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81 Interline eTicketing Partners

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## Letter from the Chairman

Dear Shareholders,

The Financial Year 2008-09 has been one of the worst for the aviation industry in living memory. Global industry losses during the period have been estimated at around US\$10.4 billion or approximately Rs.52,000 crores. Of this, the share of the Indian aviation industry is estimated to be as high as about 19% - approximately Rs.10,000 crores or US\$2 billion - though it accounts for only about 2.5% of the estimated 1.7 billion passengers carried globally.



This situation has been caused by two main factors. First, the very high costs of aviation turbine fuel, owing to the unprecedented escalation in the prices of crude oil during the first half of the year. While there was some abatement in the latter part of the year, crude prices have lately been rising again.

The second has been the global economic downturn, which has led to a steep fall in the demand for air travel and intense pressure on yields. All major developed economies are now in recession. The effects of the “sub-prime” crisis in the United States triggered these adverse economic conditions. The aviation industry has always been one of the first victims of an economic slowdown and the present recessionary conditions have widely been described as the worst since the Great Depression of the 1930s. One of the key sectors affected by the economic meltdown has been the banking and financial services industries, which have hitherto been major generators of premium air travel.

Keeping in view the widespread adverse impact of the economic downturn, the recovery of the aviation industry can be expected to take some time and can happen only after a reversal of the current recessionary trend that is manifest in the world’s major economies.

India has not been insulated from these global events. Domestic air travel in the country in terms of passengers flown by all carriers combined, fell by an estimated 10% during the year under review compared to the previous year. This has worsened the overcapacity situation in the domestic market and has led carriers to put in place unrealistically low fares - that do not cover costs - in order to attract additional traffic. Price has now emerged as the single most important factor in choosing an airline, even among corporate and business travellers, who have traditionally been a major component of our passenger traffic. Additionally, the downturn in the economy has led most corporates to shift from business class travel to economy, resulting in a decline in the premium segment of the market.

The Company’s performance for the Financial Year 2008-09 must be viewed favourably considering the adverse and difficult conditions for the industry in India, and the estimated losses for the industry in the country. The Company’s revenues for the Financial Year 2008-09 grew by 23.4% over the previous year and Revenue Passenger Kilometres increased by over 26%. These were mainly because of the growth of our international operations, which accounted for 53% of the Company’s operating revenues. The number of passengers carried and passenger load factors were only marginally below the previous financial year, despite passenger traffic in the country falling significantly.

In response to the new market realities and market dynamics, we introduced in May 2009, a new product called “Jet Airways Konnect” to serve routes where the traffic is predominantly price sensitive and where there is very little demand for a product that offers a high level of service. These are for the most part, regional and non-metro routes. Boeing 737 and ATR aircraft, both with all-economy seating configuration, are deployed on Jet Airways Konnect routes. On these flights, we offer the same standards of reliability, safety and passenger care, but limited in-flight service. Passengers can, however, purchase meals on board. Jet Airways Konnect supplements the operations of our subsidiary, Jet Lite, and offers a comparable product on many additional routes, thus effectively competing with low-fare, no-frill carriers. The response has been very encouraging. The creation of this product has enabled us to respond quickly to the changing market conditions. We are already operating around 127 flights under the Jet Airways Konnect brand out of our 265 flights per day on the domestic





## **Letter from the Chairman (contd.)**

sectors and we intend to progressively increase the number further, depending on market developments. The strategy of switching a select number of our full service flights to Jet Airways Konnect has enabled us to increase the amount of revenues per flight on the relevant flights by between 5% to 10%.

This new product works in tandem with our 100% subsidiary Jet Lite, a low-fare carrier. Revenues of Jet Lite (India) Limited for the Financial Year 2008-09 increased by 10.6% over the previous year. Despite difficult industry conditions, passenger yields improved by almost 4% and the number of passengers flown was only marginally lower than the previous year's levels. The re-branding of Jet Lite was completed during the year. The integration of most operational areas with Jet Airways has led to marked improvements in reliability, the quality of operations and services. It has also led to efficiencies and economies of scale for both companies. These synergies vindicate our acquisition of the airline.

We maintain our high standard full service Jet Airways product on major metro routes, where the demand supports the product.

Our international operations also faced receding demand and price sensitivity during the year. This was particularly severe in our long-haul routes to North America, Europe and the UK. As a consequence, we have replaced the Boeing 777-300ER aircraft on most of these routes with our smaller Airbus 330-200 aircraft. We have been successful in leasing out our Boeing 777 aircraft that have been rendered surplus, to other airlines. Our shorter haul routes to the SAARC and ASEAN countries performed satisfactorily under the circumstances that prevailed and the traffic on some of these routes support our west-bound routes, particularly to the Gulf countries and the UK. Our operations to the Gulf have also been very promising and we have commenced flights to Jeddah and will shortly commence flights to Riyadh in Saudi Arabia. These will mark our seventh and eighth destinations in the Middle East after Kuwait, Oman (Muscat), Abu Dhabi, Dubai, Bahrain and Qatar (Doha).

The management team and staff are working ceaselessly to meet today's challenges:

- In our domestic operations, we have been reacting rapidly to trends and market shifts almost on a daily basis. These involve adjustments to capacity and schedules, incentive programmes, dynamic pricing and the sale of group travel and tour packages.
- We monitor the profitability of every route that we fly and take immediate remedial measures, where necessary. For example, we have suspended our flights to San Francisco (via Shanghai). We continue to support traffic for our international operations by ensuring connectivity with our domestic network and shorter haul network. We also continue to work closely with our code-share and alliance partners. Many of our Boeing 737 aircraft are deployed both on the domestic routes and on flights to the Gulf countries and South East Asia, thereby achieving higher utilization of the fleet.
- We have put together dedicated teams to design and implement programmes to reduce, rationalize and monitor every element of cost and improve efficiencies and productivity.
- We have re-negotiated major technical and non-technical contracts, and continue to do so.
- We are re-structuring our aircraft lease agreements and have re-scheduled future deliveries with manufacturers and lessors.
- We are rationalizing manpower as painlessly as possible. Wherever feasible, vacancies are not being filled and fresh recruitment has been frozen. We have implemented salary cuts and put increments on hold.
- We have instituted an organization-wide scheme to encourage ideas and innovation at all levels.

The volatility of crude oil prices continues to remain a major area of concern. Should aviation turbine fuel prices move to last year's levels again, it would be a serious blow to the recovery of the aviation industry in India. I urge the Central and State Governments to rationalize the taxation on aviation turbine fuel.



## Letter from the Chairman (contd.)

I also urge the Government of India and all stakeholders in the aviation industry to join hands to nurse the Indian aviation industry back to health. The Central Government, in particular, should take the lead in ensuring that major elements of cost including aviation turbine fuel, landing and navigation charges and airport charges are within affordable levels. We believe that the commencement of the Airport Economic Regulatory Authority (AERA) is a welcome step in this regard.

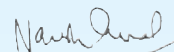
For the industry to recover from its current ills and achieve long-term, self-sustaining growth, the airlines themselves and all stakeholders must together address the problems created by excess passenger capacity in the market, high input costs and the unsustainable, uneconomic fares regime. I strongly urge airlines and stakeholders to work together and take steps towards this end, without delay.

While we expect difficult conditions to continue in the aviation industry worldwide for sometime, we believe that the overall economic outlook in India is more positive than in many other large economies. If the forecasted economic growth in India is achieved, it should have a positive long-term impact on air travel.

I would, in particular, like to thank our banks and lenders for their support at this very critical time, together with all our stakeholders, including suppliers and service providers as also our airline partners for their continued support. I thank the Government and aviation regulatory bodies for their continuous support and for their efforts to modernize infrastructure.

My gratitude goes out to our passengers for flying with us - most particularly, our loyal 1.5 million Jet Privilege members. I thank shareholders for their continued support, patience and understanding. Shareholders will join me in thanking our management and staff for their relentless efforts during these difficult and challenging times.

Mumbai  
16<sup>th</sup> July, 2009

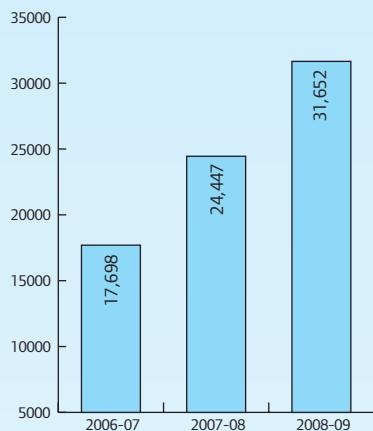


Naresh Goyal  
Chairman

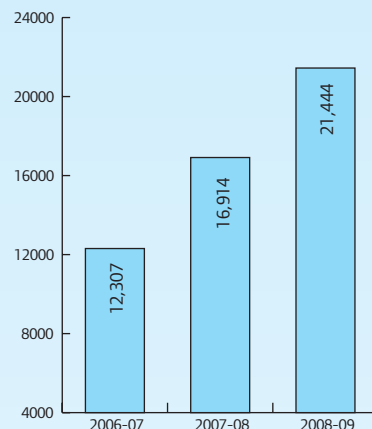


## Operating Highlights

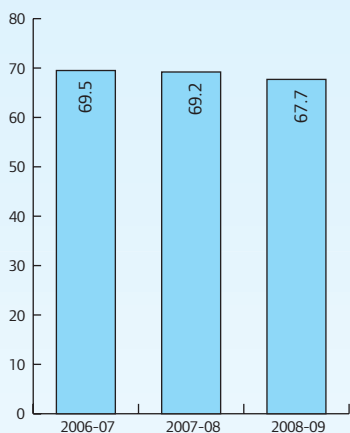
**Available Seat Kilometres (in Million)**



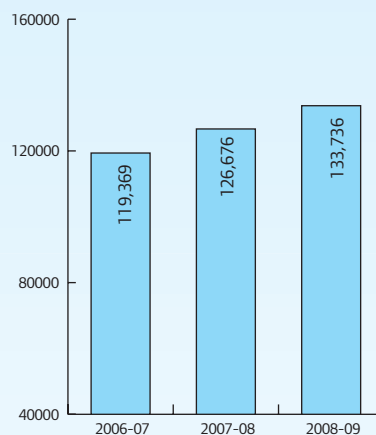
**Revenue Passenger Kilometres (in Million)**



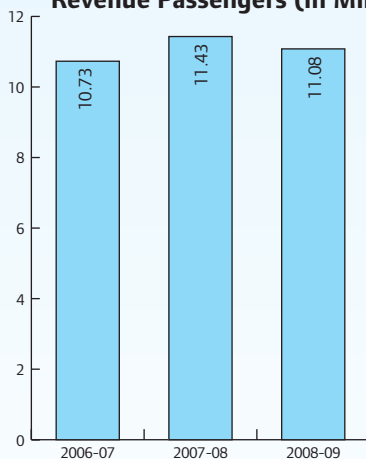
**Passenger Load Factor %**



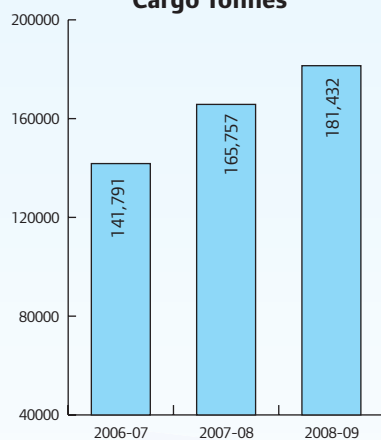
**Number of Departures**



**Revenue Passengers (in Million)**

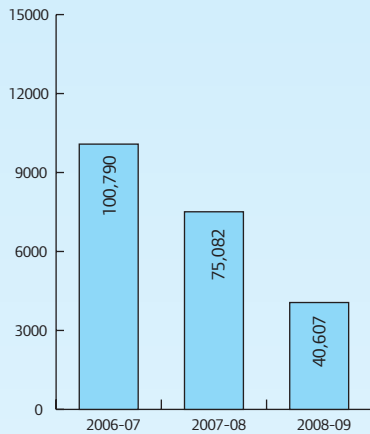


**Cargo Tonnes**

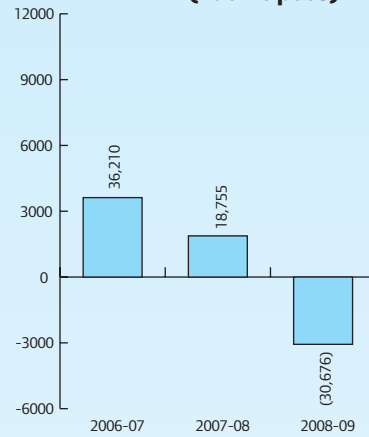


## Financial Highlights

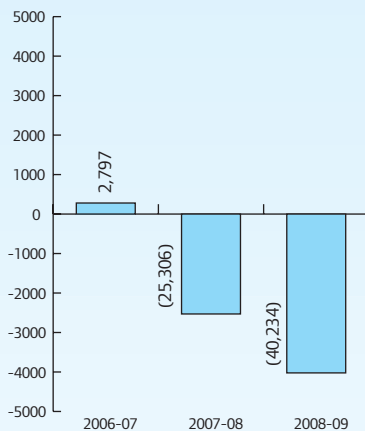
**EBITDAR (Lac Rupees)**



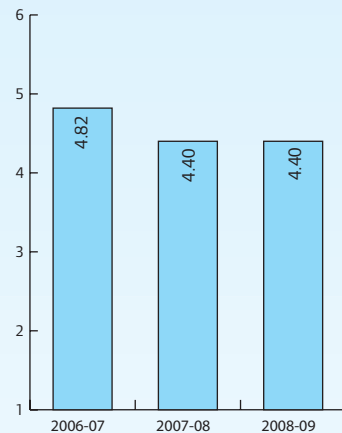
**EBITDA (Lac Rupees)**



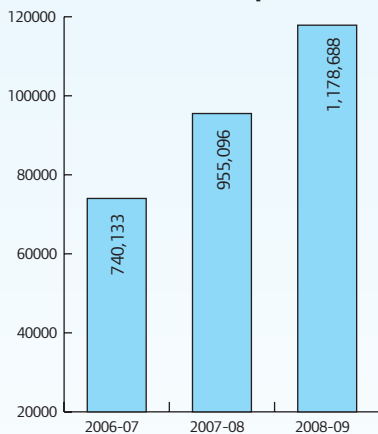
**Profit After Tax (Lac Rupees)**



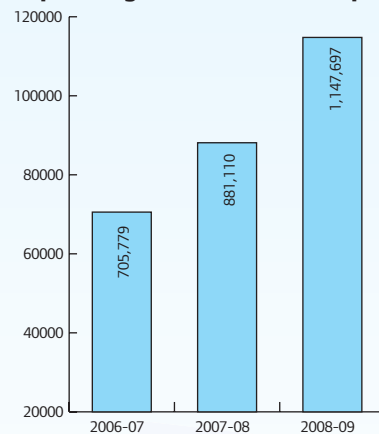
**Revenue per Passenger Kilometres (Rupees)**



**Income (Lac Rupees)**



**Operating Revenues (Lac Rupees)**





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## Corporate Information\*

### Board of Directors

Mr. Naresh Goyal	Chairman
Mr. Saroj K. Datta	Executive Director
Mr. Ali Ghandour	
Mr. Victoriano P. Dungca	
Mr. Javed Akhtar	
Mr. I. M. Kadri	
Mr. Aman Mehta	
Mr. Yash Raj Chopra	
Mr. Shah Rukh Khan	
Dr. Pierre J. Jeannot	

### Company Secretary

Ms. Monica Chopra

### Senior Management

Mr. Wolfgang Prock-Schauer	Chief Executive Officer
Capt. Hameed Ali	Chief Operating Officer
Mr. Sudheer Raghavan	Chief Commercial Officer
Ms. Anita Goyal	Executive Vice President-Revenue Management & Network Planning

### Registered Office

S. M. Centre  
Andheri-Kurla Road  
Andheri (East)  
Mumbai - 400 059

### Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
Plot No. 17-24  
Vittal Rao Nagar, Madhapur  
Hyderabad - 500 081  
Tel: +91 40 2342 0818  
Fax: +91 40 2342 0814  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvy.com](http://www.karvy.com)  
Contact Person: Mr. S. V. Raju, Assistant General Manager

\* as on 16<sup>th</sup> July, 2009



## Corporate Information (contd.)

### Statutory Auditors

Deloitte Haskins & Sells  
Chartered Accountants  
12, Dr. Annie Besant Road  
Opp. Shiv Sagar Estate  
Worli, Mumbai - 400 018

Chaturvedi & Shah  
Chartered Accountants  
714-715, Tulsiani Chambers  
Nariman Point  
Mumbai - 400 021

### Legal Advisors

Gagrats  
Nirmal, 12<sup>th</sup> Floor  
Nariman Point  
Mumbai - 400 021

### Bankers

- ABN Amro Bank
- AXIS Bank Ltd.
- Abhu Dhabi Commercial Bank
- Bank of America
- Bank of Baroda
- Bank of India
- Banque Nationale de Paris
- Barclays Bank
- Calyon Bank
- Canara Bank
- Central Bank of India
- Citibank N.A.
- Corporation Bank
- DBS Bank Ltd
- Dena Bank
- Deutsche Bank AG
- HDFC Bank Ltd.
- ICICI Bank Ltd.
- IDBI Bank Ltd.
- Indian Overseas Bank
- ING Belgium SA
- ING Vysya Bank Ltd.
- JP Morgan Chase N.A.
- Kotak Mahindra Bank
- National Bank of Kuwait
- Punjab National Bank
- Standard Chartered Bank
- State Bank of India
- The Hong Kong & Shanghai Banking Corporation Ltd.



## Notice

**Notice** is hereby given that the Seventeenth Annual General Meeting of the Members of Jet Airways (India) Limited will be held at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Monday, 17<sup>th</sup> August, 2009 at 3.30 p.m. to transact the following business:

### ORDINARY BUSINESS

#### Adoption of the audited Annual Accounts and the Reports of the Directors and Auditors thereon

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.

#### Directors retiring by rotation

2. To appoint a Director in place of Mr. Victoriano P. Dungca, who retires by rotation at this Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Yash Raj Chopra who retires by rotation at this Meeting and being eligible, offers himself for re-appointment.
4. To resolve that Mr. Shah Rukh Khan, who retires by rotation at this Meeting and who has expressed his desire not to be re-appointed, be not re-appointed and the resulting vacancy be not filled up.

#### Re-appointment of Statutory Auditors

5. To re-appoint Deloitte Haskins & Sells, Chartered Accountants and Chaturvedi & Shah, Chartered Accountants, as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

#### 6. Increase in the Borrowing Limits

**"RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded to the Board of Directors of the Company ("the Board") to borrow, from time to time, such sum or sums of money as the Board may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of Rs.17,500 Crores (Rupees Seventeen Thousand Five Hundred Crores)."

By Order of the Board of Directors

#### Jet Airways (India) Limited



**Monica Chopra**  
Company Secretary

Registered Office:  
S. M. Centre  
Andheri-Kurla Road  
Andheri (East)  
Mumbai - 400 059

Mumbai  
25<sup>th</sup> May, 2009



## Notice (contd.)

### Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business given in this Notice is annexed hereto.
4. Profiles of the Directors seeking re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are annexed to this Notice.
5. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the said Meeting.
6. Members / Proxies / Representatives are requested to bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 6<sup>th</sup> August, 2009 to Monday, 17<sup>th</sup> August, 2009, both days inclusive, for the purpose of the Seventeenth Annual General Meeting.
8. Members are requested to send the advice about change in address / any other details to the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited in respect of Equity Shares held in physical form and to their respective Depository Participants in respect of Equity Shares held in dematerialised form.

For any assistance or information about transfer of shares, dividend, etc. Members may contact the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited, at :

Karvy Computershare Private Limited

[UNIT: Jet Airways (India) Limited]

Plot No. 17 - 24, Vittal Rao Nagar

Madhapur, Hyderabad - 500 081

Time: 9:00 a.m. to 5:30 p.m. (Monday to Friday)

Phone: 0091 40 2342 0818 Fax: 0091 40 2342 0814

Email : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website : [www.karvy.com](http://www.karvy.com)

Contact Person: Mr. S. V. Raju, Assistant General Manager

Members are requested to inform their telephone numbers and e-mail addresses to facilitate prompt action and communication.

9. As per the provisions of the Companies Act, 1956, Members can avail of the nomination facility in respect of the Equity Shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited.
10. As a measure of austerity, copies of the Annual Report 2009 will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
11. Members who wish to obtain information concerning the Accounts or Operations of the Company may send their queries at least 7 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.
12. All documents referred to in the Notice and Explanatory Statement are available for inspection at the Registered Office of the Company between 10 a.m. and 12 noon on all working days of the Company till the date of the Seventeenth Annual General Meeting.



## Notice (contd.)

13. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the respective unpaid dividend accounts, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.
14. Unclaimed dividend for the Financial Years 2004-05, 2005-06 and 2006-07, is still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed the dividend warrants for the said Financial Years, are requested to contact the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, at the earliest.
15. Unclaimed dividend for the Financial Year 2004-05, is due for transfer to the IEPF in the year 2012. Kindly note that no claim shall lie against the Company or the IEPF after such transfer.

## Explanatory Statement

As required by Section 173(2) of the Companies Act, 1956, in respect of the item of Special Business mentioned in the Notice.

### 1. Item No. 6

In accordance with the Resolution passed by the Members of the Company at the Extra-ordinary General Meeting held on 28<sup>th</sup> February, 2006, the amount of the loans availed of by the Company outstanding at any point of time cannot exceed Rs.15,000 Crores (Rupees Fifteen Thousand Crores). In view of the current market situation and planned future growth in the business and activities of the Company, the present limit could be inadequate. The Board of Directors, accordingly, proposes to enhance the borrowing limit to Rs.17,500 Crores (Rupees Seventeen Thousand Five Hundred Crores).

