

# 28 Jet Airways planes Grounded so far

SINGAPORE, March 8

FLY Leasing Ltd has grounded three planes on lease to India's Jet Airways Ltd and will take them back and redeploy them elsewhere if the airline cannot gain approvals for a restructuring plan this month, the lessor's CEO said.

Jet Airways on Thursday said another three aircraft had been grounded due to its failure to make payments, taking the total number to 28, but it has not specified the lessors involved.

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The grounding of almost 25% of Jet's fleet has resulted in the cancellation of hundreds of flights and complaints from customers on social media.

Several major global aircraft leasing companies, like AerCap Holdings NV and BOC Aviation have leased planes to Jet Airways which is currently facing a number of financial woes. It has defaulted on lease payments which has not gone well with the lessors. It is simply not in a position to pay the loans and has not even paid salaries to its staff including pilots. Even it owes huge sums of money to its suppliers for months.

"We have grounded our aircraft, we have control over our aircraft, but we have not terminated the leases and we are waiting for the airline to approve all its restructuring with the State Bank of India," FLY Leasing CEO Colm Barrington told analysts on a results call on Thursday.

"If that goes through at the end of the month, obviously, we will stay with Jet. If they can't get that done, then we'll

take our aircraft back and redeploy.”

Jet Airways had three relatively young Boeing Co 737-800s on lease which accounted for almost 3 percent of lessor FLY Leasing’s revenue.

Jet Airways has outlined a draft to sell a majority stake to a consortium led by the State Bank of India at 1 rupee, under regulations that permit banks to convert debt to equity in a defaulting firm.

The stake sale will be followed by an equity raising, debt restructuring and the sale and leaseback of jets to help plug a \$1.2 billion funding gap, but the plan needs approvals from several stakeholders, including major shareholder Etihad Airways.

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