of Directors of the Company have been suspended and shall be exercised by the Interim Resolution Professional. The final resolution plan put to vote in the 17th CoC meeting held on 03rd October 2020 and submitted by the Jalan Fritsch Consortium was approved by CoC. The application for Plan approval was filed with Hon'ble National Company Law Tribunal (NCLT) dated 05th November 2020 and subsequently has been approved/allowed by the Hon'ble NCLT. Hence, the CIRP of the Company was concluded and Mr. Ashish Chhawchharia has ceased to be the resolution professional of the Company, effective on and from June 25, 2021. Further, as per the terms of the approved Resolution Plan, a Monitoring Committee was constituted to supervise the daily operations and the management of the Company shall be carried out by the Monitoring Committee until the closing date as defined in the Resolution Plan.

Key financial indicators

	FY2021 (in crore)	FY2022 (in crore)
Operating income	23,057.41	333.45
PAT	-5,535.75	-2,841.45
OPBDIT/OI	-13.60%	-248.60%
PAT/OI	-24.00%	-852.10%
Total outside liabilities/Tangible net worth (times)	-1.88	-1.44
Total debt/OPBDIT (times)	-2.45	-10.44
Interest coverage (times)	-3.20	-2.75

Source-Company

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020	
					20-Mar-2023	23-Mar-2022	29-Mar-2021	13-Feb-2020	15-Jul-2019
1	Term Loan	Long Term	4970.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
2	Bonds/NCD/LTD	Long Term	698.90	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
3	Non Fund Based	Long Term	700.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
4	Cash Credit	Long Term	645.00		[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING
5	Non Fund Based	Short Term	3950.00		[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loan	Simple
Bonds/NCD/LTD	Simple
Non-Fund Based	Very Simple
Cash Credit	Simple
Non-Fund Based- Short Term	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: Click Here

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	4970.00	[ICRA]D; ISSUER NOT COOPERATING
INE802G08013	Bonds/NCD/LTD	30-Sep-2015	20.64%	28-Sep-2020	698.90	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	700.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	645.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund Based- Short Term	-	-	-	3950.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Jet Airways (India) Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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