Section 293(1)(d) of the Companies Act, 1956 requires the prior approval of the Members of the Company for borrowing in excess of the Paid-up Share Capital and Free Reserves of the Company.

The Board of Directors, accordingly, commends the Resolution for the approval of the Members.

None of the Directors of the Company is in any way concerned or interested in the said Resolution.

By Order of the Board of Directors

**Jet Airways (India) Limited**



**Monica Chopra**  
Company Secretary

Registered Office:  
S. M. Centre  
Andheri-Kurla Road  
Andheri (East)  
Mumbai - 400 059

Mumbai  
25<sup>th</sup> May, 2009





## Profiles of the Directors seeking re-appointment at the Seventeenth Annual General Meeting

Mr. Victoriano P. Dungca and Mr. Yash Raj Chopra are due to retire by rotation at the Seventeenth Annual General Meeting and being eligible, offer themselves for re-appointment. Profiles of Mr. Dungca and Mr. Chopra, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are as follows:

Name	Mr. Victoriano P. Dungca	Mr. Yash Raj Chopra
Date of Birth	23 <sup>rd</sup> April, 1936	18 <sup>th</sup> September, 1932
Date of Appointment	25 <sup>th</sup> January, 1999	17 <sup>th</sup> April, 2006
Qualifications	MBA from Cornell University, U.S.A. He is a Certified Public Accountant from U.S.A	Bachelor of Arts
Expertise in specific functional area	Mr. Dungca has had a long and distinguished career with Philippine Airlines and retired as its Executive Vice President. He is currently a financial advisor based in California, U.S.A.	Mr. Yash Raj Chopra is a well-known Producer and Director from the Indian Film Industry. Mr. Chopra has had a distinguished career spanning over five decades in the Indian Film Industry. His work has been recognized in India and overseas and he has received several prestigious awards for his outstanding contribution to Indian Cinema. These include the National and Filmfare Awards, the BBC Asia Awards (in 1998 and 2001), the Dr. Dadabhai Naoroji Millennium Lifetime Achievement Award (in 2001), the Dadasaheb Phalke Award (in 2001) and the Priyadarshini Award to name a few. Mr. Chopra has also been awarded a Certificate of Recognition from the British Tourist Authority and British Film Commission for promoting tourism in the U.K. through his films. In 2005, Mr. Chopra was conferred the Padma Bhushan, one of the Country's highest civilian honours.
Directorships held in other Public Companies (excluding foreign and private companies)	Jet Lite (India) Limited	None
Memberships/Chairmanships of Committees in Public Companies	One. Member of the Audit Committee of Jet Lite (India) Limited	None
Shareholding, if any, in the Company	None	355 Equity Shares



## Directors' Report

To the Members,

Your Directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2009.

### 1. Performance highlights

The Financial and Operational highlights for the year under review, compared with the previous Financial Year, are given below:

#### Financial highlights

Particulars	Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>GROSS REVENUE</b>	<b>1,178,688</b>	955,096
<b>Gross Profit before Interest, Depreciation, Exceptional Items &amp; Tax</b>	<b>315</b>	92,741
Interest	73,803	49,275
<b>(Loss)/Profit before Depreciation, Exceptional Items &amp; Tax</b>	<b>(73,488)</b>	43,466
Depreciation	<b>89,981</b>	77,780
<b>(Loss) / Profit before Exceptional Items &amp; Tax</b>	<b>(163,469)</b>	(34,314)
<b>Exceptional Items</b>	<b>116,507</b>	(6,945)
<b>(Loss) / Profit before Taxation &amp; Adjustments</b>	<b>(46,962)</b>	(41,259)
Provision for Tax	<b>1,326</b>	1,130
Deferred Tax	<b>(8,054)</b>	(17,083)
<b>(Loss) / Profit after Taxation</b>	<b>(40,234)</b>	(25,306)
Profit / (Loss) brought forward	<b>20,891</b>	46,197
Adjustment on account of Change in Policy	<b>(6,801)</b>	—
<b>Amount available for Appropriation</b>	<b>(26,144)</b>	20,891
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	—	—
<b>Transfer to Balance Sheet</b>	<b>(26,144)</b>	20,891

Note: 1 lac = 100,000

#### Operating highlights

Operating parameters	Year ended 31 <sup>st</sup> March, 2009	Year ended 31 <sup>st</sup> March, 2008
Departures (Number)	<b>133,736</b>	126,676
Available Seat Kilometers (ASKMs) (Million)	<b>31,652</b>	24,447
Revenue Passenger Kilometers (RPKMs) (Million)	<b>21,444</b>	16,914
Passenger Load Factor (%)	<b>67.7</b>	69.2
Revenue Passengers (Number)	<b>11,080,035</b>	11,428,910
Average fleet size (Number)	<b>84.5</b>	66.3
Average Head Count	<b>13,843</b>	11,750



## Directors' Report (contd.)

### 2. Dividend

The Board of Directors has not recommended a dividend on the Equity Shares in view of the performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2009 (Previous year: Nil per Equity Share).

### 3. Review of Operations

The high cost of aviation turbine fuel during the first half of the year, has adversely impacted the performance of the Company during the year under review, as was the case with all the other Indian carriers and most airlines worldwide.

The performance of the Company's domestic operations were also adversely affected by:

- lower domestic passenger traffic in the country, primarily due to the economic slowdown and
- unrealistic pricing adopted by carriers, caused by the overcapacity that resulted, in order to attract passenger traffic

The performance of the Company's international operations, particularly its long-haul sectors, was adversely affected by weak demand and yields, primarily caused by the slowdown and recessionary conditions in most global economies.

The Company has taken and continues to take steps to reduce expenditure. These include:

- rationalising and reducing capacity, route-wise;
- replacing Boeing 777 aircraft by Airbus 330 aircraft on most long - haul routes and leasing out surplus Boeing 777 aircraft;
- organisation-wide cost reduction programmes including re-negotiation of major contracts; and
- rationalisation of manpower.

As on 31<sup>st</sup> March, 2009, four Boeing 777-300 ER and two A330-200 aircraft that were rendered surplus due to the on-going route re-structuring and cost saving programmes undertaken by the Company, were leased out to other airlines.

The Company's fleet comprises of 86 aircraft, i.e. 10 Boeing 777-300 ER aircraft, 12 Airbus A330-200 aircraft, 50 Boeing 737 aircraft and 14 ATR 72-500 aircraft. The average age of the fleet is 4.53 years.

As on 31<sup>st</sup> March, 2009, the Company operates 300 domestic and 70 international flights per day and serves 41 domestic and 18 international destinations.

### 4. Management's Discussion and Analysis

As required by Clause 49 of the Listing Agreements with Stock Exchanges, a detailed review by the Management of the operations, performance and future outlook of the Company and its business, is presented in a separate section - Management's Discussion and Analysis - forming part of this Annual Report.

### 5. Response to comments in the Annexure to the Auditors' Report

Reference is drawn to Point No. 4 of the Annexure to the Auditors' Report relating to timely reconciliation of debtors' balance. The Company's response to the same is as follows:

The Company has placed considerable emphasis on timely accounting of receivables which, besides ensuring control over dues, will result in accurate reflection of receivables along with its aging.



## **Directors' Report (contd.)**

Reference is drawn to Point No. 7 of the Annexure to the Auditors' Report relating to internal audit system. The Company's response to the same is as follows:

The Company is widening the scope of its coverage and frequency with respect to additional areas identified based on risk assessment carried out by the Company.

### **6. Subsidiary Company**

The Company holds 100% equity stake in Jet Lite (India) Limited (formerly known as Sahara Airlines Limited) since 20<sup>th</sup> April, 2007. For the year ended 31<sup>st</sup> March, 2009, Jet Lite (India) Limited has posted a total income of Rs.166,561 lac (2007-08 : Rs.150,552 lac) and a Net Loss of Rs.63,043 lac (2007-08 : Rs.(44,150) lac). In view of the financial performance, the Board of Directors of Jet Lite (India) Limited has not recommended a dividend for the year ended 31<sup>st</sup> March 2009.

The integration of function such as engineering, maintenance, stores, ground handling and revenue management of Jet Lite (India) Limited with that of the Company has led to cost savings and economies of scale. The re-branding of Jet Lite (India) Limited is complete and the operations continue to improve with support from the Company.

Jet Lite (India) Limited currently operates a fleet of 23 aircraft, comprising of 16 Boeing 737 series and 7 CRJ 200 series. It flies to 28 domestic destinations and 2 international destinations (Kathmandu and Colombo), currently operating, on an average, 114 flights a day.

The Company subscribed to 180,00,000 Equity Shares of Rs.10 each of Jet Lite (India) Limited on 29<sup>th</sup> July, 2008. The total Paid-up Equity Capital of Jet Lite (India) Limited now stands at Rs.45,612 lac.

Jet Lite (India) Limited is a non-material, non-listed subsidiary company as defined under Clause 49 of the Listing Agreement with the Stock Exchanges. During the year under review, one Non-executive Independent Director of the Company viz., Mr. I. M. Kadri, was appointed as a Director of Jet Lite (India) Limited.

On an application made by the Company pursuant to the provisions of Section 212(8) of the Companies Act, 1956, the Government of India, Ministry of Corporate Affairs, New Delhi, (MCA) vide its letter No. 47/131/2009-CL-III dated 20<sup>th</sup> May, 2009, exempted the Company from annexing to this Report, the Annual Report of Jet Lite (India) Limited for the year ended 31<sup>st</sup> March, 2009. A gist of the financial performance of the subsidiary company is given in this Annual Report. However, if any Member of the Company or the subsidiary company so desires, the Company will make available copies of Annual Accounts of the subsidiary company and related information free of cost. The Annual Accounts of the subsidiary company are also available for inspection by any investor at the Registered Office of the Company and of the subsidiary company between 10 a.m. and 12 noon on any working day of the Companies up to the date of the forthcoming Seventeenth Annual General Meeting.

### **7. Consolidated Financial Statements**

The Audited Consolidated Accounts and the Cash Flow Statement, comprising Jet Airways (India) Limited and Jet Lite (India) Limited, appear in this Report. The Auditors' Report on the Consolidated Accounts is also attached. The same is unqualified. The Consolidated Accounts have been prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.



## **Directors' Report (contd.)**

### **8. Conservation of Energy, Technology Absorption and Foreign Exchange**

Particulars, as prescribed by Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of these items, to the extent applicable to our Company, are given below:

#### **Conservation of Energy**

The Company continues its programme of optimizing fuel consumption. The Company has, from its inception, followed a policy of maintaining a young fleet, selecting energy efficient engines, and maintaining rigorous programmes of aircraft and engine maintenance. Fuel consumption is monitored both aircraft-wise and flight-wise and improvements in procedures, practices and aircraft modifications are done on a continuous basis.

The Company also has in place fuel-saving programmes with regard to ground equipment and vehicles at airports. Petrol vehicles are being converted to run on Compressed Natural Gas, for both economic and environmental reasons. The usage of vehicles and ground equipment is also monitored and optimized.

During the year, the Company put in place programmes to save electrical power at operations which consume high electrical energy such as its hangars and its offices.

#### **Technology Absorption**

##### **Training of Pilots**

Simulator training for pilots operating Boeing 737, Boeing 777 and Airbus 330 aircraft was carried out at the Company's Simulator Complex at Mumbai under the supervision of the Company's own instructors. The Company also offered surplus simulator time to other domestic airlines. In certain cases, the training was carried out under the supervision of the Company's instructors. All the Company's simulators have been certified by the Director General of Civil Aviation (DGCA). The Company's Boeing 777 and Airbus 330 simulators have also been certified by the Joint Aviation Authority of Europe (JAA)

The Company's Flight Operations Training School, where the Company gives ground training to the pilots, offered, for the first time, courses to pilots of other airlines.

The training of pilots of other airlines by the Company is a testimony to the quality of training offered by the Company and has also added to the Company's revenues.

##### **IT Initiatives**

The Company extended its reservations and passenger handling software packages to cover the requirements of its subsidiary Jet Lite (India) Limited, as part of the integration of the operations of the two airlines. Both the airlines now share a common platform with regard to these applications.

The Company also assisted Jet Lite (India) Limited to launch a new website with a new booking engine.

The Company augmented its Enterprise Resource Planning (ERP) software by investing in new tools. These have significantly improved data retrieval, operational and financial analysis and have also provided a common reporting platform to the Company and to Jet Lite (India) Limited.

The Company has recently launched a completely re-designed website with several improved features, for which development work had been completed during the year.

##### **Foreign Exchange earnings and outgo**

The details of Foreign Exchange earnings and outgo are given under the Notes to the Accounts.



## Directors' Report (contd.)

### 9. Fixed Deposits

The Company has not accepted any Fixed Deposits.

### 10. Corporate Governance

We adhere to the principles of Corporate Governance mandated by the Securities and Exchange Board of India and have complied with all the prescribed requirements. As required by Clause 49 VI of the Listing Agreement, a detailed report on Corporate Governance forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the Corporate Governance Report. The Executive Director's declaration regarding compliance with the Code of Business Conduct and Ethics forms part of the Corporate Governance Report.

### 11. Corporate Social Responsibility

The Company launched its in-flight collection programme 'Magic Box' in association with the NGO Save the Children India (STCI) in the year 1997. This fund-raising programme for STCI is unique to the Company, and is implemented on all its flights in the domestic network, thereby allowing its passengers to participate in this noble cause. Till date, the charity collection has contributed over Rs.15.6 crores.

On the occasion of International Women's Day, the Company launched an in-flight fund collection drive. Five NGOs, working towards development and empowerment of women, were selected to be the recipients of this fund.

As in previous years, the Company organized "Flights of Fantasy", where underprivileged children and children with special needs are taken on specially organized flights and introduced to the world of aviation.

This year, as in past years, our employees participated in the Standard Chartered Mumbai Marathon that raises funds for various NGOs. The number of employees participating has been increasing each year.

### 12. Environment, Health and Safety

The Company values its employees and is committed to protecting their health, safety and well-being. It, therefore, continues to develop and improve its arrangement for managing environment, health and safety (EHS) issues.

Therefore, Management's vision is to see that the risks to employees' health and safety arising from work activities are effectively controlled, thereby contributing to the overall economic and social well-being of our community.

Our key objectives are:

- To communicate appropriate, timely and practical workplace environment, health and safety information and advice
- To improve compliance with EHS standards through inspection and investigation activities
- To ensure that an effective and up-to-date health and safety at work regulatory frame work is maintained
- The Management takes its responsibilities for managing its environment, health and safety systems, policies and practices very seriously by implementing various rules and regulations laid down in the Factories Act, 1948 and The Environment (Protection) Act, 1986, wherever applicable in its operations.





## Directors' Report (contd.)

### 13. Employees

Your Directors gratefully acknowledge the commitment, support and understanding of all the employees at all levels during the difficult times faced by the Company.

The total number of permanent employees of the Company as on 31<sup>st</sup> March, 2009, was 13,078 (as on 31<sup>st</sup> March, 2008: 12,970).

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Annual Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report and Accounts are being sent to all the Shareholders of the Company, excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Shareholders may inspect the Statement at the Registered Office of the Company between 10 a.m. and 12 noon on any working day of the Company till the date of the forthcoming Seventeenth Annual General Meeting.

### 14. Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and of the loss of the Company for the year ended 31<sup>st</sup> March, 2009;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Annual Accounts have been prepared on a going concern basis.

### 15. Directors

Mr. Prithvi Raj Singh Oberoi resigned from the Directorship of the Company with effect from 30<sup>th</sup> January, 2009, pursuant to his other commitments.

Mr. Satyan G. Pitroda vacated office as Director with effect from 21<sup>st</sup> March, 2009, pursuant to the provisions of Section 283(1)(g) of the Companies Act, 1956.

The Board of Directors places on record its appreciation for their contribution and guidance to the Board and to the Management.

Mr. Victoriano P. Dungca, Mr. Yash Chopra and Mr. Shah Rukh Khan retire by rotation at the ensuing Annual General Meeting. Being eligible, Mr. Dungca and Mr. Chopra have offered themselves for re-appointment. However, Mr. Khan has conveyed that, due to his other business commitments, he does not seek to be re-appointed. The Board of Directors places on record its appreciation for his contribution and guidance to the Board and to the Management.



## Directors' Report (contd.)

The re-appointments of Mr. Dungca and of Mr. Chopra form part of the Notice of the forthcoming Seventeenth Annual General Meeting to be held on 17<sup>th</sup> August, 2009, and the Resolutions are recommended for the approval of shareholders. Profiles of Mr. Dungca and of Mr. Chopra, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are given in the said Notice.

### 16. Auditors

The Statutory Auditors, Messieurs Deloitte Haskins & Sells, Chartered Accountants, and Messieurs Chaturvedi & Shah, Chartered Accountants, retire at the forthcoming Seventeenth Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Their re-appointment as the Joint Statutory Auditors for the Financial Year 2009-10, forms part of the Notice of the said Annual General Meeting and the Resolution is recommended for your approval.

### 17. Post Balance Sheet events

- The Company introduced a new domestic product "Jet Airways Konnect". Flights on Jet Airways Konnect are operated by all economy configured Boeing 737 and ATR 500 aircraft and offer limited in-flight service compared to the Company's full-service Jet Airways flights.

Jet Airways Konnect flights operate where the demand is predominantly for economy-class low-fare, no frills travel. The initial response to this product has been encouraging.


- Three more surplus Boeing 777-300 ER aircraft were leased out to other airlines. As on date, total of nine aircraft have been leased out to other airlines.

### 18. Acknowledgements

Your Directors place on record their appreciation for the support rendered by the Company's General Sales Agents and their associates, Travel Agents and other members of the travel trade for their continued efforts in promoting the Company.

Your Directors also take this opportunity to thank the Ministry of Civil Aviation, Government of India, the Director General of Civil Aviation, the Airports Authority of India, the Mumbai International Airport (Private) Limited, Delhi International Airport (Private) Limited, GMR Hyderabad International Airport Limited, Bangalore International Airport Limited, Cochin International Airport Limited and other airport companies for their support and guidance. Your Directors are also grateful to the Reserve Bank of India, the Ministry of Finance, the Ministry of Corporate Affairs, Government of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, the US Exim Bank, Financial Institutions and Banks, the Boeing Company, Avion de Transport Regionale, Airbus Industrie, engine manufacturers and the lessors of our aircraft and engines for their support, and look forward to their continued co-operation.

On behalf of the Board of Directors



Naresh Goyal  
Chairman

Mumbai  
25<sup>th</sup> May, 2009



## Management's Discussion and Analysis

### 1. Industry Structure and Development

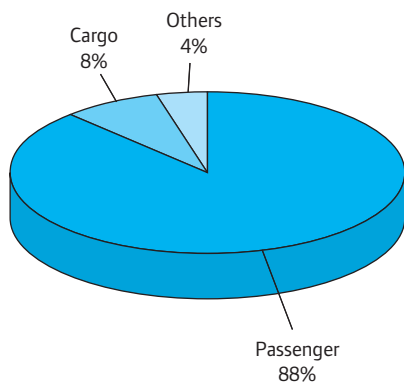
- 1.1 The global aviation industry was adversely affected by two principal factors during the financial year 2008-09. Firstly, by the high prices of aviation turbine fuel caused by high crude oil prices; secondly by the economic downturn and the crisis in banking and financial services, which led to a significant decline in air travel. Nearly every airline, in India and overseas, has reported financial losses.
- 1.2 Some long-haul international carriers reduced the number of flights to Indian destinations, and a few suspended operations altogether. In the competitive environment that emerged both yields and loads on nearly all international sectors were under pressure. International air traffic – particularly leisure traffic – was also impacted by the terrorist attacks in Mumbai on 26<sup>th</sup> November 2008.
- 1.3 Domestic air traffic declined during the year by an estimated 10% compared to the previous year. Nearly all segments of the domestic market became very largely price driven. The resultant overcapacity during the year, led to unrealistic pricing and on certain sectors break even load factors were above 100%.
- 1.4 The Government of India continued implementation of its policies to modernize aviation infrastructure and airport facilities. Two new greenfield airports at Bengaluru and Hyderabad became operational during the year and work to build world class airports and facilities at Mumbai and New Delhi continued at full pace. The Airports Authority of India also started work at several other airports in the country including Kolkata and Chennai for the much needed improvement and expansion of their facilities.

### 2. Analysis of Operational Performance Fiscal 2009 Compared to Fiscal 2008

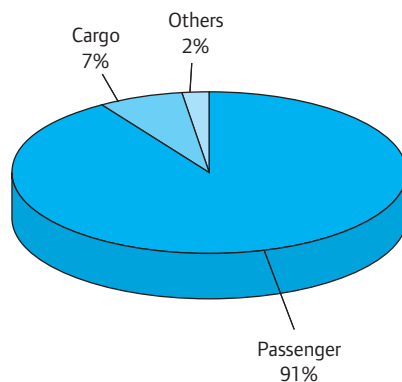
#### Revenues

- 2.1 Our total revenues increased by 23.4 % to Rs.1,178,688 lac in Fiscal 2009 from Rs.955,096 lac in Fiscal 2008. Both passenger and cargo revenues increased significantly primarily due to the expansion in international operations during the year.

**Total Operating Revenue - 2008-09**



**Total Operating Revenue - 2007-08**



## Management's Discussion and Analysis (contd.)

### Passenger Revenues

- 2.2 Passenger revenues increased by 26.4% to Rs.1,011,385 lac in Fiscal 2009 from Rs.800,296 lac in Fiscal 2008. This increase was primarily due to an 89.2% increase in revenue passengers carried on our international services in Fiscal 2009 compared to Fiscal 2008. We began operations on certain new international sectors during the year and available seat kilometers (ASKMs) offered in Fiscal 2009 increased by 29.5%.

Domestic operations accounted for 48.8% of Passenger revenues (Rs.493,492 lac) in Fiscal 2009 versus 66.1% (Rs.528,785 lac) in Fiscal 2008.

