

## Jet Airways has not approached govt for any assistance: Choubey

### OUR BUREAU

New Delhi, August 10

Jet Airways has not approached the government for any assistance, RN Choubey, Secretary, Civil Aviation, said on Friday when asked if the government plans to step in, given the tight financial situation that the airline is facing.

"If Jet comes forward and makes any specific request we will look at it. But at the moment they have not approached us," Choubey said on the sidelines of a civil aviation seminar organised by Assocham.

In response to a question on whether the government is worried about possible retrenchment in the airline, Choubey said: "If Jet has not told us that they have are going to retrench why should we be worried? Airlines are not bound to inform us



RN Choubey,  
Secretary, Civil Aviation

when they retrench but when airlines get into trouble they normally come to us."

The government does not plan any financial audit of Jet Airways but is watching the developments in the airline.

Addressing investors' concerns over the falling stock price of Jet Airways, at the airlines' AGM on Thursday, Founder-Chairman, Naresh

Goyal, had said he felt "guilty and embarrassed" about it.

Meanwhile, Ajay Singh, Chairman, SpiceJet, said the rise in price of Aviation Turbine Fuel and a depreciating rupee have affected the financials of Indian carriers.

"A lot of purchases are in dollars – all leases are dollar-denominated, engineering services procured from outside are dollar-denominated, all loans taken by many airlines to acquire aircraft are dollar-denominated. So the depreciation of the rupee is significant. All this has added to the pressure on airlines," Singh said.

Pointing out that it is tough to say by how much domestic airfares should go up, Singh indicated that domestic fares should go up by at least 10 per cent from their current level.

## Aviation Ministry Keeping Track

**THE MINISTRY** of Civil Aviation on Friday said it was watching the developments at Jet Airways, which had delayed the announcement of June quarter results. The full-service carrier is grappling with financial woes and its share price has also taken a beating in recent weeks. "We will be watching the developments," civil aviation secretary R N Choubey said and added that the ministry has no intention of doing any financial audit of the airline. - PTI

## Differences over notes to accounts led Jet Airways to defer April-June results

MANISHA SINGHAL  
Mumbai, August 10

**DIFFERENCES OVER NOTES** to accounts and some comments that the statutory auditors of Jet Airways, BSR Company, wanted to put on record, which was resisted by the management, led the company to defer its April-June quarter results at the board meeting on Thursday evening, sources said.

"Fair representation of accounts is the fiduciary responsibility of the statutory auditors and the management of the company has to assure the auditors that it has the risk mitigation capabilities, which in Jet's case are ability to raise funds and pay off the huge liabilities. In case the auditors are not satisfied, they want to put these risks on record," said a source.

In an intimation to the stock exchanges, Jet Airways said, "At the board meeting the chairman of the audit committee informed the members of the board that the management and the auditors required further time to finalise the accounts and that the accounts once finalised would be approved by the audit committee and then placed before the board. The members of the board readily agreed with this."

The airline also said that contrary to reports, Srinivasan Vishvanathan, chairman of the audit committee, retired after serving his full term of office, implying that it wasn't due to the differences with the management over notes to account.

Jet Airways, which has accumulated losses of ₹10,772 crore, negative net worth of ₹7,139 crore and cash and cash



equivalents of merely ₹321 crore (as on March 2018) with estimates of a projected loss of ₹572.7 crore, finds itself in a precarious financial situation.

The March 2018 accounts were also prepared on a 'going concern basis' and the projected losses for Jet, which industry watchers believe are likely to be more than the Street projections, along with Jet's statutory and long-term liabilities that add up to another ₹10,000 crore, are all indicators that the airline needs a huge equity infusion and on an immediate basis.

Meanwhile, the ministry of civil aviation said it is watching the developments in Jet Airways. "We would not like a situation where an airline is facing financial difficulties. It is up to the company to approach the government for help. DGCA (the aviation regulator) is monitoring the situation," civil aviation secretary RN Choubey told reporters. He added that the government has no plans to conduct financial audits of airlines.

(Arun Nayal from New Delhi contributed to the report)

## BSE, NSE seek details from Jet for results delay

**ENSECONOMIC BUREAU**  
MUMBAI, AUGUST 10

A DAY after Jet Airways delayed the announcement of its first quarter results of FY19, the BSE and the National Stock Exchange on Friday sought specific details about the firm's board meetings and factors leading to the delay.

On August 9, the board of Jet Airways deferred publication of its first quarter results as certain matters were still to be closed. The airline had reported an over Rs 1,000-crore loss in the fourth quarter of FY18.

The BSE said the disclosure by the company regarding the delay in first quarter results lacked "certain information" and Jet Airways should submit complete informa-

### 'MoCA will be watching'

*New Delhi:* The Ministry of Civil Aviation Friday said it is watching the developments at Jet Airways. "We will be watching the developments," Civil Aviation Secretary R N Choubey said. **PTI**

tion that is available with it for compliance with the requirements of Regulation 30.

"While it is disclosed that the meeting is adjourned, the date and place of the adjourned board meeting are not stated. What are the matters pending for closure of

unaudited financial results quarter ended June 30, 2018 of the company, on account of which the results were not recommended by the Audit committee to the Board?" asked BSE.

"Kindly confirm who has taken the decision to defer the financial result? Kindly confirm when the adjourned meeting will be conducted to consider the financial result," NSE said. The NSE also asked the company to disclose who took the decision to defer the results.

In a BSE filing late last night, the airline said its board has decided not to review the unaudited financial performance for the June quarter. "The audit committee did not recommend financial results to the board for its approval, pending closure of certain matters,"

said Jet Airways.

The BSE also asked "whether there were any other agenda items discussed in the board meeting, which merited disclosure under Regulation 30 of the Listing Regulations, 2015, other than the unaudited financial results, to the exchanges. If so, why have the same not been submitted".

Referring to the resignation of the chairman of the audit committee as well as the board of Jet Airways, both BSE and NSE asked the company for clarification. "The company may kindly respond on the same, in a definitive manner, along with stated reasons for the same," BSE said.

Shares of Jet Airways Friday plunged 14 per cent and touched its 52-week low in morning trade.