The passenger revenues from our International operations in Fiscal 2009 accounted for 51.2% of total passenger revenues (Rs.517,983 lac) versus 33.9% (Rs.271,511) in Fiscal 2008.

### Revenues from Excess Baggage

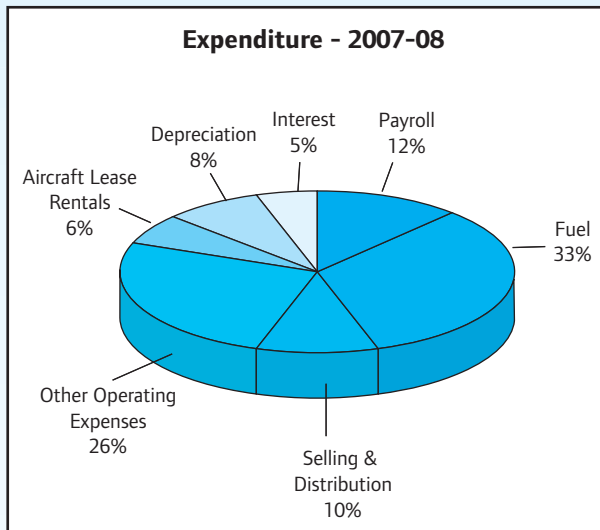
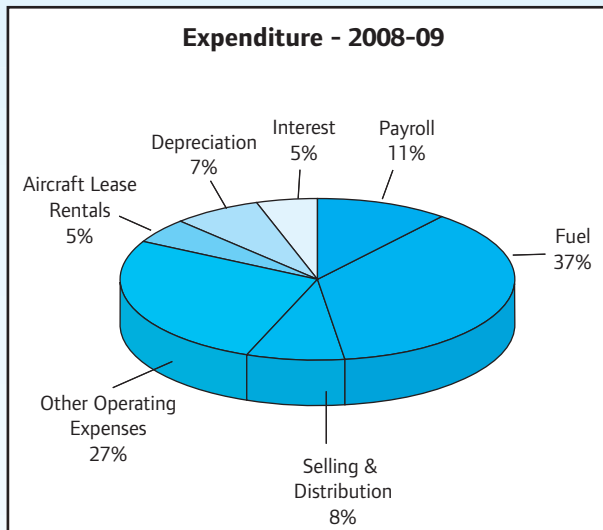
- 2.3 Excess Baggage revenues increased by 43.1% to Rs.3,186 lac in Fiscal 2009 from Rs.2,226 lac in Fiscal 2008. The increase was largely from the growth of international operations.

### Revenues from Cargo

- 2.4 Revenues from the carriage of cargo increased by 45.6% to Rs.93,772 lac in Fiscal 2009 from Rs.64,406 lac in Fiscal 2008, primarily due to tonnage carried increasing to 181,432 tonnes in Fiscal 2009 from 165,757 tonnes in Fiscal 2008. A significant part of the growth in revenue occurred because of the growth of our international operations.

### Other Revenues

- 2.5 Other revenues increased by 177.5% to Rs.39,355 lac in Fiscal 2009 from Rs.14,182 lac in Fiscal 2008. The increase was mainly on account of income from the leasing out of our surplus aircraft (Rs.18,283 lac) during the year and also on account of increased collections from cancellation charges which grew to Rs.13,479 lac in Fiscal 2009 from Rs.9,608 lac in Fiscal 2008.



### Non-Operating Revenues

- 2.6 Non-operating Revenues decreased by 58.1% to Rs.30,990 lac in Fiscal 2009 from Rs.73,986 lac in Fiscal 2008. The decrease is mainly due to the facts that:

- we recorded no exchange rate gain in Fiscal 2009 vs Rs.27,378 lac in Fiscal 2008;
- profit on sale and lease back of aircraft in Fiscal 2009 was Rs.15,730 lac compared to Rs.31,484 lac in Fiscal 2008.



## Management's Discussion and Analysis (contd.)

### Expenses

2.7 Our total expenses for Fiscal 2009 increased by 35.7% to Rs.1,342,157 lac from Rs.989,410 lac in Fiscal 2008

### Aircraft Fuel

2.8 Expenditure on aircraft fuel increased by 49.3% to Rs.491,501 lac in Fiscal 2009 from Rs.329,303 lac in Fiscal 2008. This increase was mainly due to:

- Increase in block hours operated by 17% to 313,007 hours in Fiscal 2009 from 267,513 hours in Fiscal 2008 mainly due to the increase in the number of international flights operated in Fiscal 2009:
- Increase in the average price of aviation turbine fuel by 13.4% to Rs.41 per litre in Fiscal 2009 from Rs.36.14 per litre in Fiscal 2008.
- The number of flights by wide bodied aircraft increased significantly during the year, and these aircraft consume more fuel per block hour than narrow bodied aircraft.

### Other Operating Expenses

2.9 Other Operating Expenses increased by 41.4% to Rs.364,722 lac in Fiscal 2009 from Rs.257,920 lac in Fiscal 2008, as summarized below:

Other Operating Expenses head	Year ended March 31,		Variance
	2009	2008	
	Rs. Lac	Rs. Lac	(%)
Maintenance and repairs	81,308	62,889	29.3
Variable rentals for leased aircraft	25,317	18,616	36.0
Landing, navigation and other airport charges	104,576	69,595	50.3
Insurance	7,223	5,956	21.3
General and administrative	146,298	100,864	45.0
<b>Total</b>	<b>364,722</b>	<b>257,920</b>	<b>41.4</b>

- The increase in maintenance and repair costs in Fiscal 2009 was essentially due to:
  - ✦ Increase in block hours of international operations by 81.5% to 131,775 hours in Fiscal 2009 from 72,598 hours in Fiscal 2008.
  - ✦ Increased requirements of aircraft and engine overhaul and maintenance, component support etc. for both our domestic and international fleet.
- The increase in variable rentals is on account of:
  - ✦ The full year's impact in respect of the leased aircraft inducted in Fiscal 2008 and the induction of new leased aircraft during the year.
  - ✦ An increase in the number of leased engines in Fiscal 2009.
- The increase in landing, navigation and other airport charges (including overflying charges) was primarily due to the increase in the number of flights operated on international routes compared to the previous year.
- The increase in insurance costs was due to the full year's impact of aircraft added to our fleet in the last quarter of Fiscal 2008 as well as additions to the fleet in Fiscal 2009.



## Management's Discussion and Analysis (contd.)

- The increase in general and administrative costs in Fiscal 2009 over Fiscal 2008 is attributable to:
  - ✦ a loss of Rs.9,484 lac due to exchange rate fluctuation in Fiscal 2009;
  - ✦ the increase in cargo handling costs by 104.4% to Rs.7,333 lac from Rs.3,588 lac;
  - ✦ the increase in food and cabin service costs by 23.1% to Rs.43,793 lac from Rs.35,577 lac, largely due to the increase in the number of international passengers carried;
  - ✦ the increase in expenses for crew accommodation and transport by 8.1% to Rs.13,578 lac from Rs.12,563 lac, largely due to the increase in international operations;
  - ✦ the increase in the cost of passenger amenities by 77.2% to Rs.14,352 lac from Rs.8,099 lac, largely due to the requirements of increased international flights;
  - ✦ the increase in travel costs by 51.4% to Rs.11,724 lac from Rs.7,746 lac caused primarily by expenses directly attributable to increased international flights.

### Employee Remuneration and Benefits

2.10 Expenses with regard to employee remuneration and benefits increased by 17% to Rs.141,050 lac in Fiscal 2009 from Rs.120,518 lac in Fiscal 2008 due to increase in the average number of personnel employed from 11,750 to 13,483, as well as annual increments. The increase in personnel was mainly due to the larger number of flying crew required for the increase in international operations compared to the previous year.

### Selling and Distribution Costs

2.11 Selling and distribution costs increased by 11.7% to Rs.109,817 lac for Fiscal 2009 from Rs.98,286 lac for Fiscal 2008. This increase in these costs was due to:

- ✦ an increase in total commission expenses by 18.4% due to increase in revenues; and
- ✦ an increase of 23.8% in Central Reservation System (CRS) expenses and Global Distribution System (GDS) expenses to Rs.27,185 lac from Rs.21,956 lac mainly due to the increase in the number of passengers emanating from both in and outside India.

### Aircraft Lease Rentals

2.12 Expenses towards aircraft lease rentals increased by 26.6% to Rs.71,283 lac in Fiscal 2009 from Rs.56,328 lac in Fiscal 2008. This increase was due to the addition of five leased ATR 72-500 aircraft to our fleet and the sale and lease back of two purchased Airbus 330 aircraft during Fiscal 2009 as well as the full year's impact of four aircraft that were sold and leased back in Fiscal 2008.

### Depreciation

2.13 Depreciation increased by 15.7% to Rs.89,981 lac in Fiscal 2009 from Rs.77,780 lac in Fiscal 2008 mainly on account of:

- ✦ two aircraft added to the fleet during Fiscal 2009.
- ✦ the full year's impact of 16 aircraft purchased in Fiscal 2008.

### Interest Expense

2.14 Interest expenses increased by 49.8% to Rs.73,803 lac in Fiscal 2009 from Rs.49,275 lac in Fiscal 2008, largely due to the increase in borrowings to fund aircraft purchases and increased working capital requirements.





## Management's Discussion and Analysis (contd.)

### Exceptional Items

2.15 These include:

- ♦ CENVAT credit of Rs.34,993 lac
- ♦ A credit of Rs.91,587 lac due to the change in the method of Depreciation from Written Down Value (WDV) method to Straight Line Method (SLM)
- ♦ The impact of Rs.3,128 lac due to Mark-to-Market valuation of outstanding derivative contracts over the previous financial year.

### Profit / Loss before Taxation

2.16 Loss before taxation is Rs.46,962 lac in Fiscal 2009 compared to Rs.41,259 lac in Fiscal 2008.

### Profit / Loss after Taxation

2.17 Loss after taxation was Rs.40,234 lac in Fiscal 2009 compared to Rs.25,306 lac in Fiscal 2008.

## 3. Initiatives

- 3.1 The Company has continued major initiatives to reduce costs in all areas of operations. These include rationalizing manpower and freezing recruitment and salary increases, re-negotiating all major purchase contracts, re-structuring aircraft lease agreements and eliminating non-essential expenditure.
- 3.2 The Company undertook network restructuring in the long-haul routes, cancelled unprofitable routes and adjusted capacity with demand, both on international and domestic routes.
- 3.3 The Company completed the integration of a number of areas of operations and activity with those of its wholly owned subsidiary, Jet Lite (India) Limited, which has resulted in achieving saving for both companies.
- 3.4 Innovative sales and marketing programmes were launched to attract all segments of the air travel market both domestic and international throughout the year. These include holiday packages, corporate contracts and agreements, incentives and student fares.
- 3.5 A major in-house company-wide programme was launched to encourage innovation from all employees. The response has been extremely encouraging.
- 3.6 The results of these initiatives have positively impacted operating margin in the third and fourth quarter of Fiscal 2009.

## 4. Outlook

- 4.1 It is expected that the negative factors affecting the aviation industry in India and overseas may continue till there is overall global economic recovery. We have formulated strategies to address these challenges. We are rationalizing both domestic and international capacities, as well as aircraft types and configurations to match the demands of various market segments. Surplus aircraft have been leased out to other airlines.

## 5. Awards

- 5.1 In April 2008, the Company won the 'Best Cargo Airline of Central Asia' award at the Cargo Airline of the Year Award ceremony, conducted by Air Cargo World Europe held in London, UK.
- 5.2 In April 2008, the Company won a number of awards for its Frequent Flyer Program, Jet Privilege, namely the Program of the Year, Best Customer Service, Best Elite Level, Best Affinity Credit Card, Best Bonus, Best Website and Best Awards at the 20th Annual Freddie Awards for the year 2007, held in Phoenix, USA.
- 5.3 In June 2008, at the Civil Aviation Authority of Singapore's (CAAS) third annual Changi Airline Awards in Singapore, the Company was selected in two categories: 'Top 5 Airlines by Growth in Passenger Carriage' and 'Top 5 Airlines by Growth in Cargo Carriage'



## Management's Discussion and Analysis (contd.)

- 5.4 In June 2008, the Company was selected as one of the Best Long Haul Airlines, by "Which?", UK's largest consumer body, based on an independent customer survey of airlines operating out of the UK .
- 5.5 In July 2008, the Company won two awards at the CNBC–Awaaz Travel Awards 2008 in Mumbai: 'Airline with the Best Business Class' and Airline with the 'Best Economy Class'.
- 5.6 In August 2008, the Company won the "Amity HR Excellence Award" for the year 2008.
- 5.7 In August 2008, the Company was declared a Superbrand for the second time by Superbrands India.
- 5.8 In September 2008, the Company was voted one of the Top 10 Airlines in the world at the Best in Travel Poll 2008, organised by the Hong Kong based SmartTravelAsia.com.
- 5.9 In October 2008, the Company was voted one of the Top Three Airlines of the World by the Conde Nast Traveller readers' poll, New York, USA.
- 5.10 In December 2008, the Company was honoured with the 2008 Galileo Express Travel World 'Best Domestic Full Service Airline' in Delhi.
- 5.11 In January 2009, the Company won, for the second year running, the Customer and Brand Loyalty award in the Commercial Airlines Sector (Domestic), at the second Loyalty Awards at the Loyalty Summit held in Mumbai.
- 5.12 In February 2009, the Company was accorded India's Top 50 Service Brands status by the Asia Retail Congress 2009, at the Pitch India Top 50 Service Brand 2008 awards.

### 6. Internal Control Systems

- 6.1 The Company has a proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, and applicable statutes, codes of conduct and corporate policies are duly complied with.
- 6.2 The Company's Internal Audit Department reviews the adequacy and efficacy of the key internal controls. The scope of the audit activity is guided by the internal annual audit plan and, approved by the Audit Committee of the Board.
- 6.3 The Company's Audit Committee comprises six Non-executive Directors; Mr. Aman Mehta (Chairman), Mr. Victoriano P. Dungca, Mr. Ali Ghandour, Mr. Charles Adams, Mr. Javed Akhtar and Mr. Yash Chopra. The Audit Committee reviews reports submitted by the Internal Audit Department and monitors follow-up and corrective action taken.
- 6.4 The Company has a corporate compliance procedure to ensure that all laws, rules and regulations applicable to it are complied with. Based on confirmation from departmental heads, the Chief Executive Officer places before the Board a Corporate Compliance Certificate every quater.
- 6.5 The Company Secretary is the designated Compliance Officer to ensure compliance with SEBI regulations and with the Listing Agreement with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- 6.6 The Executive Director is the Compliance Officer with regard to the 'Jet Airways Code of Conduct for Prevention of Insider Trading' and Public Spokesman for the 'Jet Airways Code of Corporate Disclosure Practices for Prevention of Insider Trading'.
- 6.7 The Company has a process of both external and internal safety audits for each area of operation. The Company is in full compliance with all laws, rules and regulations relating to airworthiness, air safety and other statutory operational requirements.
- 6.8 The Company, as part of its Risk Management strategy, reviews on a continuous basis, its strategies, processes, procedures and guidelines to effectively identify and mitigate risks. Key risk areas in all aspects of the Company's operations and management have been identified and are maintained.



## Management's Discussion and Analysis (contd.)

### 7. Opportunities, Risks, Concerns and Threats

- 7.1 Despite the difficult circumstances prevailing and the increasingly intense competition and although, it is a more recent entrant, the Company has achieved healthy seat factors on its services on the Gulf route. We believe traffic to the Gulf and Middle East markets will remain stable and contribute positively to the Company's results. We will be commencing operations to Saudi Arabia from mid-July 2009.
- 7.2 We continue to rationalize both our international and domestic network and our product offerings to ensure connectivity, satisfactory loads and passenger convenience as well as with regard to the respective requirements in Indian and overseas markets.
- 7.3 We continue to leverage our domestic network to improve the connectivity for our international routes. Passengers from our network in SAARC and ASEAN countries connect to our long-haul and Gulf flights.
- 7.4 We continue to expand our marketing alliances with other carriers in order to improve our global connectivity, as well as offer passengers the advantage of our domestic network.
- 7.5 While global oil prices declined during the latter part of the year under review, any resurgent increase in oil prices will adversely impact the aviation industry. The Company will also be impacted by any major deterioration in the Rupee against the US dollar. The Company judiciously monitors the developments in these areas and takes appropriate policy decisions to ameliorate risks.
- 7.6 A major concern remains the pace of recovery of the global economy, as well as the rate of growth of the Indian economy. These are crucial for the recovery of the airline industry in India
- 7.7 A major threat is the possibility of terrorist attacks in India (such as those that took place in Mumbai on 26<sup>th</sup> November 2008). These factors could adversely affect travel into India. However, the Company believes that the measures being taken by the Government in these areas will adequately meet these challenges.

*Certain statements in this Management Discussion and Analysis describing the Company may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's future operations include economic conditions affecting air travel in India and overseas, change in Government Regulations, changes in Central and State taxation laws and the rates, fuel prices and other factors.*



## Corporate Governance Report

(As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### 1. Company's philosophy on Code of Governance

The Company recognizes that good Corporate Governance is essential to build and retain the confidence of all its stakeholders. To this end, the Company's philosophy on Corporate Governance is an endeavour to ensure that:

- systems and procedures which monitor compliance with laws, rules and regulations are in place in each area of its business,
- relevant information regarding the Company and its operations is disclosed, disseminated and is easily available to its stakeholders, and
- that the Board of Directors is kept fully informed of:
  - all material developments in the Company
  - the risks in its business and its operations
  - the rationale for management's decisions and recommendations

so that the Board of Directors can effectively discharge its responsibilities towards our stakeholders.

### 2. Board of Directors

#### i. Composition

- The Board of Directors (Board) of the Company consists of eleven Directors, of whom, ten are Non-executive Directors and one is an Executive Director. Out of the ten Non-executive Directors, seven are Independent Directors. Thus, Independent Directors comprise more than half of the total strength of the Board. The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges (Listing Agreement) in this regard. The Chairman of the Board is a Non-executive Director. All Directors, except the Chairman, are liable to retire by rotation. The Board comprises of senior, competent and eminent professionals from diverse fields.

There is no relationship between the Directors inter-se.

- The composition of the Board as on date, the changes during the year under review, and Directorship / Committee positions in other companies, are as follows:

Name	Position / Category	Other Directorships <sup>1</sup>	Other Committee Positions <sup>2</sup>		Number of Shares of Rs.10 each held in the Company
			Chairman	Member	
Mr. Naresh Goyal	Chairman Promoter and Non-Executive Director	1	None	None	9,995 (as a Nominee of Tail Winds Limited)
Mr. Ali Ghandour	Non-executive and Independent Director	None	None	None	Nil
Mr. Victoriano P. Dungca	Non-executive Director	1	None	1	Nil
Mr. Charles A. Adams	Non-executive and Independent Director	None	None	None	Nil
Mr. Javed Akhtar	Non-executive and Independent Director	1	None	1	5,990
Mr. I. M. Kadri	Non-executive and Independent Director	1	1	None	Nil
Mr. Aman Mehta	Non-executive and Independent Director	6	1	4	Nil



## Corporate Governance Report (contd.)

Name	Position / Category	Other Directorships <sup>1</sup>	Other Committee Positions <sup>2</sup>		Number of Shares of Rs.10 each held in the Company
			Chairman	Member	
Mr. Yash Raj Chopra	Non-executive and Independent Director	None	None	None	355
Mr. Shah Rukh Khan <sup>3</sup>	Non-executive Director	N. A	N. A	N. A	Nil
Dr. Pierre J. Jeannot	Non-executive and Independent Director	None	None	None	Nil
Mr. Saroj K. Datta	Executive Director	1	None	None	553
Mr. P. R. S. Oberoi <sup>4</sup>	Non-executive Director	N. A	N. A	N. A	Nil
Mr. S. G. Pitroda <sup>5</sup>	Non-executive Director	N. A	N. A	N. A	Nil

### Notes :

Based on the respective disclosures made by the Directors.

1. Directorships held in other Indian public limited companies, excluding Alternate Directorships.
2. Includes only Audit Committee and Investors Grievance Committee of other Indian public limited companies.
3. Has informed the Company that he does not seek to be re-appointed at the forthcoming Seventeenth Annual General Meeting.
4. Resigned with effect from 30<sup>th</sup> January, 2009.
5. Vacated Office with effect from 21<sup>st</sup> March, 2009.

### ii. Board Meetings and Annual General Meeting held during the Financial Year 2008-09 and the attendance of each Director thereat

The Board Meetings dates are normally pre-determined. A minimum of four Board Meetings are held in a Financial Year. Additionally, Board Meetings are convened to transact special businesses, as and when necessary.

Nine Board Meetings were held during the Financial Year 2008-09. The gap between any two Board Meetings did not exceed four months. The Board Meetings were held on the following dates:

23<sup>rd</sup> May, 2008, 24<sup>th</sup> June, 2008, 29<sup>th</sup> July, 2008, 29<sup>th</sup> September, 2008, 25<sup>th</sup> October, 2008, 20<sup>th</sup> November, 2008, 22<sup>nd</sup> December, 2008, 16<sup>th</sup> January, 2009 and 9<sup>th</sup> February, 2009.

Name	Number of Board Meetings attended	Attendance at the Sixteenth Annual General Meeting held on 29 <sup>th</sup> September, 2008
Mr. Naresh Goyal	7	Yes
Mr. Ali Ghandour	4	No
Mr. Victoriano P. Dungca	6	No
Mr. Charles A. Adams	4	No
Mr. Javed Akhtar	5	No
Mr. I. M. Kadri	9	Yes
Mr. Aman Mehta	6	Yes
Mr. Yash Raj Chopra	6	Yes
Mr. Shah Rukh Khan	Nil	No
Dr. Pierre J. Jeannot	6	Yes
Mr. Saroj K. Datta	7	No
Mr. P. R. S. Oberoi <sup>1</sup>	Nil	No
Mr. S. G. Pitroda <sup>2</sup>	Nil	No

- 1 Resigned with effect from 30<sup>th</sup> January, 2009.
- 2 Vacated Office with effect from 21<sup>st</sup> March, 2009.



## Corporate Governance Report (contd.)

The Agenda Papers containing all the necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and to take informed decisions. Where it is not practicable to attach or send the relevant information as a part of the Agenda Papers, the same is tabled at the Meeting or / and the presentations are made by the concerned managers to the Board.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement, is regularly made available to the Board, whenever applicable, for discussion and consideration.

### 3. Committees of Directors

As per the disclosures regarding Committee positions received from the Directors, none of them is a Member of more than ten Committees and Chairman of more than five Committees, across all companies in which they are Directors.

#### a. Audit Committee of the Board (Audit Committee)

##### i. Composition

The Audit Committee comprises of professionals with requisite accounting / financial management expertise. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition of the Audit Committee is as follows:

Member	Designation	Category
Mr. Aman Mehta	Chairman	Independent Director
Mr. Victoriano P. Dungca	Member	Non-executive Director
Mr. Javed Akhtar	Member	Independent Director
Mr. Yash Raj Chopra	Member	Independent Director
Mr. Ali Ghandour*	Member	Independent Director
Mr. Charles Adams*	Member	Independent Director

\* inducted as Members with effect from 23<sup>rd</sup> May, 2008.

The Company Secretary acts as the Secretary of the Audit Committee. The Executive Director, the Chief Executive Officer, executives from Finance and Internal Audit Departments and representatives of the Statutory Auditors are invited to attend the Audit Committee Meetings.

##### ii. Terms of reference

The powers and terms of reference of the Audit Committee are in compliance with the requirements laid down in Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and disclosure of financial information.
- Recommend the appointment, re-appointment and, if required, replacement or removal of Statutory Auditors, fixation of audit fees and approving payments for any other services.
- Review with management the annual and quarterly financial statements before submission to the Board.
- Review with management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- Review the adequacy of internal audit function.
- Discussions with Internal Auditors of any significant findings and follow-ups thereon.
- Review the findings of any internal investigations by the Internal Auditors.
- Discussion with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower mechanism.
- Review the following information:
  - Management's discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions;





## Corporate Governance Report (contd.)

- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and remuneration of the Chief Internal Auditor; and
- The financial statements, in particular, the investments made by unlisted subsidiary companies.

In addition to the above, the following disclosures are made to the Audit Committee, as and when applicable:

- Basis of related party transactions;
- Disclosure of accounting treatment; and
- Utilisation / application of proceeds from public issues, rights issues, preferential issues, etc., if any.

The Audit Committee is vested with the necessary powers, as defined in its Charter, to achieve its objectives.

### iii. Meetings and attendance during the Financial Year 2008-09

The Audit Committee met five times during the Financial Year 2008-09 and the gap between any two Meetings did not exceed four months. The details of attendance of the Members at these Meetings are as follows:

Member	Meeting dates and attendance thereat				
	23.05.2008	24.06.2008	29.07.2008	25.10.2008	16.01.2009
Mr. Aman Mehta	Yes	No	No	Yes	Yes
Mr. Victoriano P. Dungca	Yes	Yes	Yes	Yes	No
Mr. Javed Akhtar	Yes	Yes	Yes	No	No
Mr. Yash Raj Chopra	Yes	No	No	Yes	Yes
Mr. Ali Ghandour*	N.A	No	Yes	No	Yes
Mr. Charles Adams*	N.A	Yes	Yes	No	Yes

\* inducted as Members with effect from 23<sup>rd</sup> May, 2008

The Company Secretary attended all five Meetings as Secretary of the Audit Committee.

The Minutes of the Audit Committee Meetings are noted at the subsequent Board Meetings.

The Chairman of the Audit Committee, Mr. Aman Mehta, was present at the Sixteenth Annual General Meeting held on 29<sup>th</sup> September, 2008.

## b. Remuneration and Compensation Committee

### i. Composition

The Remuneration and Compensation Committee comprises of Non-executive Directors only which are as follows:

Member	Designation	Category
Mr. Aman Mehta	Chairman	Independent Director
Mr. Victoriano P. Dungca	Member	Non-executive Director
Mr. Charles A. Adams	Member	Independent Director
Mr. Javed Akhtar	Member	Independent Director

### ii. Terms of Reference

The Remuneration and Compensation Committee shall recommend to the Board of Directors the compensation and other benefits of the Company's Executive Directors and Senior Management.

### iii. Meetings and attendance during the Financial Year 2008-09

During the Financial Year 2008-09, one Meeting of the Remuneration and Compensation Committee was held on 29<sup>th</sup> July, 2008. Except Mr. Aman Mehta, all the Members and the Company Secretary were present at the Meeting.

The Minutes of the Remuneration and Compensation Committee Meetings are noted at the subsequent Board Meetings.

The Chairman of the Remuneration and Compensation Committee, Mr. Aman Mehta, was present at the Sixteenth Annual General Meeting held on 29<sup>th</sup> September, 2008.



## Corporate Governance Report (contd.)

### iv. Remuneration Policy

#### 1. For the Executive Director

The Remuneration and Compensation Committee recommends to the Board of Directors the remuneration of the Executive Director, subject to the approval of the Members and Central Government, if required. The Executive Director's remuneration comprises of Salary and Allowances, Perquisites and Retirement Benefits. Annual increment is recommended by the Remuneration and Compensation Committee.

Details of remuneration paid to Mr. Saroj K. Datta, Executive Director, for the Financial Year 2008-09 are as follows:

	Rs.
Salary and Allowances	9,023,333
Retirement Benefits	422,400
Total	9,445,733

At the Sixteenth Annual General Meeting held on 29<sup>th</sup> September, 2008, the Members had, subject to the approval of the Central Government, approved the re-appointment of Mr. Datta for a period of three years with effect from 30<sup>th</sup> September, 2008, on a revised remuneration. The approval of the Central Government was applied for in September, 2008. However, the same is yet to be received. Till such time the approval of the Central Government is received, Mr. Datta holds the remuneration in trust.

Mr. Datta's current tenure of office is for a period of three years from the date of his appointment i.e. from 30<sup>th</sup> September, 2008 up to 29<sup>th</sup> September, 2011 and can be terminated by either party by giving three months notice in writing. There is no provision for payment of Severance Fees.

The Company does not have a scheme for stock options of its Shares either for the Directors or the employees.

#### 2. For Non-executive Directors

The Non-executive Directors are paid remuneration by way of Sitting Fees and Commission.

##### Sitting Fees

The Non-executive Directors are entitled to Sitting Fees of Rs.20,000 for attending each Board / Committee Meeting. The aforesaid Sitting Fees is within the limits prescribed under the Companies Act, 1956.

##### Commission

In terms of the Members' approval given at the Sixteenth Annual General Meeting held on 29<sup>th</sup> September, 2008, Commission for the Financial Year 2008-09 is payable at a rate not exceeding 1% of the Net Profits of the Company computed in the manner referred to in Section 309 of the Companies Act, 1956, subject to a ceiling of Rs.600,000 per Non-executive Director. However, due to the loss made by the Company for the year ended 31<sup>st</sup> March, 2009, no Commission is payable to the Non-executive Directors for the said year.

Details of remuneration paid to the Non-executive Directors for the Financial Year 2008-09 are as follows:

Name	Sitting Fees paid (Rs.)
Mr. Naresh Goyal	140,000
Mr. Ali Ghandour	120,000
Mr. Victoriano P. Dungca	220,000
Mr. Charles A.Adams	220,000
Mr. Javed Akhtar	180,000
Mr. I. M. Kadri	260,000
Mr. Aman Mehta	180,000
Mr. Yash Raj Chopra	180,000
Mr. Shah Rukh Khan	Nil
Dr. Pierre J. Jeannot	120,000
Mr. P. R. S. Oberoi	Nil
Mr. S. G. Pitroda	Nil



## Corporate Governance Report (contd.)

The Company has paid Rs.170 lac towards Master Production cost of television advertisements as an advance against consideration payable to a company in which Mr. Shah Rukh Khan is a Director / Member and for which the necessary Central Government approval has been obtained.

None of the other Non-executive Directors has any other pecuniary interest in the Company.

### c. Investors' Grievances Committee

#### i. Composition

The Company has constituted an Investors' Grievances Committee to specifically focus on the redressal of the Shareholders' / Investors' complaints and grievances. The composition of the Investors' Grievances Committee is as under:

Member	Designation	Category
Mr. I. M. Kadri	Chairman	Non-executive Director
Mr. Charles A. Adams	Member	Non-executive Director
Mr. Saroj K. Datta	Member	Executive Director

#### ii. Meetings and attendance during the Financial Year 2008-09

Four Meetings of the Investors' Grievances Committee were held during the Financial Year 2008-09 as follows :

Member	Meeting dates and attendance thereat			
	23.05.2008	29.07.2008	25.10.2008	16.01.2009
Mr. I. M. Kadri	Yes	Yes	Yes	Yes
Mr. Charles Adams	Yes	Yes	No	Yes
Mr. Saroj K. Datta	Yes	Yes	Yes	Yes

The Company Secretary attended all four Meetings as Secretary of the Investors' Grievances Committee.

The Minutes of the Investors' Grievances Committee Meetings are noted at the subsequent Board Meetings.

#### iii. Name and designation of the Compliance Officer

Ms. Monica Chopra, Company Secretary, is the Compliance Officer under Clause 47 of the Listing Agreement.

#### iv. Details of Shareholders' complaints / queries

The details of Shareholders' complaints during the Financial Year 2008-09 are as follows:

Opening Balance	Received	Attended to	Pending
Nil	81	81	Nil

Shareholders' complaints are given top priority by the Company and are promptly attended to by the Registrar and Share Transfer Agent or by the Secretarial Department. It is the endeavour of the Company that shareholders' complaints are attended to within 48 hours of receipt. The Company has attended to all Shareholders' grievances / correspondences as on 31<sup>st</sup> March, 2009. The Company has a separate email ID [investors@jetairways.com](mailto:investors@jetairways.com) to which Shareholders may address their grievances.

### 4. General Body Meetings

#### i. Location and time of the last three Annual General Meetings

Date	Venue	Time
20 <sup>th</sup> September, 2006	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018	3:30 p.m.
27 <sup>th</sup> September, 2007		
29 <sup>th</sup> September, 2008		



## Corporate Governance Report (contd.)

### ii. Special Resolutions passed in the previous three Annual General Meetings

Date	Subject
20 <sup>th</sup> September, 2006	<ul style="list-style-type: none"> <li>Re-appointment and remuneration of the Executive Director</li> <li>Payment of Commission to Non-executive Directors for the Financial Year 2006-07</li> <li>Alteration of the Articles of Association of the Company</li> </ul>
27 <sup>th</sup> September, 2007	<ul style="list-style-type: none"> <li>Re-appointment and remuneration of the Executive Director</li> <li>Payment of Commission to the Non-executive Directors for the Financial Year 2007-08</li> </ul>
29 <sup>th</sup> September, 2008	<ul style="list-style-type: none"> <li>Re-appointment and remuneration of the Executive Director for three years</li> <li>Payment of Commission to the Non-executive Directors for the Financial Year 2008-09</li> </ul>

### iii. Special Resolutions passed through postal ballot

Pursuant to the provisions of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, a Special Resolution approving the issue of GDRs / ADRs/ FCCBs etc. upto US\$ 400 million was passed by the Members through Postal Ballot during the Financial Year 2008-09. The particulars are as follows:

Name of Scrutinizer	Mr. Taizoon M. Khumri of M/s. T. M. Khumri & Co. Company Secretaries
Date of Report of Scrutinizer	21 <sup>st</sup> May, 2008
Date of approval of Members / Date of declaration of Results	21 <sup>st</sup> May, 2008

Particulars	Number of Postal Ballots	Number of Votes
Valid Ballots / Votes	4,123	728,292,900
In favour	3,971	723,185,850
Percentage (%)	99.30	
Against	152	5,107,050
Percentage (%)	0.70	
Invalid Ballots / Votes	138	34,360

Thus, the aforesaid Resolution was passed by an overwhelming majority of the Members who cast their votes.

Resolutions, if required, shall be passed through Postal Ballot during the year ending on 31<sup>st</sup> March, 2010, as per the prescribed procedure.

## 5. Disclosures

- The transactions with related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.
- The Company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.
- With regard to matters related to capital markets, the Company has complied with all the requirements of the Listing Agreements entered into with the Stock Exchanges as well as SEBI regulations and guidelines. No penalties were imposed or strictures passed against the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.
- According to the disclosures received from the senior managerial personnel, none of them or their relatives has entered into any financial and commercial transactions in which they or their relatives may have a personal interest.



## Corporate Governance Report (contd.)

### v. Code of Conduct

The Company has laid down a Code of Business Conduct and Ethics for all Members of the Board and the Senior Management of the Company. The same is posted on the Company's website. All the Members of the Board and the Senior Management personnel have affirmed their compliance with the said Code for the Financial Year 2008-09. A declaration to this effect, signed by the Executive Director, is given below:

*I hereby confirm that:*

*The Company has obtained from all the Members of the Board of Directors and the Senior Management of the Company, affirmation that they have complied with the 'Code of Business Conduct and Ethics for all Members of the Board and the Senior Management' in respect of the Financial Year 2008-09.*

Mumbai  
25<sup>th</sup> May, 2009

Saroj K. Datta  
Executive Director

### vi. ED / CFO Certification

A Certificate by the Executive Director appointed in terms of the Companies Act, 1956, and the Chief Executive Officer (In-charge Finance), on the Financial Statements and other matters of the Company for the Financial Year ended 31<sup>st</sup> March, 2009, was placed before the Board.

### vii. Risk Management

The Board Members are regularly informed about the Risk Assessment and Minimization procedures, which are periodically reviewed by the Audit Committee.

### viii. Policy for reporting illegal or unethical behaviour (Whistleblower Policy)

Directors and employees are encouraged to report evidence of illegal or unethical behaviour to appropriate Company personnel. It is the policy of the Company to not allow retaliation against any employee who makes a good faith report about a possible violation of the Code of Business Conduct and Ethics (the Code).

Suspected violations of the Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations are appropriately investigated. When in doubt of the best course of action in a particular situation, employees are encouraged to talk promptly to their supervisors, managers or the Head of Human Resources. Employees are expected to fully cooperate in internal investigations of misconduct.

Under the Special Reporting Obligations and Procedures Relating to Concerns Regarding Accounting or Auditing Practices, employees are encouraged to bring to the attention of the Audit Committee of the Company's Board of Directors any questions, concerns or complaints they may have regarding accounting, internal accounting controls or auditing matters.

## 6. Means of Communication

The Company publishes its Financial Results (quarterly / half-yearly / annual) in major newspapers after the same are reviewed by the Audit Committee and approved by the Board. The Financial Results are also simultaneously posted on the Company's website [www.jetairways.com](http://www.jetairways.com). Hence, no separate quarterly or half-yearly report is mailed to the Shareholders.

The following are also promptly displayed on the Company's website:

- Shareholding Pattern, Annual Report and the Investor Presentations made to the media and analysts.
- Press Releases.

Information about the Financial Results, Shareholding Pattern and other specified details are electronically filed through the Corporate Filing and Dissemination System (CFDS) as required under the Listing Agreement. Investors can view this information by visiting the website [www.corpfiling.co.in](http://www.corpfiling.co.in)

The Management's Discussion and Analysis forms part of this Annual Report.



## Corporate Governance Report (contd.)

### 7. General Shareholder Information

#### i. Annual General Meeting

Day, date, time and venue : Monday, 17<sup>th</sup> August, 2009 at 3.30 p.m. at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018

#### ii. Financial Year : 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009

##### Financial Calendar

The Company expects to announce the unaudited quarterly results for the Financial Year 2009-10, as per the following schedule:

First quarter : On or before 31<sup>st</sup> July, 2009

Second quarter : On or before 31<sup>st</sup> October, 2009

Third quarter : On or before 31<sup>st</sup> January, 2010

The audited Financial Results of the Company for the Financial Year 2009-10 will be announced on or before 30<sup>th</sup> June, 2010, which will include the Financial Results for the Fourth quarter of the Financial Year 2009-10.

#### iii. Dates of Book Closure : Thursday, 6<sup>th</sup> August, 2009 to Monday, 17<sup>th</sup> August, 2009 (both days inclusive) for the purpose of the Annual General Meeting.

#### iv. Dividend Payment Date : The Board of Directors has not recommended a dividend for the Financial Year 2008-09.

#### v. Listing on the Stock Exchanges

The Company's Equity Shares are listed on the following Stock Exchanges having nation-wide trading terminals:

##### National Stock Exchange of India Limited

"Exchange Plaza"  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai - 400 051

##### Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

Listing Fees for the Financial Year 2009-10 has been paid to both the above Stock Exchanges.

#### vi. Stock Code

National Stock Exchange of India Limited (NSE) : JETAIRWAYS

Bombay Stock Exchange Limited (BSE) : 532617

International Securities Identification Number (ISIN) : INE802G01018

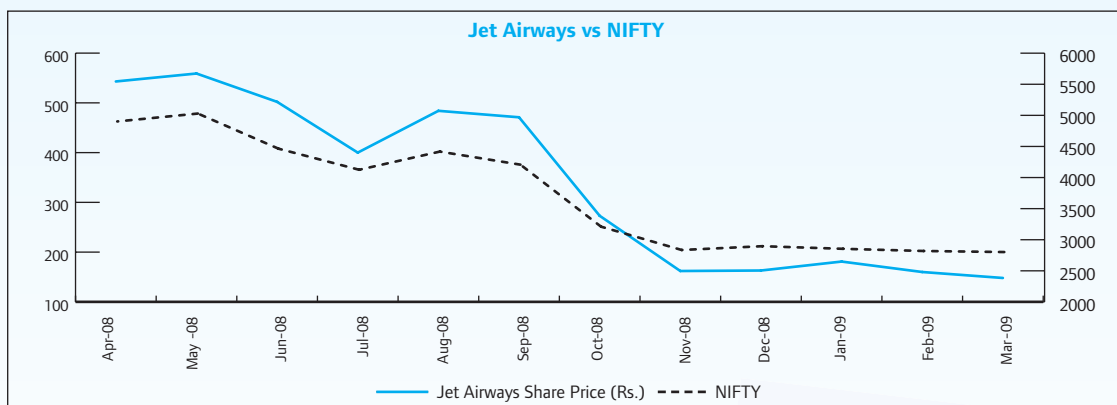
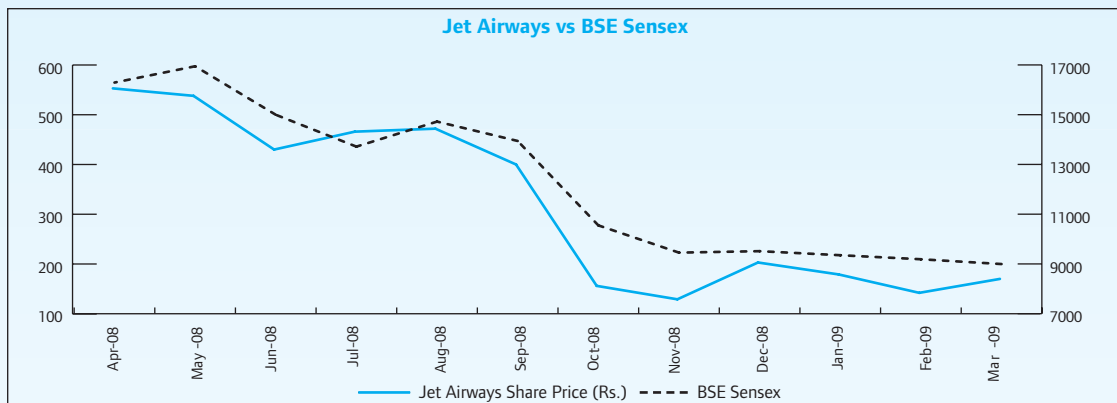


## Corporate Governance Report (contd.)

### vii. Market price data (high and low) and volume during each month of the Financial Year 2008-09

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
	(Rs.)	(Rs.)	(Nos.)	(Rs.)	(Rs.)	(Nos.)
April 2008	578.00	459.90	3,84,343	579.00	512.00	12,06,295
May 2008	594.45	515.00	18,70,211	594.90	512.00	22,75,381
June 2008	591.00	418.00	13,59,198	624.70	415.05	23,12,997
July 2008	485.00	308.00	7,65,630	485.00	301.00	22,42,554
August 2008	534.90	446.00	4,39,156	534.95	445.00	13,52,487
September 2008	567.00	380.00	654,349	563.00	370.00	17,44,486
October 2008	415.00	132.95	12,14,088	429.85	131.10	31,19,033
November 2008	214.80	127.50	9,95,489	214.80	126.70	26,29,420
December 2008	208.70	119.25	55,21,325	208.65	119.20	1,46,05,287
January 2009	219.85	131.10	1,09,71,829	219.90	131.25	2,42,23,806
February 2009	181.70	139.50	48,07,920	181.80	139.05	1,19,15,051
March 2009	189.90	115.25	1,37,70,298	189.25	115.20	2,86,49,505

### viii. Performance of Share Price of the Company in comparison with the BSE and NSE Indices



## Corporate Governance Report (contd.)

### ix. Registrar and Share Transfer Agent

All issues related to shares, dividend and other investor related matters are promptly attended to by our Registrar and Share Transfer Agent.

Karvy Computershare Private Limited

17 to 24, Vittal Rao Nagar

Madhapur, Hyderabad - 500 081

Phone: 0091 40 2342 0818

Fax: 0091 40 2342 0814

Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website: [www.karvy.com](http://www.karvy.com)

Contact Person: Mr. S. V. Raju, Assistant General Manager

### x. Share Transfer System

99.99% of the Issued Equity Shares of the Company are held in dematerialized form. Transfers of these Shares take place electronically through the depositories with no involvement of the Company or the Registrar and Share Transfer Agent.

As regards transfer of Shares held in physical form, the transfer documents can be lodged with the Company's Registrar and Share Transfer Agent at the above mentioned address or at the Registered Office of the Company.

Transfers of Shares in physical form are effected and Share Certificates are dispatched within an average period of 15-20 days from the date of receipt of request, provided the relevant documents are complete in all respects.

There was single transfer consisting of one Share in physical form during the Financial Year 2008-09.

### xi. Distribution of Shareholding

Sl. No.	Category From-To	Number of Shareholders	% of total Shareholders	Number of Shares	% of total Shares
1	1-500	107,035	92.41	1,456,469	1.69
2	501-1,000	4,939	4.26	408,949	0.47
3	1,001-1,500	1,200	1.04	154,771	0.18
4	1,501-2,000	871	0.75	165,669	0.19
5	2,001-2,500	309	0.27	71,465	0.08
6	2,501-3,000	265	0.23	77,132	0.09
7	3,001-3,500	114	0.10	37,883	0.04
8	3,501-4,000	158	0.14	61,455	0.07
9	4,001-4,500	54	0.05	23,394	0.03
10	4,501-5,000	185	0.16	91,951	0.11
11	5,001-10,000	338	0.29	254,703	0.30
12	10,001-20,000	124	0.11	187,455	0.22
13	20,001-30,000	51	0.04	129,187	0.15
14	30,001-40,000	28	0.02	98,488	0.11
15	40,001-50,000	18	0.02	85,998	0.10
16	50,001-100,000	47	0.04	351,044	0.41
17	100,001 & above	89	0.08	82,677,998	95.77
	Total	115,825	100	86,334,011	100





## Corporate Governance Report (contd.)

### Shareholding Pattern

Sl.No.	Category	Number of Shares held	% of total Shares
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>1.</b>	<b>Indian</b>		
	Individuals / Hindu Undivided Family	11,548	0.01
	Sub Total	11,548	0.01
<b>2.</b>	<b>Foreign</b>		
	Bodies Corporate	69,057,210	79.99
	Sub Total	69,057,210	79.99
	<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>69,068,758</b>	<b>80.00</b>
<b>B.</b>	<b>Public Shareholding</b>		
<b>1.</b>	<b>Institutions</b>		
	Mutual Funds / UTI	2,708,163	3.14
	Financial Institutions / Banks	213,787	0.25
	Insurance Companies	2,731,230	3.16
	Foreign Institutional Investors	3,245,401	3.76
	Sub Total	8,898,581	10.31
<b>2.</b>	<b>Non-Institutional</b>		
	Bodies Corporate	5,054,240	5.85
	Individuals:		
	- Individual shareholders holding nominal share capital up to Rs.1 lakh	2,886,408	3.34
	- Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	90,798	0.11
	Others:		
	- Non Resident Indians	122,520	0.14
	- Trusts	597	0.00
	- Clearing Members	212,109	0.25
	Sub Total	335,226	0.39
	<b>Total Public Shareholding (B)</b>	<b>17,265,253</b>	<b>20</b>
	<b>Total (A) + (B)</b>	<b>86,334,011</b>	<b>100</b>
<b>C.</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	—	—
	<b>Total (A) + (B) + (C)</b>	<b>86,334,011</b>	<b>100</b>

### xii. Dematerialization of Shares and Liquidity

As mandated by SEBI, Equity Shares of the Company can be traded by investors through the Stock Exchanges only in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to facilitate holding and trading of Company's Equity Shares in electronic form. 99.99% of the Company's Equity Shares are held in electronic form. The Company's Equity Shares are regularly traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange.



## Corporate Governance Report (contd.)

The details of Equity Shares held in dematerialised and in physical form are given hereunder:

Particulars of Equity Shares	Equity Shares of Rs.10 each		Shareholders	
	Number	% of total	Number	% of total
<b>Dematerialized form:</b>				
- NSDL	85,397,794	98.92	96,766	98.92
- CDSL	925,783	1.07	19,031	1.07
Sub-total	86,323,577	99.99	115,797	99.99
<b>Physical form</b>	10,434	0.01	28	0.01
<b>Total</b>	86,334,011	100	115,825	100

### xiii. Secretarial Audit

M/s. T. M. Khumri & Co., Company Secretaries, carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The Secretarial Audit Reports for all the quarters of the Financial Year ended 31<sup>st</sup> March 2009 confirm that the total Issued / Paid-up Capital of the Company is in agreement with the aggregate number of Equity Shares in physical form and in dematerialized form held with NSDL and CDSL.

### xiv. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDRs / ADRs / Warrants or Convertible Instruments.

### xv. Plant locations

The Company operates from various offices and airports in India and abroad and occupies Hangars at airports at Mumbai, Delhi and Bangalore to provide repairs and maintenance services for aircraft and components. The Company also has Ground Support Department at various airports.

### xvi. Address for correspondence

Ms. Monica Chopra  
Company Secretary  
Jet Airways (India) Limited  
S. M. Centre, Andheri-Kurla Road  
Andheri (East), Mumbai - 400 059  
Telephone: (022) 2920 1744  
Fax: (022) 2852 7745  
Email: [companysecretary@jetairways.com](mailto:companysecretary@jetairways.com)  
Website: [www.jetairways.com](http://www.jetairways.com)

## 8. Adoption of Non-mandatory requirements under the Listing Agreement

- The Company has constituted a Remuneration and Compensation Committee of Directors comprising of Non-executive Directors. The details of the Committee have been mentioned earlier in this Report.
- The Company has a Policy for reporting illegal or unethical behaviour. The details with regard to functioning of the Policy have been mentioned earlier in this Report.

Adoption of other non-mandatory requirements will be considered by the Company.

**Note: The information given hereinabove is as on 31<sup>st</sup> March, 2009, unless otherwise stated.**



## Auditors' Certificate on compliance of conditions of Corporate Governance

To the Members of  
Jet Airways (India) Limited.

We have examined the compliance of conditions of Corporate Governance by Jet Airways (India) Limited ("the Company"), for the year ended on 31<sup>st</sup> March 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells  
Chartered Accountants

R.D. Kamat  
Partner  
Membership No: 36822

Mumbai  
25<sup>th</sup> May 2009

For Chaturvedi & Shah  
Chartered Accountants

C. D. Lala  
Partner  
Membership No: 35671



## Auditors' Report

To,  
The Members of Jet Airways (India) Limited.

1. We have audited the attached Balance Sheet of **Jet Airways (India) Limited** ("the Company") as at March 31, 2009, and the Profit and Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956;
  - (e) On the basis of written representations received from Directors, except for Mr. Shah Rukh Khan, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the other Directors are disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. In respect of Mr. Shah Rukh Khan, we are unable to comment on the status in the absence of such a representation;
  - (f) Without qualifying our opinion, we invite attention to the following notes to Schedule "S":
    - i) note no. 9 (a) regarding investments in and advances to a subsidiary aggregating to Rs. 226,814 lac. No provision for diminution/recoverability is considered necessary for reasons stated therein.
    - ii) note no. 9(b) regarding a claim against the Company. The matter being sub-judice, it is not possible to determine the impact of the outcome at this stage.
    - iii) note no. 12 regarding remuneration paid to the Executive Director being subject to the approval of the Central Government.
  - (h) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereto, gives the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India;
    - i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - ii) in so far as it relates to the Profit and Loss Account, of the loss for the year ended on that date; and
    - iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR DELOITTE HASKINS & SELLS**  
Chartered Accountants

**R. D. KAMAT**  
Partner  
M. No. 36822  
Mumbai  
25<sup>th</sup> May, 2009

**FOR CHATURVEDI & SHAH**  
Chartered Accountants

**C.D.LALA**  
Partner  
M. No. 35671



## Annexure to the Auditors' Report

### (Referred to in paragraph 3 of our report of even date)

- 1) In respect of its fixed assets;
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - c) In our opinion, the company has not disposed off a substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
- 2) In respect of its inventories;
  - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 3) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
  - a) The Company has given interest free loan to its wholly owned subsidiary company. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs. 67,328 lac and the year-end balance was Rs. 62,314 lac.
  - b) In our opinion and based on explanations received from the management, the terms and conditions of the aforesaid loans are not prima facie prejudicial to the interest of the Company.
  - c) The said interest free loan is repayable on demand. There is no repayment schedule/ overdue amount.
  - d) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the internal control procedures for the purchase of inventory, fixed assets and with regard to rendering of services are commensurate with the size of the Company and the nature of its business *except in respect of timely reconciliation of debtors' balance, which are being strengthened by the Company*. There is no sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) In respect of contracts or arrangements referred to in section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements have been entered in the register maintained under that section.
  - (b) Transactions exceeding Rupees five lac in respect of any party during the year made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time or within the limits stipulated by the Central Government approval.



## Annexure to the Auditors' Report (contd.)

- 6) According to information and explanations given to us, the Company has not accepted deposits from the public. Therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 7) The Company has an internal audit system which is being *strengthened through inclusion of certain additional areas based on process risk assessment so as to be commensurate with the size and nature of business.*
- 8) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the Companies Act, 1956. Therefore the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
- 9) In respect of statutory dues:
- According to the records of the Company, undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2009 for a period of more than six months from the date they become payable.
  - According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute other than the following:

Name of statute	Nature of the dues	Amount (Rs. in lac)	Period to which the amount relates	Forum where dispute is pending
IATT Rules, 1989	IATT Interest & Penalty	321	2003-04	Commissioner of Customs (Appeals), New Delhi
IATT Rules, 1989	IATT Interest & Penalty	35	2001-02	Commissioner of Customs (Appeals), New Delhi
B.M.C. Act, 1988	Octroi Dues	2,899	2000-01	Mumbai High Court
Central Excise and Custom Act	Service Tax	33	2001-02 to 2004-05	Commissioner of Central Excise (Appeals)
Central Excise and Custom Act	Service Tax	26	2001-02 To 2004-05	CESTAT

- 10) The Company has accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year, the Company had made cash profit.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. There were no debentures issued during the year or outstanding at the beginning of the year.
- 12) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities and hence question of maintenance of adequate records for this purpose does not arise.



## Annexure to the Auditors' Report (contd.)

- 13) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14) The Company has not dealt, other than in units, or traded in shares, securities, debentures or other investments during the year. In our opinion and according to information and explanations given to us the Company has dealt in units of Mutual Funds for which the Company has maintained proper records of transactions and contracts. All the investments have been held by the Company in its own name.
- 15) The Company has given guarantees for loans taken by subsidiary Company from bank and financial institution. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- 16) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long-term investment during the year.
- 18) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 19) During the period covered by our audit report, the Company has not issued any debentures and no debentures were outstanding at the beginning of the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) According to the information and explanations given to us and on the basis of the examination of the records, except for possible fraudulent bookings of tickets through credit cards amounting to approx. Rs. 61 lac, which we are informed are being pursued, no fraud on or by the Company was noticed or reported during the year

**FOR DELOITTE HASKINS & SELLS**  
Chartered Accountants

**R. D. KAMAT**  
Partner  
M. No. 36822  
  
Mumbai  
25<sup>th</sup> May 2009

**FOR CHATURVEDI & SHAH**  
Chartered Accountants

**C.D.LALA**  
Partner  
M. No. 35671



## Balance Sheet as at 31<sup>st</sup> March, 2009

	Schedule No.	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>I. SOURCES OF FUNDS</b>			
1 Shareholders' Funds :			
a) Share Capital Equity	<b>A</b>	<b>8,633</b>	8,633
b) Reserves and Surplus	<b>B</b>	<b>8,633</b> <b>333,206</b> <b>341,839</b>	8,633 446,532 455,165
2 Loan Funds :			
a) Secured Loans	<b>C</b>	<b>450,092</b>	120,025
b) Unsecured Loans	<b>D</b>	<b>1,154,761</b>	1,040,229
		<b>1,604,853</b>	1,160,254
3 Deferred payment liability towards Investment in a wholly owned subsidiary company [Due within one year Rs. 13,750 lac (Previous Year Rs. 13,750 lac), Refer Note 9 of Schedule S]		<b>27,500</b>	41,250
4 Deferred Tax Liability (Refer Note 18 of Schedule S)		-	16,023
Total		<b>1,974,192</b>	1,672,692
<b>II. APPLICATION OF FUNDS</b>			
1 Fixed Assets :	<b>E</b>		
a) Gross Block		<b>1,876,374</b>	1,659,109
b) Less : Depreciation		<b>250,180</b>	250,692
c) Net Block		<b>1,626,194</b>	1,408,417
d) Capital Work-in-progress		<b>58,317</b>	122,328
		<b>1,684,511</b>	1,530,745
2 Investments	<b>F</b>	<b>174,500</b>	147,535
3 Current Assets, Loans and Advances :			
a) Inventories	<b>G</b>	<b>59,567</b>	54,503
b) Sundry Debtors	<b>H</b>	<b>73,225</b>	131,373
c) Cash And Bank Balances	<b>I</b>	<b>139,450</b>	85,514
d) Loans and Advances	<b>J</b>	<b>162,828</b>	120,854
		<b>435,070</b>	392,244
Less : Current Liabilities and Provisions			
a) Current Liabilities	<b>K</b>	<b>328,150</b>	378,908
b) Provisions	<b>L</b>	<b>17,883</b>	18,924
		<b>346,033</b>	397,832
Net Current Assets		<b>89,037</b>	(5,588)
4 Profit & Loss Account - Debit Balance		<b>26,144</b>	-
Total		<b>1,974,192</b>	1,672,692
Significant Accounting Policies and Notes to Accounts	<b>S</b>		

As per our attached report of even date

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**R. D. Kamat**  
Partner

**For CHATURVEDI & SHAH**  
Chartered Accountants

**C.D. Lala**  
Partner

On behalf of the Board of Directors

**Naresh Goyal**  
**Saroj K. Datta**  
**Ali Ghandour**  
**Victoriano P. Dungca**  
**I.M. Kadri**  
**Javed Akhtar**  
**Aman Mehta**  
**Yash Raj Chopra**  
**Monica Chopra**

Chairman  
Executive Director

Directors

Company Secretary

Mumbai  
25<sup>th</sup> May, 2009

Mumbai  
25<sup>th</sup> May, 2009





## Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009

	Schedule No.	Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>INCOME :</b>				
Operating Revenue	M		1,147,698	881,110
Non - Operating Revenue	N		30,990	73,986
Total			<u>1,178,688</u>	<u>955,096</u>
<b>EXPENDITURE :</b>				
Employees Remuneration and Benefits	O		141,050	120,518
Aircraft Fuel Expenses			491,501	329,303
Selling & Distribution Expenses	P		109,817	98,286
Other Operating Expenses (including Maintenance, Airport Charges, etc)	Q		364,722	257,920
Aircraft Lease Rentals (Refer Note 3 of Schedule S)			71,283	56,328
Depreciation/ Amortisation		94,714		79,343
Less: Depreciation on amount added on Revaluation charged to Revaluation Reserve		<u>4,733</u>		<u>1,563</u>
Interest & Finance Charges	R		89,981	77,780
			<u>73,803</u>	<u>49,275</u>
Total			<u>1,342,157</u>	<u>989,410</u>
<b>(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>			<b>(163,469)</b>	<b>(34,314)</b>
<b>Exceptional Items</b>				
Excess Depreciation Reversal in respect of Earlier Years (Refer Note 4 of Schedule S)			91,587	-
CENVAT Credit (Refer Note 5 of Schedule S)			34,993	-
Marked to Market - Derivatives (Refer Note 8 of Schedule S)			10,073	6,945
<b>(LOSS) BEFORE TAX</b>			<b>(46,962)</b>	<b>(41,259)</b>
Tax Expenses				
Current Tax (Provision for Wealth Tax Rs. 9 lac, Previous Year Rs.8 lac)			9	8
Deferred Tax			(8,054)	(17,083)
Fringe Benefit Tax			849	1,002
Reversal of MAT Credit Entitlement			468	-
Provision of Income Tax (Net) for Earlier Years			-	120
<b>(LOSS) AFTER TAX</b>			<b>(40,234)</b>	<b>(25,306)</b>
Balance Brought Forward			20,891	46,197
Less : Adjustment on account of change in Policy for exchange difference			6,801	-
Balance Brought Forward after adjustment			<u>14,090</u>	<u>46,197</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>(26,144)</b>	<b>20,891</b>
Earnings per share of Rs 10 each (Refer Note 17 of Schedule S) Basic and Diluted (in Rupees)			<b>(46.60)</b>	<b>(29.31)</b>
Significant Accounting Policies and Notes to Accounts	S			

As per our attached report of even date

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**R. D. Kamat**  
Partner

**For CHATURVEDI & SHAH**  
Chartered Accountants

**C.D. Lala**  
Partner

On behalf of the Board of Directors

**Naresh Goyal**  
**Saroj K. Datta**  
**Ali Ghandour**  
**Victoriano P. Dungca**  
**I.M. Kadri**  
**Javed Akhtar**  
**Aman Mehta**  
**Yash Raj Chopra**  
**Monica Chopra**

Chairman  
Executive Director

Directors

Company Secretary

Mumbai  
25<sup>th</sup> May, 2009

Mumbai  
25<sup>th</sup> May, 2009



## Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2009

	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>A. Cash Flow from Operating Activities</b>		
(Loss) before tax	(46,962)	(41,259)
Adjustments for :		
Depreciation / Amortisation	89,981	77,780
Excess Depreciation Reversal in respect of Earlier Years	(91,587)	-
CENVAT Credit	(34,993)	-
Marked to Market - Derivatives	10,073	6,945
Provision for Stock Obsolescence	3,163	2,785
Profit on sale of Fixed Assets (Net)	(17,476)	(31,306)
Profit on sale of Investments / Dividend on Current Investments	(429)	(929)
Interest and Finance Charges	73,803	49,275
Interest on Bank and Other Deposits	(3,499)	(2,762)
Excess Provision no longer required	(1,714)	(3,010)
Provision for doubtful debts no longer required written back	-	(129)
Provision for Leave Encashment and Gratuity	-	3,458
Exchange difference on translation (Net)	4,265	(28,347)
Provision for doubtful debts	3,500	913
Bad Debts written off	84	1,380
Inventory scrapped during the year	1,801	3,367
<b>Operating profit/(loss) before working capital changes</b>	<b>(9,990)</b>	<b>38,161</b>
Changes in Inventories	(10,028)	(16,756)
Changes in Sundry Debtors	55,434	(71,572)
Changes in Loans & Advances	(10,617)	(44,990)
Changes in Current Liabilities and Provisions	(59,567)	183,383
<b>Cash generated from operations</b>	<b>(34,768)</b>	<b>88,226</b>
Direct Taxes paid	(2,862)	(1,960)
<b>Net cash used for operating activities</b>	<b>(37,630)</b>	<b>86,266</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets (Incl. Capital Work in Progress)	(104,532)	(631,663)
Proceeds from sale of Fixed Assets	108,673	54,626
Purchase of Current Investments	(772,926)	(618,900)
Sale of Current Investments	764,197	625,220
Investment in Equity Shares of Jet Lite (India) Limited	(18,000)	-
Long Term Investment in wholly owned Subsidiary Company :		
Cost of Acquisition of 100% of Shares of Jet Lite (India) Limited	-	(146,500)
Adjustment of Advance paid as per Share Purchase Agreement	-	50,000
Deferred payment liability towards Investment in wholly owned subsidiary company	(13,750)	41,250
Changes in Fixed Deposits with Banks (Refer Note 2 below)	(81,256)	5,333
Interest Received on Bank and Other Deposits	2,036	2,487
Dividend on Current Investment	193	467
<b>Net cash used for investing activities</b>	<b>(115,365)</b>	<b>(617,680)</b>



## Statement of Cash Flow for the year ended 31<sup>st</sup> March, 2009 (contd.)

	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>C. Cash flows from Financing Activities</b>		
Net Increase in Short Term Loans	49,714	51,301
Proceeds from Long Term Loans during the year	260,917	1,029,774
Repayment of Long Term Loans during the year	(105,033)	(502,425)
Interest and Finance Charges	(81,386)	(60,272)
Dividend paid (including Tax on Dividend)	-	(6,056)
<b>Net cash from financing activities</b>	<b>124,212</b>	<b>512,322</b>
<b>Net change in cash (A+B+C)</b>	<b>(28,783)</b>	<b>(19,092)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>67,055</b>	<b>86,147</b>
<b>Cash and cash equivalents at end of the year</b> (Refer Note 1 & 2 below)	<b>38,272</b>	<b>67,055</b>

Note :

- 1) Cash and Cash equivalents for the year ended March 31, 2009 includes unrealised Gain (Net) of Rs.1,854 lac [Previous Year unrealised Gain (Net) of Rs.677 lac] on account of translation of foreign currency bank balances.
- 2) Fixed Deposits with banks with maturity period of more than three months including interest accrued thereon and Fixed Deposits under lien amounting to Rs.101,178 lac (Previous Year Rs.18,459 lac) are not included in Cash and Cash equivalents.

As per our attached report of even date

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**R. D. Kamat**  
Partner

**For CHATURVEDI & SHAH**  
Chartered Accountants

**C.D. Lala**  
Partner

On behalf of the Board of Directors

**Naresh Goyal**  
**Saroj K. Datta**  
**Ali Ghandour**  
**Victoriano P. Dungca**  
**I.M. Kadri**  
**Javed Akhtar**  
**Aman Mehta**  
**Yash Raj Chopra**  
**Monica Chopra**

Chairman  
Executive Director

Directors

Company Secretary

Mumbai  
25<sup>th</sup> May, 2009

Mumbai  
25<sup>th</sup> May, 2009



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE A :</b>			
<b>SHARE CAPITAL</b>			
Authorized			
180,000,000 (Previous Year 180,000,000) Equity Shares of Rupees 10/- each		18,000	18,000
20,000,000 (Previous Year 20,000,000) Preference Shares of Rupees 10/- each		2,000	2,000
		<u>20,000</u>	<u>20,000</u>
Issued, Subscribed and Paid up			
Equity:			
86,334,011 Equity Shares (Previous Year 86,334,011 shares) of Rs.10/- each fully paid up		8,633	8,633
Of the above Equity Shares:			
- 69,067,205 Equity Shares held by the holding company, Tail Winds Limited & its nominee (Previous Year 69,067,205 Shares)			
- 9,402,900 shares are allotted as fully paid bonus shares by Capitalization of Profit (Previous Year 9,402,900 Shares)			
<b>Total</b>		<u>8,633</u>	<u>8,633</u>
<b>SCHEDULE B :</b>			
<b>RESERVES AND SURPLUS</b>			
Capital Reserve			
Balance as per Last Balance Sheet	*		*
Nominal Value of investments in SITA received free of cost (See Note I.1.(a) of Schedule 'F' - Investments )	-		-
*Rupees 2/- (Previous Year Rupees 2/-)		*	*
Capital Redemption Reserve			
Balance as per Last Balance Sheet		5,558	5,558
Share Premium			
Balance as per Last Balance Sheet		141,418	141,418
Revaluation Reserve			
Balance as per Last Balance Sheet	269,990		13,244
Add : Created during the year	-		266,252
Less : Adjustment /Reversal during the year on Sale and Lease Back	-		7,943
Less : Adjustment /Reversal during the year on change in depreciation policy	79,027		-
Less: Depreciation for the year on amount added on Revaluation transferred to Profit and Loss Account	4,733		1,563
		186,230	269,990
General Reserve			
Balance as per Last Balance Sheet	8,675		8,675
Less: Adjustment on account of accounting for Exchange Difference (Net of Deferred Tax Rs.6,801 lac (Previous Year Nil))	8,675		-
		-	8,675
Surplus Balance in Profit and Loss Account		-	20,891
<b>Total</b>		<u>333,206</u>	<u>446,532</u>



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE C : SECURED LOANS</b>			
From Banks - Rupee Loans		<b>408,942</b>	87,475
Of the above loans:			
1. Bank Overdrafts Rs.43,792 lac (Previous Year Nil) are secured against Fixed Deposits.			
2. Pre delivery loan Rs.15,000 lac (Previous Year Nil) is secured by first ranking security arrangement over the borrower's right and interests in the purchase agreement related to one Boeing 777-300 ER Aircraft with MSN No. 35163 and charge on the said Aircraft.			
3. Working Capital Loans Rs. 155,775 lac (Previous Year Rs. 87,475 lac) are secured by way of Inventories (excluding stored aircraft fuel), Debtors (excluding Credit Card Receivables) and Ground Support Vehicles (excluding trucks, jeeps and motor vehicles).			
4. Loans against future Credit Card receivables Rs. 184,375 lac (Previous Year Nil) are secured by hypothecation of Credit Card Receivables, mortgage of immovable property situated at village Vadagaon, pari passu charge on the four simulators, subservient to charge on Current Assets of the Company.			
5. Loan against charge on the Escrow of Lease Rentals Rs. 10,000 lac (Previous Year Nil).			
From Financial Institutions			
Foreign Currency Loan		<b>41,150</b>	32,550
[Rs. 41,150 lac (Previous Year Rs. 32,550 lac) Secured by Mortgage on Leasehold Land situated at Bandra-Kurla Complex]			
<b>Total</b>		<b>450,092</b>	120,025
<b>SCHEDULE D : UNSECURED LOANS</b>			
Short Term Loans:			
From Banks		<b>30,634</b>	70,931
Other Loans:			
From Banks	-		47,081
[Repayable within one year Nil (Previous Year - Rs. 47,081 lac)]			
From Others			
Outstanding Hire Purchase/Finance Lease Installments	<b>1,124,127</b>		922,217
[Installments due within one year Rs.94,185 lac (Previous Year - Rs. 69,438 lac)]		<b>1,124,127</b>	969,298
<b>Total</b>		<b>1,154,761</b>	1,040,229



# Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

NATURE OF ASSETS	GROSS BLOCK (At Cost / Valuation)					DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2008	Additions during the Year	Deductions/ Adjustments	As at 31.03.2009	Upto 31.03.2008	For the Year ended 31.03.2009	Deductions	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
OWNED TANGIBLE ASSETS										
FREEHOLD LAND	-	11	-	11	-	-	-	-	11	-
PLANT AND MACHINERY*	765	-	-	765	168	83	-	251	514	597
FURNITURE AND FIXTURES	3,218	486	45	3,659	1,806	356	25	2,137	1,522	1,412
ELECTRICAL FITTINGS	2,677	168	229	2,616	1,121	225	111	1,235	1,381	1,556
DATA PROCESSING EQUIPMENT	7,624	982	86	8,520	5,847	897	86	6,658	1,862	1,777
OFFICE EQUIPMENT	4,707	302	68	4,941	2,060	407	37	2,430	2,511	2,647
GROUND SUPPORT EQUIPMENT	6,131	352	99	6,384	3,202	442	51	3,593	2,791	2,929
VEHICLES	953	99	32	1,020	492	132	29	595	425	461
GROUND SUPPORT VEHICLES	6,929	484	88	7,325	3,921	1,010	79	4,852	2,473	3,008
SIMULATORS	21,620	567	-	22,187	5,792	2,596	-	8,388	13,799	15,828
LEASED ASSETS										
LEASEHOLD LAND	185,253	5,882	-	191,135	753	2,320	-	3,073	188,062	184,500
AIRCRAFT AND SPARE ENGINE (Narrow Body)	533,704	42,576	79,785	496,495	186,085	25,427	91,858	119,654	376,841	347,619
AIRCRAFT AND SPARE ENGINE (Wide Body)	844,196	337,140	88,984	1,092,352	24,649	54,563	458	78,754	1,013,598	819,547
IMPROVEMENT ON LEASED AIRCRAFT	15,535	1,800	2,237	15,098	5,553	2,629	2,237	5,945	9,153	9,982
IMPROVEMENT ON LEASED PROPERTY	4,468	-	-	4,468	2,048	703	-	2,751	1,717	2,420
INTANGIBLE ASSETS (Other than internally generated)										
SOFTWARE	3,772	279	-	4,051	2,301	797	-	3,098	953	1,471
LANDING RIGHTS	14,411	-	2,210	12,201	4,052	1,813	255	5,610	6,591	10,359
TRADEMARKS	3,146	-	-	3,146	842	314	-	1,156	1,990	2,304
<b>TOTAL</b>	1,659,109	391,128	173,863	1,876,374	250,692	94,714	95,226	250,180	1,626,194	1,408,417
PREVIOUS YEAR	571,383	1,189,274	101,548	1,659,109	241,634	79,343	70,285	250,692	1,408,417	
CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCES									58,317	122,328

\* Additions to Plant and Machinery Rupees 32,577.

NOTE :

- 1) All the Aircraft are acquired on Hire-purchase / Finance Lease basis. Such Aircraft are charged by the Hirers / Lessors against the financing arrangements obtained by them.
- 2) Additions to Leasehold land/Aircraft/Simulators/CWIP during the year include Rs. 215,556 lac [Net] (Previous Year net of Rs. 15 lac) on account of Exchange Loss / (-) Gain during the year and opening exchange difference (Refer Note 6 of Schedule 5).
- 3) (a) Leasehold Land was revalued on 31st March, 2008 with reference to current market prices; amount added on revaluation is Rs. 148,119 lac; the revalued amount substituted for historical cost on 31st March, 2008 was Rs. 184,500 lac.  
(b) Narrow Body Aircraft were revalued on 31st March, 2008 with reference to current market prices; amount added on revaluation was Rs.118,133 lac; the revalued amount substituted for book value on 31st March, 2008 is Rs.346,396 lac. Adjustment to Gross Block of Narrow Body Aircraft during the year included reversal of Rs. 79,027 lac from revaluation reserve on account of change in method of depreciation for Narrow Body Aircraft from WDV to SLM.  
(c) Deduction from Accumulated Depreciation of Narrow Body Aircraft during the year includes Rs. 91,587 lac on account of change in method of depreciation for Narrow Body Aircraft from WDV to SLM.
- 4) Useful life of Intangible Assets :  
Software - Upto 3 years  
Landing Rights - Upto 20 years  
Trademarks - 10 years



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

				As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE F : INVESTMENTS</b>					
<b>Unquoted</b>					
<b>I. Long Term Investments - (At Cost)</b>					
Trade Investments					
1	18 Shares (Previous Year -18 Shares) held with Societe Internationale de Telecommunications Aeronautiques (S.I.T.A S.C) * [Rupees 2/- (Previous Year Rupees 2/-)]			*	*
<b>NOTES :</b>					
(a) These investments have been received free of cost from SITA SC for participation in their Computer Reservation System and have been accounted at a nominal value of Rs.2/- (Previous Year Rs.2/-) by crediting equivalent amount to Capital Reserve.					
(b) The transfer of this investment is restricted to other Depository Certificate holders for e.g. Air Transport members, etc.					
2	Investment in Wholly Owned Subsidiary Company				
(a)	Fully Paid Equity Shares of Rs.10/- each : 456,115,409 (Previous Year 276,115,409) Shares of Jet Lite (India) Limited (Erstwhile Sahara Airlines Limited) (Including 6 (Previous Year 6) shares held by nominees) [Out of above, 276,115,403 shares (Previous Year 276,115,403 shares) have been pledged with IDFC Ltd as security for Term Loan of Rs.38,547 lac (Previous Year Rs.40,120 lac) granted by them to Jet Lite (India) Ltd].			130,500	112,500
(b)	Fully Paid Preference Shares of Rs. 10/- each - Non-cumulative fully convertible: 340,000,000 (Previous Year 340,000,000) Shares of Jet Lite (India) Limited (Erstwhile Sahara Airlines Limited).			34,000	34,000
				<b>164,500</b>	<b>146,500</b>
<b>Unquoted</b>					
<b>II. Current Investments - Others # (At Cost or Market Value, whichever is less)</b>					
Investments in Mutual Funds - (Debt Schemes)					
<b>Schemes</b>	<b>As at 31<sup>st</sup> March, 2009 No. of Units</b>	<b>As at 31<sup>st</sup> March, 2008 No. of Units</b>	<b>Face Value/ Unit</b>		
<b>Liquid Plan</b>					
SBI - Magnum Insta Cash Fund - Cash Option	50,908,980	-	Rs. 10.00	10,000	-
Prudential ICICI Mutual Fund ** (Rupees 6,842/-)	-	535	Rs. 10.00	-	**
Barclays Global Investors Mutual Fund - Euro **** (Rupees 1134/-)	-	1,134	€ 1.00	-	****
GBP	-	1,295,961	£ 1.00	-	1,035
<b>Market Value</b>	<b>As at 31<sup>st</sup> March, 2009 Rs. in lac</b>	<b>As at 31<sup>st</sup> March, 2008 Rs. in lac</b>		<b>10,000</b>	<b>1,035</b>
<b>Liquid Plan</b>					
SBI - Magnum Insta Cash Fund - Cash Option	10,002	-			
Prudential ICICI Mutual Fund (Previous Year *** Rupees 7,070/-)	-	***			
Barclays Global Investors Mutual Fund	-	1,035			
	<b>10,002</b>	<b>1,035</b>			
Note : The market price is based on the repurchase price declared by the respective funds. # Refer Note 7 of Schedule S for Investments purchased and sold during the year.					
<b>Total</b>				<b>174,500</b>	<b>147,535</b>



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE G :</b>			
<b>INVENTORIES (At Lower of Cost or Net Realisable Value)</b>			
i) Rotables, Consumable stores and tools	68,678		60,703
Less :Provision for Obsolescence / Slow & Non-Moving items (Refer Note I (M) of Schedule S)	13,776		10,926
		54,902	49,777
ii) Fuel		157	411
iii) Other Stores Items	4,541		4,348
Less :Provision for Slow and Non-Moving items (Refer Note I (M) of Schedule S)	33		33
		4,508	4,315
<b>Total</b>		<b>59,567</b>	<b>54,503</b>
<b>SCHEDULE H :</b>			
<b>SUNDRY DEBTORS</b> (Unsecured)			
a) Debts (Outstanding for a period exceeding six months)	6,370		2,091
b) Other Debts	71,918		130,845
	78,288		132,936
Less : Provision for Doubtful Debts	5,063		1,563
		73,225	131,373
<b>NOTE :</b>			
1) Considered good	73,225		131,373
Considered doubtful	5,063		1,563
	78,288		132,936
2) Debtors include Rs. 5,545 lac (Previous Year Rs. 88 lac) due from private company in which the company's director is a director/member.			
<b>Total</b>		<b>73,225</b>	<b>131,373</b>





## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE I :</b>			
<b>CASH AND BANK BALANCES</b>			
Cash on hand [includes cheques on hand Rs. 56 lac (Previous Year Rs. 60 lac) and Traveller Cheques Rs. Nil (Previous Year Rs. 4 lac)]		99	98
Balance with Scheduled banks :			
a) In Current Account		16,840	1,572
b) In Fixed Deposit Account [(Including interest accrued of Rs. 1,882 lac (Previous Year Rs. 449 lac ) and margin deposit Rs. 99,316 lac (Previous Year Rs. 7,080 lac )]		109,611	79,176
		<b>126,550</b>	<b>80,846</b>
Balance with other banks :			
In Current Account			
a) Citibank N.A, Johannesburg South Africa Maximum balance outstanding during the Year Rs. 8 lac (Previous Year Rs. 77 lac)	14		18
b) Barclays Business Premium GBP Account, UK Maximum balance outstanding during the Year Rs. 4,134 lac (Previous Year Rs. 4,947 lac)	45		37
c) Barclays Bank - PLC - USD, UK Maximum balance outstanding during the Year Rs.9,989 lac (Previous Year Rs. 103,934 lac)	-		446
d) HSBC CCF - Euro- Paris Maximum balance outstanding during the Year Rs.1,248 lac (Previous Year Rs. 582 lac)	62		6
e) Deutsche Bank AG - Euro - Frankfurt Maximum balance outstanding during the Year Rs.779 lac (Previous Year Rs. 616 lac)	109		510
f) Barclays Bank - PLC - GBP, UK Maximum balance outstanding during the year Rs.38 lac (Previous Year Rs. 802 lac)	4		19
g) DBS Bank Ltd - SGD - Singapore Maximum balance outstanding during the Year Rs.2,208 lac (Previous Year Rs.1,004 lac)	543		1,004
h) HSBC Bank - Brussels Maximum balance outstanding during the Year Rs.1,363 lac (Previous Year Rs. 955 lac)	74		307
i) Barclays GBP Interest Account, UK Maximum balance outstanding during the year Rs.472 lac (Previous Year Rs. 274 lac)	-		274



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
j) Barclays Bank - PLC - Euro Account, UK Maximum balance outstanding during the year Rs.1,064 lac (Previous Year Rs. 771 lac)	28		208
k) JP Morgan Chase Bank-EWR-USD Maximum balance outstanding during the Year Rs. 121 lac (Previous Year Rs. 1,594 lac)	-		8
l) ICICI Bank UK Ltd., UK Maximum balance outstanding during the Year Rs. 890 lac (Previous Year Rs. 2,990 lac)	41		37
m) JP Morgan Chase Bank—Collection -Toronto Maximum balance outstanding during the Year Rs. 1,637 lac (Previous Year Rs. 1,614 lac)	183		483
n) HSBC Bank Ltd. - Current Account -Dhaka Maximum balance outstanding during the Year Rs. 4,183 lac (Previous Year Rs. 256 lac)	1,423		256
o) HSBC Bank Ltd. Shanghai Maximum balance outstanding during the Year Rs. 2,219 lac (Previous Year N.A.)	49		-
p) HSBC Bank Ltd. - Disbursement Account - Dhaka Maximum balance outstanding during the Year Rs. 58 lac (Previous Year N.A.)	58		-
q) HSBC Bank Ltd. Bangkok Maximum balance outstanding during the Year Rs. 946 lac (Previous Year Rs. 658 lac)	269		615
r) HSBC Bank Ltd. -Collection - Hongkong Maximum balance outstanding during the Year Rs. 934 lac (Previous Year Rs. 50 lac)	354		28
s) HSBC Bank Ltd - Disbursement - Hongkong Maximum balance outstanding during the Year Rs. 28 lac (Previous Year Rs. 8 lac)	16		8
t) Punjab National Bank - Hong Kong Maximum balance outstanding during the Year Rs. 9,190 lac (Previous Year N.A)	9,190		-
u) Bank of America - USD A/c, USA Maximum balance outstanding during the Year Rs.936 lac (Previous Year Rs.244 lac)	302		136
v) ING Brussels Maximum balance outstanding during the Year Rs.1,607 lac (Previous Year Rs. 811 lac)	136		268
		12,900	4,668
<b>Total</b>		<b>139,450</b>	<b>85,514</b>



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009 (contd.)

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE J :</b>			
<b>LOANS AND ADVANCES</b>			
(Unsecured unless otherwise stated and Considered Good)			
Interest free Loan to Subsidiary Company (Refer Note 9 of Schedule S)		62,314	24,465
(Maximum balance outstanding during the year Rs. 67,328 lac)			
Advances Recoverable in Cash or in kind or for value to be Received		81,233	80,793
Deposits with Airport Authorities & others		13,028	10,880
Balances with Customs Authorities		1	1
Advance Tax & Tax deducted at Source (Net of Provisions)		6,252	4,247
MAT Credit Entitlement		-	468
<b>Total</b>		<b>162,828</b>	<b>120,854</b>
Note : Deposits & Advances include Rs. 3,385 lac (Previous Year Rs. 3,302 lac) amount placed with private limited companies in which the company's director is a director/member.			
<b>SCHEDULE K :</b>			
<b>CURRENT LIABILITIES</b>			
Sundry Creditors			
Outstanding dues to Micro and Small Enterprises (Refer Note 20 of Schedule S)	113		32
Others	142,213		173,945
		142,326	173,977
Other Current Liabilities		108,219	93,616
Interest Accrued but not due on loans		3,745	4,299
Forward Sales (net) (Passenger/Cargo)		68,842	98,661
Balance with Banks - overdrawn as per books		5,002	8,339
Unclaimed Dividend *		13	13
Unclaimed Share Application Money *		3	3
* Note : These figures do not include any amounts due and outstanding to be credited to the Investor Education & Protection Fund			
<b>Total</b>		<b>328,150</b>	<b>378,908</b>
<b>SCHEDULE L :</b>			
<b>PROVISIONS</b>			
Wealth Tax		14	13
Gratuity		4,367	4,723
Leave Encashment \ Compensated Absences		3,361	4,250
Others (Refer Note 19 of Schedule S)		10,141	9,938
<b>Total</b>		<b>17,883</b>	<b>18,924</b>



## Schedules to the Profit and Loss Account for the year ended 31<sup>st</sup> March , 2009

	Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE M :</b>			
<b>OPERATING REVENUE</b>			
Passenger	1,017,625		804,874
Less: Service Tax	6,240		4,578
		1,011,385	800,296
Excess Baggage		3,186	2,226
Cargo	96,949		67,933
Less: Service Tax	3,177		3,527
		93,772	64,406
Export Incentives (Net)		-	4,000
Other Revenue		39,355	10,182
<b>Total</b>		<b>1,147,698</b>	<b>881,110</b>
<b>SCHEDULE N :</b>			
<b>NON-OPERATING REVENUE</b>			
Interest on Bank & Other Deposits		3,499	2,762
[Tax Deducted at Source Rs.743 lac (Previous Period Rs. 418 lac)]			
Exchange difference (Net)		-	27,378
Profit on Sale and Lease back of Aircraft		15,730	31,484
Profit on Sale of Other Fixed Assets		2,083	-
Profit on Sale of Current Investments		236	462
Dividend on Current Investments		193	467
Provision for aircraft maintenance no longer required written back		919	2,905
Provision for Doubtful Debts no longer required written back		-	129
Other excess Provision written back		795	105
Other Income		7,535	8,294
<b>Total</b>		<b>30,990</b>	<b>73,986</b>
<b>SCHEDULE O :</b>			
<b>EMPLOYEES REMUNERATION AND BENEFITS</b>			
(Includes Managerial Remuneration - Refer Note 12 (i) of Schedule S )			
Salaries, Wages, Bonus & Allowances		133,714	107,786
Contribution to Provident Fund and ESIC		3,629	2,898
Provision for Gratuity		-	1,314
Provision for Leave Encashment		-	2,144
Staff Welfare Expenses (Net)		3,707	6,376
<b>Total</b>		<b>141,050</b>	<b>120,518</b>



## Schedules to the Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE P :</b>			
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>			
Computerised Reservation System Cost		27,185	21,956
Commission		76,592	64,668
Others (Net)		6,040	11,662
<b>Total</b>		<b>109,817</b>	<b>98,286</b>
<b>SCHEDULE Q :</b>			
<b>OTHER OPERATING EXPENSES</b>			
Aircraft Variable Rentals		25,317	18,616
Aircraft Insurance & Other Insurance		7,223	5,956
Landing, Navigation & Other Airport Charges		104,576	69,595
Aircraft Maintenance (including Customs Duty and Freight, where applicable)			
Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul (Net)	60,531		43,670
Lease of Aircraft Spares including Engine	8,322		6,934
Consumption of Stores & Spares (Net)	9,292		9,500
[including items scrapped / written off Rs. 1,801 lac (Previous Year Rs. 3,367 lac)]			
Provision for Spares Obsolescence	3,163		2,785
		<b>81,308</b>	<b>62,889</b>
Inflight & Other Pax Amenities		62,685	48,074
[including provision for Slow and Non-Moving inventory amounting to Nil (Previous Year Rs. 33 lac)]			
Communication Cost		4,578	3,131
Travelling & Subsistence		25,301	20,309
Rent		9,035	5,047
Rates and Taxes		114	100
Repairs and Maintenance			
- Leased Premises	615		269
- Others	3,377		3,117
		<b>3,992</b>	<b>3,386</b>
Electricity		2,087	1,453
Director's Sitting Fees		16	15
Provision for Bad & Doubtful Debts		3,500	913
Bad Debts Written off		84	1,380
Exchange difference (Net)		9,484	-
Loss on scrapping of Aircraft Parts		337	120
Loss on sale of Fixed Assets other than Aircraft (Net)		-	58
Miscellaneous Expenses (Including Professional Fees, Audit Fees, Printing & Stationery, Cargo Handling and Bank Charges etc.)		25,085	16,878
<b>Total</b>		<b>364,722</b>	<b>257,920</b>
<b>SCHEDULE R :</b>			
<b>INTEREST AND FINANCE CHARGES</b>			
- On Fixed Loan	79,866		48,850
- Others	966		14,676
	<b>80,832</b>		<b>63,526</b>
Less : Capitalised during the Year	7,029		14,251
		<b>73,803</b>	<b>49,275</b>
<b>Total</b>		<b>73,803</b>	<b>49,275</b>



## Significant Accounting Policies and Notes to Accounts

### SCHEDULE 'S'

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

##### I. SIGNIFICANT ACCOUNTING POLICIES

###### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention, except certain Fixed Assets which are revalued, in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards.

###### B. USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

###### C. REVENUE RECOGNITION :

Passenger and Cargo income is recognised on flown basis, i.e. when the service is rendered.

The sale of tickets / airway bills (sales net of refunds) are initially credited to the "Forward Sales Account". Income recognised as indicated above is reduced from the Forward Sales Account and the balance net of commission and discount thereon is shown under Current Liabilities.

The unutilized balances in Forward Sales Account are recognized as income based on historical statistics, data and management estimates and considering Company's refund policy.

Lease income on the aircraft given on operating lease is recognized in the Profit and Loss account on an accrual basis over the period of lease.

###### D. EXPORT INCENTIVE

Export incentive available under prevalent scheme is accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit.

###### E. COMMISSION :

As in the case of revenue, the commission paid / payable on sales including any over-riding commission is recognised only on flown basis.

###### F. EMPLOYEE BENEFITS :

**a) Defined Contribution plan:** Company's contribution paid / payable for the year to defined contribution schemes are charged to Profit and Loss Account.

**b) Defined Benefit and Other Long Term Benefit plan:** Company's liabilities towards defined benefit plans and other long term benefit plans are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent of benefits are vested, otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The employee benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

###### c) Short Term Employee Benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.



## Significant Accounting Policies and Notes to Accounts (contd.)

### G. FIXED ASSETS :

#### a) TANGIBLE ASSETS:

Owned tangible fixed assets are stated at cost and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. All costs relating to acquisition and installation of fixed assets upto the time the assets get ready for their intended use are capitalised.

The cost of improvements to Leased Properties as well as customs duty/modification cost incurred on aircraft taken on operating lease have been capitalised and disclosed appropriately.

#### b) INTANGIBLE ASSETS:

Intangible assets are recognized only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

#### c) ASSETS TAKEN ON LEASE:

1. **Operating Lease:** Rentals are expensed with reference to the Lease Term and other considerations.
2. **Finance Lease / Hire Purchase:** The lower of the fair value of the assets and the present value of the minimum lease rentals is capitalised as Fixed Assets with corresponding amount shown as Lease Liability (Outstanding Hire Purchase / Finance lease Instalments). The principal component of the lease rentals is adjusted against the leased liability and interest component is charged to the Profit and Loss Account.

### H. IMPAIRMENT OF ASSETS :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### I. DEPRECIATION / AMORTISATION :

- a) Depreciation on tangible fixed assets has been provided at the rates and in the manner prescribed under the schedule XIV to the Companies Act, 1956 on Written Down Value method, other than Narrow and Wide Body aircraft which are depreciated on straight line method and expenditure incurred on improvements of assets acquired on operating lease are written off evenly over the balance period of the lease. Premium on leasehold land is amortised over the period of lease.
- b) On revalued assets, depreciation is charged over the residual life and the additional charge of depreciation is withdrawn from the Revaluation Reserve.
- c) Intangible assets are amortised on straight line basis as follows.
  1. Landing Rights acquired are amortised over a period not exceeding 20 years. Amortization period exceeding 10 years is applied considering industry experience and expected asset usage.
  2. Trademarks are amortised over 10 years.
  3. Computer Software is amortised over a period not exceeding 36 months.

### J. INVESTMENTS :

Current Investments are carried at lower of cost and quoted / fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.



## Significant Accounting Policies and Notes to Accounts (contd.)

### K. BORROWING COSTS :

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

### L. FOREIGN CURRENCY TRANSACTIONS / TRANSLATION :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance term of the long term monetary item or 31<sup>st</sup> March, 2011 whichever is earlier.

In case of forward exchange contracts entered into to hedge the foreign currency exposure in respect of monetary items, the difference between the exchange rate on the date of such contracts and the year end rate is recognized in the Profit and Loss Account. Any profit/loss arising on cancellation of forward exchange contract is recognized as income or expense of the year. Premium/discount arising on such forward exchange contracts is amortised as income/expense over the life of contract.

### M. INVENTORIES :

Inventories are valued at cost or Net Realisable Value (NRV) whichever is lower. Cost of inventories comprises of all costs of purchase and other incidental cost incurred in bringing them to present location and condition. Cost is determined using the Weighted Average formula. In respect of reusable items such as rotables, galley equipment and tooling etc., NRV takes into consideration provision for obsolescence and wear and tear based on the estimated useful life of the aircraft derived from Schedule XIV of the Companies Act, 1956 and also provisioning for non – moving / slow moving items.

### N. AIRCRAFT MAINTENANCE & REPAIRS COST :

Aircraft Maintenance, Auxiliary Power Unit (APU) and Engine maintenance and repair costs are expensed as incurred except where such overhaul cost in respect of Engines / APU are covered by third party maintenance agreement and these are accounted in accordance therewith.

### O. TAXES :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable / virtual certainty, as the case may be, that the asset will be realised in future.

Fringe Benefit Tax is recognized in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance note on Fringe Benefit Tax issued by the Institute of Chartered Accountants of India (ICAI).

### P. SHARE ISSUE EXPENSES :

Issue Expenses are adjusted against the Share Premium Account.





## Significant Accounting Policies and Notes to Accounts (contd.)

### Q. SALE AND LEASE BACK TRANSACTION:

Profit or loss on sale and lease back arrangements resulting in operating leases are recognized, in case the transaction is established at fair value, else the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

### R. ACCOUNTING FOR DERIVATIVE INSTRUMENTS:

Interest Rate Swaps, Currency Option, Currency Swaps and other products, in the nature of firm commitment and highly probable forecast transactions, entered into by the Company for hedging the risks of foreign currency exposure (including interest rate risk) are accounted based on the principles of prudence as enunciated in Accounting Standard 1(AS 1) "Disclosure of Accounting Policies".

### S. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## II. NOTES TO ACCOUNTS

- 1) Estimated amount of Contracts remaining to be executed on capital account net of advances, not provided for :

Tangible Assets	Rs.1,430,940 lac (Previous Year - Rs.1,360,679 lac)
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- 2) CONTINGENT LIABILITY :

- Unprovided Service Tax demands which are under appeals and Others Rs.55,237 lac (Previous Year Rs.109 lac).
- Unprovided Sales Tax demands which are under appeals Rs.6 lac (Previous Year Rs. 6 lac) and the same has been deposited with the authorities.
- Unprovided claims against the Company, pending Civil and Consumer suits of Rs.2,780 lac (Previous Year Rs.1,056 lac).
- Unprovided Inland Air Travel Tax demands which are under appeal Rs.473 lac (Previous Year Rs.473 lac) against which the amount of Rs.117 lac (Previous Year Rs.117 lac) is deposited with the Authorities.
- Unprovided claims for Octroi amounts to Rs.2,899 lac (Previous Year Rs.2,899 lac).
- Disputed claims against the company towards Ground Handling charges amount to Rs.5,477 lac (Previous Year Rs.4,564 lac).
- Letters of Credit outstanding are Rs.79,133 lac (Previous Year Rs.57,181 lac) and Bank Guarantees outstanding are Rs.85,144 lac (Previous Year Rs.49,555 lac).
- Corporate Guarantee given to Banks and Financial Institution against credit facilities extended to Subsidiary Company as under:

Amount (Rs. in lac)

Amount of guarantee	Outstanding Amounts against the guarantee
<b>86,720</b>	<b>71,187</b>
(65,120)	(55,120)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

- Claims against the Company not acknowledged as debt - Rs.63,708 lac (Previous Year Rs.3,708 lac) (Includes claim filed by erstwhile selling shareholders of Sahara Airlines Limited - Refer note no. 9 (a) for details).



## Significant Accounting Policies and Notes to Accounts (contd.)

The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.

- 3) Aircraft Lease Rentals are stated net of sub-lease rentals of Rs.194 lac (Previous Year Rs.1,229 lac).
- 4) Depreciation on Narrow Body Aircraft was hitherto provided on Written Down Value Method. Based on the usage of such Aircraft, the industry practice followed in domestic and international markets, the Company, in order to reflect a more appropriate preparation / presentation of financial statements, has changed the method of depreciation on such Aircraft to Straight Line Method w.e.f. 1st April, 2008 and the surplus arising from retrospective computation aggregating Rs. 91,587 lac (excluding adjustment to revaluation reserve) has been accounted and disclosed under Exceptional Item. Consequently, charge on account of depreciation for the year ended 31st March, 2009 is lower by Rs. 12,997 lac.
- 5) Pursuant to the clarification by CBEC Vide Circular No. File No.137/72/2008-CX.4 dated 21-11-2008 that the accumulated CENVAT credit upto 31<sup>st</sup> March 2008 can be utilized by the Company for payment of future output service tax without any restriction of time line. The Company has accordingly recognized such CENVAT credit available for utilization as on 1<sup>st</sup> April, 2008 amounting to Rs.34,993 lac and has been disclosed as an exceptional item. The Company has partially utilized the said balance during the year for discharging its output service tax liability.
- 6) In line with the notification dated 31<sup>st</sup> March, 2009 issued by The Ministry of Corporate Affairs, amending Accounting Standard AS11 –‘Effects of Changes in Foreign Exchange Rates’, the Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification.

Accordingly, with retrospective effect from 1<sup>st</sup> April, 2007, the Company has adjusted the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets, to the carrying cost of fixed assets, which was hitherto recognized as income/expense to the profit and loss account.

Arising from the accounting prescribed in the above said notification, the Company has-

- (i) charged first to the opening General Reserve of Rs.8,675 lac and the balance to the opening balance of profit and loss account of Rs.6,801 lac aggregating Rs.15,476 lac (Net of Deferred Tax of Rs.7,969 lac) which was recognised as exchange gain in the Profit and Loss account in previous financial year ended 31<sup>st</sup> March, 2008.
- (ii) added to fixed assets Rs.22,721 lac and to capital work-in-progress Rs.724 lac being the exchange differences on long term monetary items relatable to the acquisition of fixed assets.

As a result of the above change in Accounting Policy the net loss before tax for the year is lower by Rs.239,001 lac.

- 7) During the year the Company purchased and sold Current Investments in Debt Schemes of various Mutual Funds as detailed below :

Mutual Fund	NO. OF UNITS (in lac)	FACE VALUE (Rupees)	COST OF UNITS (in lac)
SBI Mutual Fund	12,477	10	230,991
Reliance Mutual Fund	14,277	10	188,472
IDFC Mutual Fund	154	1,000	182,451
Barclays Global Investors Mutual Fund			
- EURO	31	1 Euro	2,089
- USD	2,424	1 USD	105,938
- GBP	685	1 GBP	54,021



## Significant Accounting Policies and Notes to Accounts (contd.)

### 8) Disclosure on Derivatives

- (a) The Company has entered into various derivative contracts viz. interest rate swaps (IRS), currency options, currency swaps, etc in order to hedge and manage its foreign currency exposures towards future export receivables and foreign currency borrowings. Such derivative contracts which are in the nature of firm commitments and highly probable forecast transactions are entered into by the company for hedging purposes only and does not use the same for trading or speculation purposes.

Nominal amounts of derivatives contracts entered into by the Company and outstanding as on 31<sup>st</sup> March 2009 amount of Rs.165,638 lac (Previous Year 247,453 lac). The category-wise break-up thereof is as under:

Amount (Rs. in lac)

Particulars	2008-09		2007-08	
	No. of Contracts	Amount	No. of Contracts	Amount
Interest Rate Swaps	3	120,206	5	73,801
Currency Options	1	18,259	9	107,993
IRS cum Currency Options	-	-	1	41,031
Currency Swaps	1	12,173	1	9,628
IRS cum Currency Swaps	2	15,000	2	15,000

The Company, during the year based on the Announcement of The Institute of Chartered Accountants of India "Accounting for Derivatives" along with the principles of prudence as enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Policies" has accounted for outstanding derivative contracts at fair values as at the balance sheet date.

On that basis, the fair value of the derivative instruments as at 31<sup>st</sup> March, 2009 aggregating to Rs.10,073 lac (Previous Year Rs.6,945 lac) has been debited to the Profit and Loss Account and disclosed as exceptional item in the current year. The charge on account of derivative losses has been computed on the basis of MTM values based on the confirmations from the counter parties.

- (b) The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31<sup>st</sup> March, 2009 are as follows:

Particulars	INR Equivalent (Rs. in lac)	USD Equivalent (USD in lac)
Current Assets	82,664 (87,858)	1,630 (2,190)
Current Liabilities	99,496 (118,724)	1,962 (2,959)
Interest accrued but not due on Loans	3,745 (3,521)	74 (88)
Long Term Loans for purchase of Aircraft*	904,823 (827,763)	17,840 (20,632)
Loans for Pre Delivery Payment**	Nil (47,081)	Nil (1,174)
Other Loans payable	41,150 (44,981)	811 (1,121)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

\*Includes Loans payable after 5 years Rs.585,847 lac (Previous Year Rs.506,863 lac)

\*\* Loans to be returned on delivery of aircraft in Foreign Currency.



## Significant Accounting Policies and Notes to Accounts (contd.)

- 9) a) The Company has equity and preference investments aggregating to Rs.164,500 lac in Jet Lite (India) Limited, a wholly owned subsidiary, and an amount of Rs.62,314 lac advanced as interest free loan as on 31<sup>st</sup> March, 2009. The said subsidiary has continued to incur losses, which has resulted further increase in its negative net-worth. A reputed valuer have recently valued the equity interest in the subsidiary based on its business plans, which supports the carrying value of such investment and loan outstanding. The Company continues to provide financial support to subsidiary's operations to further such business plans and expects it to turnaround. Accordingly, the financial statements of the subsidiary company have been prepared on "Going Concern" basis and no provision is considered necessary at this stage in respect of its investments and loans outstanding from the said subsidiary company at the year end.

- b) (i) During the previous year, the Company acquired 100% shares of Sahara Airlines Limited (SAL) (Now known as Jet Lite (India) Limited) as per Share Purchase agreement with erstwhile shareholders of SAL ("Selling Shareholders") and 'Consent Terms and Consent Award' for a lump-sum price of Rs.146,500 lac, out of which, Rs.91,500 lac was paid on or before the acquisition date. The balance Rs.55,000 lac was payable in four interest free annual equal installments commencing on or before 30<sup>th</sup> March, 2008. Out of Rs.55,000 lac, two annual installments aggregating Rs.18,792 lac have been paid after deducting Rs. 8,708 lac, which the Company had paid to income tax department in respect of demands on SAL for periods prior to the execution of the Share Purchase Agreement.

Balance installments payable of Rs.27,500 lac as on 31<sup>st</sup> March 2009 have been disclosed under the separate head "Deferred payment liability towards Investment in wholly owned subsidiary company".

Aggrieved by such deduction from installment due under the Consent Terms and Consent Award dated 12<sup>th</sup> April 2007, the Selling Shareholders on 30<sup>th</sup> March 2009 filed an Execution Application for recovery of an amount of Rs.99,958 lac. The claim by Selling Shareholders of Rs.99,958 lac includes acceleration of three installments each of Rs.13,750 lac plus deduction of Rs.3,708 lac made from 1<sup>st</sup> installment paid in March 2008 and demanding further Rs.55,000 lac towards increase in lump-sum purchase consideration for the breach of the Consent Terms in payment of installments by the Company after deducting tax dues of earlier years of SAL.

- (ii) The Proceedings adopted by SAL are being resisted by Jet. Further, Jet Airways has taken execution proceedings against Selling Shareholders to recover amounts aggregating Rs.82,102 lac (net of Rs.8,708 lac deducted in (i) above) due to it pursuant to Selling Shareholders' obligation to indemnify the Company for income tax demands raised on Jet Lite for the assessment years prior to the Effective Date of the Share Purchase Agreement/ Consent Terms and Consent Award by which SAL shares were acquired. In terms of the undertaking given by the Company to the Honorable High Court, the Company will not create any further encumbrance, alienate or transfer their movable and immovable assets and properties in any manner, without the consent of the court. The matter is subjudice at Honorable High Court of Bombay.

The management, at this stage is confident that no loss will arise to the Company for which a provision is currently necessary.

### 10) Employee Benefits

#### a) Defined contribution plan

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF) for qualifying employees.

The Company recognised Rs.3,584 lac (Previous year Rs.2,738 lac) for provident fund contributions in the profit and loss account.

#### b) Defined benefit plans

The Company provides the annual contributions as a non-funded defined benefit plan for qualifying employees.

The gratuity scheme provides for payment to vested employees as under:

- i) On Normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.



## Significant Accounting Policies and Notes to Accounts (contd.)

ii) On death while in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out at 31<sup>st</sup> March, 2009 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2009:

Amount (Rs. in Lac)

Sr. No.	Particulars	Gratuity (Non-Funded)	
		As on 31 <sup>st</sup> March, 2009	As on 31 <sup>st</sup> March, 2008
I)	<b>Reconciliation of defined benefit obligation (DBO):</b>		
	DBO at the beginning of the year	4,723	3,603
	Current Service Cost	904	544
	Interest Cost	378	288
	Actuarial (gain) / losses	(1,461)	482
	Benefits paid	(177)	(194)
	DBO at end of the year (Net liability recognized in the Balance sheet)	4,367	4,723
II)	<b>Net cost for the year ended 31<sup>st</sup> March, 2009:</b>		
	Current Service cost	904	544
	Interest cost	378	288
	Actuarial (gain) / losses	(1,461)	482
	Net cost	(179)	1,314
III)	<b>Assumption used in accounting for the gratuity plan:</b>		
	Discount rate (%)	7.75%	8.00 %
	Salary escalation rate (%)	5%	7.50 %

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.



## Significant Accounting Policies and Notes to Accounts (contd.)

### c) Other Long Term Employee Benefit

The Leave Encashment charge / (reversal) for the year ended 31<sup>st</sup> March, 2009, based on actuarial valuation carried out using the Projected Accrued Benefit Method, amounting to Rs. (168) lac (Previous Year Rs.2,144 lac) has been recognized in the Profit and Loss Account.

### 11) AUDITORS REMUNERATION (Net of Service Tax Input Credit) :

Amount (Rs. in lac)

	Particulars	2008-09	2007-08
(a)	<b>As Audit Fees</b>		
	- Statutory Audit	118	112
	- Tax Audit	8	6
(b)	<b>As Advisor or in any other capacity in respect of:</b>		
	Tax Matters	72	56
(c)	<b>In any other matter</b>		
	For other services such as quarterly limited reviews, certificates, etc	57	59
(d)	<b>For reimbursement of expenses</b> (*Rs.43,927)	-*	1
	<b>Total</b>	<b>255</b>	<b>234</b>

Payments for other services include Rs. Nil- (Previous Year Rupees 34,870/-) to a firm where partners of one of the Statutory Auditors were partners.

### 12) MANAGERIAL REMUNERATION :

#### (i) Details of Managerial Remuneration :

Amount (Rs. in lac)

	Particulars	2008-09	2007-08
(i)	Salary and Allowances*	90	48
(ii)	Contribution to Provident Fund*	4	5
(iii)	Perquisites*	Nil	Nil
(iv)	Commission to Non-Executive Directors #	Nil	Nil
(v)	Sitting Fees #	16	15
	<b>Total</b>	<b>110</b>	<b>68</b>

\* Included under the head "Employees Remuneration and Benefits" (refer Schedule - O)

# Disclosed under the head "Other Operating Expense (refer Schedule - Q)

#### Notes

- Consequent to loss during the year, remuneration paid to the Executive Director is in excess of the limits specified in section 198 of the Companies Act, 1956 read with Schedule XIII of the said Act. The excess remuneration of Rs.42 lac for the current year (Previous Year Rs. Nil) is pending approval of the Central Government, in respect of which the company has made application.
  - The remuneration reported above excludes charge for gratuity fund and compensated absences since the same is ascertained on an aggregated basis for the Company as a whole by way of actuarial valuation and separate values attributable to directors are not available.
- Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956, has not been given as commission by way of percentage of profit is not payable for the current year and the previous year to the Directors of the Company.



## Significant Accounting Policies and Notes to Accounts (contd.)

- 13) Additional information pursuant to paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956. (As applicable)

### 13.1 Value of imports calculated on CIF Basis:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
Components & Spares	23,507	24,528
Capital Goods	169,631	861,123

### 13.2 Earnings in Foreign Exchange:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
Passenger & Cargo Revenue	355,307	204,207
Sale of Aircraft / Engine	104,573	54,449
Interest on Bank Account	146	538
Other Income	7,139	474
Leasing Operations	18,283	-
Sale of Landing Rights	3,998	-

### 13.3 Expenditure in Foreign Currency:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
Employee Remuneration and Benefits	9,837	4,279
Aircraft Fuel Expenses	192,803	79,751
Selling and Distribution Expenses	27,232	14,849
Other Operating Expenses	208,606	142,379
Aircraft Lease Rentals	71,279	72,287
Interest and Finance Charges	44,663	30,941
Software	149	823

### 13.4 Remittance in foreign currency on account of dividend:

The Company has paid dividend in respect of shares held by Non Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
Number of Non Resident Shareholders to whom remittance was made	-	1
Number of Equity Shares held by them	-	69,057,210
Amount of Dividend paid (Rs. in Lac)	-	4,144
Year to which dividend relates	-	2006-07



## Significant Accounting Policies and Notes to Accounts (contd.)

### 13.5 Value of Components & Spare Parts Consumed:

Amount (Rs. in lac)

	2008-09	%	2007-08	%
Imported	8,589	92	8,818	93
Indigenous	703	8	682	7
<b>Total</b>	<b>9,292</b>	<b>100</b>	<b>9,500</b>	<b>100</b>

### 14) SEGMENT REPORTING :

#### a) Primary Segment: Geographical Segment

The Company, considering its higher level of international operations and present internal financial reporting based on geographic segment, has identified geographic segment as primary segment.

The geographic segment consists of:

- Domestic (air transportation within India)
- International (air transportation outside India)

Revenue and expenses directly attributable to segments are reported based on items that are individually identifiable to that segment, while the remainder of the expenses are categorized as unallocated which are mainly employee remuneration and benefits, other selling & distribution expenses, other operating expenses, aircraft lease rentals, depreciation / amortization and interest, since these are not specifically allocable to specific segments as the underlying assets / services are used interchangeably. The company believes that it is not practical to provide segment disclosures relating to these revenue and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total revenues.

The Company believes that it is not practical to identify fixed assets used in the company's business or liabilities contracted, to any of the reportable segments, as the fixed assets are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

Amount (Rs. in lac)

Particulars	Domestic	International	Total
Passenger and Cargo Revenue (Including Excess Baggage)	526,120 (562,172)	582,223 (304,756)	1,108,343 (866,928)
Segment result	255,900 (297,426)	188,064 (114,497)	443,964 (411,923)
Less: Un-allocable expenses			603,975 (485,130)
Add: Un-allocable revenue			186,852 (81,223)
(-)Loss / Profit before Interest and tax			26,841 (8,016)
Less: Interest and Finance Charges			73,803 (49,275)
<b>(-)Loss / Profit before tax</b>			<b>(-)46,962</b> <b>((-)41,259)</b>
Less: Tax (-) Benefits / Expenses			(-)6,728 <b>((-)15,953)</b>
<b>(-)Loss / Profit after tax</b>			<b>(-)40,234</b> <b>((-)25,306)</b>
(Figures in brackets indicate 31 <sup>st</sup> March, 2008 figures)			





## Significant Accounting Policies and Notes to Accounts (contd.)

### b) Secondary Segment: Business Segment

The Company is operating into a single business i.e. Air Transportation and as such all business activities revolve around this segment. Hence, there is no separate secondary segment to be reported considering the requirement of AS 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

### 15) RELATED PARTY TRANSACTIONS :

As per Accounting Standard - 18 on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below:

#### (i) List of Related Parties with whom transactions have taken place and Relationships :

Sr. No.	Name of the related party	Nature of relationship
(1)	Tail Winds Limited	Holding Company
(2)	Jet Lite (India) Limited	Subsidiary Company (Control exists)
(3)	Naresh Goyal	Controlling Shareholder of Holding Company
(4)	Anita Goyal	Relative of controlling shareholder of Holding Company
(5)	Saroj K Datta	Key Managerial Personnel
(6)	Jetair Private Limited	Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence directly or indirectly.
(7)	Jet Airways LLC	
(8)	Trans Continental e Services Private Limited	
(9)	Jet Enterprises Private Limited	
(10)	Jet Airways of India Inc.	
(11)	India Jetairways Pty Limited	
(12)	Jet Airways Europe Services N.V.	
(13)	Jetair Tours Private Limited	

#### (ii) Transactions during the year ended 31<sup>st</sup> March, 2009 and balances with related parties :

Amount (Rs. in lac)

Sr. No.	Nature of Transactions	Holding Company	Subsidiary Company	Controlling Shareholder of Holding Company	Relative of controlling shareholder of Holding Company	Key Managerial Personnel	Enterprises over which controlling shareholder is able to exercise significant influence	Total
<b>Transactions During the Year :</b>								
(A)	Remuneration				156 (146)	94 (53)		250 (199)
(B)	Sitting Fees			1 (1)		Nil (Nil)		1 (1)
(C)	Agency Commission						15,424 (12,723)	15,424 (12,723)



## Significant Accounting Policies and Notes to Accounts (contd.)

Amount (Rs. in lac)

Sr. No.	Nature of Transactions	Holding Company	Subsidiary Company	Controlling Shareholder of Holding Company	Relative of controlling shareholder of Holding Company	Key Managerial Personnel	Enterprises over which controlling shareholder is able to exercise significant influence	Total
(D)	Rent paid						<b>218</b> (217)	218 (217)
(E)	Expenses Reimbursed (Staff Costs, Communication Costs, Rent)						<b>8,340</b> (3,841)	<b>8,340</b> (3,841)
(F)	Other Selling & Distribution Cost						<b>628</b> (1,852)	<b>628</b> (1,852)
(G)	Service Charges						<b>88</b> (24)	<b>88</b> (24)
(H)	Equipment Hire (net)		<b>Nil</b> (-)-771)					<b>Nil</b> (-)-771)
(I)	Other Hire Charges		<b>(-)-363</b> (-)-256)					<b>(-)-363</b> (-)-256)
(J)	Rent received						<b>(-)-68</b> (-)-61)	<b>(-)-68</b> (-)-61)
(K)	Reimbursements (Received)		<b>(-)-92</b> (-)-421)				<b>(-)-11</b> (-)-8)	<b>(-)-103</b> (-)-429)
(L)	Corporate Guarantee given by Company on behalf of Subsidiary		<b>16,067</b> (55,120)					<b>16,067</b> (55,120)
(M)	Investments in Equity		<b>18,000</b> (146,500)					<b>18,000</b> (146,500)
(N)	Interline Billing		<b>7,330</b> (9,292)					<b>7,330</b> (9,292)
(O)	Dividend Paid	<b>Nil</b> (4,144)		<b>Nil</b> (0.60)	<b>Nil</b> (0.06)	<b>Nil</b> (0.04)		<b>Nil</b> (4,145)



## Significant Accounting Policies and Notes to Accounts (contd.)

Amount (Rs. in lac)

Sr. No.	Nature of Transactions	Holding Company	Subsidiary Company	Controlling Shareholder of Holding Company	Relative of controlling shareholder of Holding Company	Key Managerial Personnel	Enterprises over which controlling shareholder is able to exercise significant influence	Total
<b>Closing Balance as on 31st March, 2009:</b>								
(P)	Investments in Equity and Preference Shares		<b>164,500</b> (146,500)					<b>164,500</b> (146,500)
(Q)	Deposits (Received)		<b>(-) 8</b> (-8)					<b>(-) 8</b> (-8)
(R)	Deposits & Advance (given)							
	-Deposit for Leased Premises						<b>2,532</b> (2,543)	<b>2,532</b> (2,543)
	-Other Deposits & Advances						<b>2,020</b> (225)	<b>2,020</b> (225)
(S)	Loans		<b>62,314</b> (24,465)					<b>62,314</b> (24,465)
(T)	Sundry Creditors						<b>2,921</b> (3,450)	<b>2,921</b> (3,450)
(U)	Sundry Debtors						<b>5,545</b> (88)	<b>5,545</b> (88)
(V)	Share Capital	<b>6,907</b> (6,907)		<b>1</b> (1)	<b>0.10</b> (0.10)	<b>0.05</b> (0.06)		<b>6,908</b> (6,908)
(W)	Corporate Guarantee given by Company on behalf of Subsidiary Company		<b>71,187</b> (55,120)					<b>71,187</b> (55,120)
(X)	Corporate Guarantee given by Subsidiary Company on behalf of the Company		<b>(-)361,324</b> (-285,811)					<b>(-)361,324</b> (-285,811)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)



## Significant Accounting Policies and Notes to Accounts (contd.)

(iii) **Statement of Material Transactions during the year and balances with related parties:**

**(a) Subsidiary Company**

Amount (Rs. in lac)

<b>Jet Lite (India) Limited</b>	
Transactions During the Year :	
- Equipment Hire Charges	<b>Nil</b> (-771)
- Other Hire Charges received	<b>(-)363</b> (-256)
- Reimbursement Received	<b>(-)92</b> (-421)
- Corporate Guarantee given by the Company on behalf of the Subsidiary Company	<b>16,067</b> (55,120)
- Investments in Equity and Preference Shares	<b>18,000</b> (146,500)
- Interline Billing	<b>7,330</b> (9,292)
Closing Balance as on 31 March, 2009:	
- Interest free Loan	<b>62,314</b> (24,465)
- Deposit	<b>(-)8</b> (-8)
- Investments in Equity and Preference Shares	<b>164,500</b> (146,500)
- Corporate Guarantee by Company on behalf of Subsidiary Company	<b>71,187*</b> (55,120)
- Corporate Guarantee given by Subsidiary Company on behalf of the Company	<b>(-)361,324</b> (-285,811)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

\*Closing Balance of Corporate Guarantee given by Jet Airways (India) Limited represents utilized amount against total guarantee amount of Rs.86,720 lac.

- (b) Remuneration includes remuneration to Mrs. Anita Goyal, relative of controlling shareholder of Holding Company, Rs.156 lac (Previous Year Rs.146 lac) and to Mr. Saroj K. Datta, Key Managerial Personnel Rs.94 lac (Refer Note 12 of Schedule S) (Previous Year Rs.53 lac).



## Significant Accounting Policies and Notes to Accounts (contd.)

- (b) Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence:

Amount (Rs. in lac)

<b>Jetair Private Limited</b>	
Transactions During the Year :	
- Agency Commission	<b>4,168</b> (5,328)
- Rent Paid (including Service Tax)	<b>153</b> (157)
- Expenses Reimbursed (Staff Costs, Communication Costs, Rent)	<b>1,853</b> (1,570)
- Reimbursement (Received)	<b>(-) 11</b> (-8)
- Rent Received	<b>(-) 68</b> (-61)
Closing Balance as on 31 March, 2009:	
- Deposits for Leased Premises	<b>332</b> (343)
- Sundry Debtors	<b>5,545</b> (88)
- Sundry Creditors	Nil (944)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Jet Airways LLC</b>	
Transactions During the Year :	
- Agency Commission	<b>8,746</b> (5,675)
- Reimbursement of Expenses (Staff Costs, Communication Costs, Rent)	<b>590</b> (76)
Closing Balance as on 31 <sup>st</sup> March, 2009:	
- Sundry Creditors	<b>2,274</b> (1,406)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Trans Continental e Services Private Limited</b>	
Transactions During the Year :	
- Other Selling and Distribution Cost	<b>628</b> (1,852)
Closing Balance as on 31 <sup>st</sup> March, 2009:	
- Other Deposit	<b>853</b> (225)
- Sundry Creditors	<b>Nil</b> (30)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)



## Significant Accounting Policies and Notes to Accounts (contd.)

Amount (Rs. in lac)

<b>Jet Enterprises Private Limited</b>	
Transactions During the Year :	
- Rent Paid (Including Service Tax)	<b>65</b> (60)
Closing Balance as on 31 <sup>st</sup> March, 2009:	
- Deposits for Leased Premises	<b>2,200</b> (2,200)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Jet Airways of India Inc.</b>	
Transactions During the Year :	
- Agency Commission	<b>2,493</b> (1,683)
- Reimbursement of Expenses (Staff Costs, Communication Costs, Rent)	<b>1,852</b> (814)
Closing Balance as on 31 <sup>st</sup> March, 2009:	
- Advances	<b>1,167</b> (Nil)
- Sundry Creditors	<b>107</b> (488)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>India Jetairways Pty Limited</b>	
Transactions During the Year :	
- Agency Commission	<b>17</b> (37)
Closing Balance as on 31 <sup>st</sup> March, 2009:	
- Sundry Creditors	<b>Nil*</b> (5)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures) [\*Rs.42,028]

Amount (Rs. in lac)

<b>Jet Airways Europe Services N.V.</b>	
Transactions During the Year :	
- Reimbursement of Expenses (Staff Costs, Communication Costs, Rent)	<b>4,044</b> (1,381)
- Service Charges	<b>88</b> (24)
Closing Balance as on 31 <sup>st</sup> March, 2009:	
- Sundry Creditors	<b>540</b> (577)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)



## Significant Accounting Policies and Notes to Accounts (contd.)

Amount (Rs. in lac)

<b>Jetair Tours Pvt. Ltd.</b>	
Transactions During the Year :	
- Reimbursement of Expenses	<b>1</b> (Nil)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

- 16) The Company has entered into Finance and Operating Lease agreements. As required under the Accounting Standard 19 on 'Leases', the future minimum lease payments on account of each type of lease are as follows: -

**(A) Finance Leases / Hire Purchase**

Amount (Rs. in lac)

Particulars	Future Minimum Lease Payments As at 31 <sup>st</sup> March 2009	Present Value of Future Minimum Lease Payments As at 31 <sup>st</sup> March 2009	Finance Charges
<b>Aircraft</b>			
Less than 1 year	<b>142,399</b> (103,362)	<b>94,185</b> (69,438)	<b>48,214</b> (33,924)
Between 1 and 5 years	<b>579,018</b> (438,913)	<b>438,266</b> (326,992)	<b>140,752</b> (111,921)
More than 5 years	<b>664,583</b> (591,856)	<b>591,677</b> (525,787)	<b>72,906</b> (66,069)
<b>Total</b>	<b>1,386,000</b> (1,134,131)	<b>1,124,128</b> (922,217)	<b>261,872</b> (211,914)

(Figures in brackets indicates 31<sup>st</sup> March, 2008 figures)

The salient features of a Hire Purchase / Finance Lease Agreement are :

- Option to purchase the aircraft either during the term of the Hire Purchase on payment of the outstanding Principal amount or at the end of the Hire Purchase term on payment of a nominal option price.
- In the event of default, the Hirer / Lessee is responsible for payment of all costs of the Owner including the financing cost, and other associated costs. Further a right of repossession is available to the Owner / Lessor.
- The Hirer / Lessee is responsible for maintaining the aircraft as well as insuring the same.
- In the case of Finance Lease the property passes to the Lessee, on the payment of a nominal option price at the end of the term.



## Significant Accounting Policies and Notes to Accounts (contd.)

### (B) Operating Leases

- (1) The Company has taken various residential / commercial premises and amenities under cancelable and non-cancelable operating leases. These lease agreements are normally renewed on expiry.

The future minimum lease payments in respect of non-cancelable period which, as at 31<sup>st</sup> March, 2009 are as follows:

Amount (Rs. in lac)

Particulars	Total Lease Payments
<b>Commercial Premises and Amenities</b>	
Less than 1 year	<b>562</b> (1,576)
Between 1 and 5 years	- (1,180)
<b>Grand Total</b>	<b>562</b> (2,756)

(Figures in brackets indicates 31<sup>st</sup> March, 2008 figures)

- (2) The Company has taken on operating lease aircraft and spare engines the future minimum lease payments in respect of which, as at 31<sup>st</sup> March, 2009 are as follows :

Amount (Rs. in lac)

Particulars	Total Lease Payments
<b>Aircraft and Spare Engines</b>	
Less than 1 year	<b>88,157</b> (60,666)
Between 1 and 5 years	<b>260,374</b> (172,689)
More than 5 years	<b>91,509</b> (42,650)
<b>Grand Total</b>	<b>440,040</b> (276,005)

(Figures in brackets indicates 31<sup>st</sup> March, 2008 figures)





## Significant Accounting Policies and Notes to Accounts (contd.)

The Salient features of an Operating Lease agreement are :

- Monthly rentals paid in form of fixed and variable rental. Variable Lease Rentals are payable on a pre determined rate payable on the basis of actual flying hours. Additionally, the predetermined rates of Variable Rentals are subject to the annual escalation as stipulated in the respective leases.
- The Company neither has an option to buyback nor does it generally have an option to renew the leases.
- In case of delayed payments, penal charges are payable as stipulated.
- In case of default, in addition to repossession of the aircraft, damages including liquidated damages as stipulated are payable.
- The Lessee is responsible for maintaining the aircraft as well as insuring the same. The Lessee is eligible to claim reimbursement of costs as per the terms of the lease agreement.
- The leases are non-cancellable.

- (3) The Company has given six (6) aircraft on wet lease [Four (4) owned and Two (2) leased (Previous Year Nil)] and One (1) aircraft on dry sub-lease [(Previous Year : Two (2) sub lease)], the future minimum lease income in respect of non-cancelable period which, as at 31<sup>st</sup> March, 2009 is as follows:

Amount (Rs. in lac)

Particulars	Total Lease Income
<b>Aircraft</b>	
Less than 1 year	<b>(-)17,377</b> (-) (250)
Between 1 and 5 years	<b>Nil</b> (Nil)
More than 5 years	<b>Nil</b> (Nil)
<b>Grand Total</b>	<b>(-)17,377</b> (-)(250)

(Figures in brackets indicates 31<sup>st</sup> March, 2008 figures)

The Salient features of Wet Lease agreement are:

- Operational control and maintenance of aircraft remains the responsibility of the Lessor. The aircraft remains on Indian registry and is operated with the Lessor's crew.
- Monthly rentals are received in the form of fixed and variable rental. Variable Lease Rentals are receivable on a pre determined rate on the basis of additional flying hours.
- The wet leases are non-cancelable.

The Salient features of Dry Lease agreement are:

- In this leasing arrangement aircraft is leased without insurance and crew.
- Monthly rentals paid in form of fixed and variable rental. Variable Lease Rentals are payable on a pre determined rate payable on the basis of actual flying hours. Additionally, the predetermined rates of Variable Rentals are subject to the annual escalation as stipulated in the respective leases.
- The Lessee neither has an option to buyback nor does it generally have an option to renew the leases.
- The dry leases are non-cancelable.



## Significant Accounting Policies and Notes to Accounts (contd.)

Details of the owned aircraft given on non-cancelable wet lease is as under:

Amount (Rs. in lac)

Details of Leased Assets (Aircraft):	2008-09	2007-08
Cost of acquisition	309,014	-
Accumulated Depreciation	23,748	-

Depreciation of Rs.15,807 lac (Previous Year Rs.Nil ) has been debited to Profit and Loss Account on the above leased assets.

- (4) The lease rental expense recognised: Rs.1,14,652 lac (Previous Year Rs.87,420 lac). It includes Rs.5,977 lac (Previous Year Rs.3,597 lac) recognized as lease rental expenses on account of sale and lease back of aircraft.

### 17) EARNINGS PER SHARE (EPS) :

The earnings per equity share, computed as per the requirements of Accounting Standard-20 "Earnings Per Share" is as under:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
Net (Loss) after tax	(40,234)	(25,306)
<b>(Loss) attributable to Equity Shareholders (A)</b>	<b>(40,234)</b>	<b>(25,306)</b>
No. of Equity Shares outstanding during the year <b>(B)</b>	<b>86,334,011</b>	86,334,011
Nominal Value of Equity Shares (Rupees)	10	10
Basic and Diluted EPS (Rupees) <b>(C = A/B)</b>	<b>(46.60)</b>	(29.31)

- 18) The Deferred Tax as at 31<sup>st</sup> March 2009 comprises of the following:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	46,929	38,346
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation/Business Loss (Refer Note below)	41,847	17,658
Other Disallowances under Income Tax Act, 1961	5,082	4,665
<b>Deferred Tax Asset/(Liability) (Net)</b>	-	(16,023)

Note :

In the absence of virtual certainty, Deferred Tax Asset on account of unabsorbed depreciation and business loss has been recognised to the extent it can be realised against reversal of deferred tax liability on account of depreciation.

- 19) As per (AS) 29, Provisions, Contingent Liabilities and Contingent Assets, given below are movements in provision for Frequent Flyer Programme, Redelivery of Aircraft, Aircraft Maintenance Costs and Engine Repairs Costs.

#### (a) Frequent Flyer Programme :

The Company has a Frequent Flyer Programme named 'Jet Privilege', wherein the passengers who frequently use the services of the Airline become members of 'Jet Privilege' and accumulate miles to their credit. Subject to certain terms and conditions of 'Jet Privilege', the passenger is eligible to redeem such miles lying to their credit in the form of free tickets.



## Significant Accounting Policies and Notes to Accounts (contd.)

The cost of allowing free travel to members as contractually agreed under the Frequent Flyer Programme is accounted considering the members' accumulated mileage on an incremental cost basis. The movement in the provision during the year is as under: -

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Opening Balance</b>	<b>2,949</b>	1,651
<b>Add: - Additional Provisions during the year</b>	<b>1,446</b>	1,803
<b>Less: - Amounts used during the year</b>	<b>1,051</b>	505
<b>Less: - Unused Amounts reversed during the year</b>	-	-
<b>Closing Balance</b>	<b>3,344</b>	2,949

(b) **Redelivery of Aircraft :**

The Company has in its fleet aircraft on operating lease. As contractually agreed under the lease agreements, the aircraft have to be redelivered to the lessors at the end of the lease term in the stipulated technical condition. Such redelivery conditions would entail costs for technical inspection, maintenance checks, repainting costs prior to its redelivery and the cost of ferrying the aircraft to the location as stipulated under the lease agreement.

The Company therefore provides for such redelivery expenses, as contractually agreed, in proportion to the expired lease period.

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Opening Balance</b>	<b>2,115</b>	2,651
<b>Add:- Additional Provisions during the year*</b>	<b>1,441</b>	610
<b>Less:- Amounts used during the year</b>	<b>525</b>	1,146
<b>Less:- Unused Amounts reversed during the year</b>	-	-
<b>Closing Balance</b>	<b>3,031</b>	2,115

\* Additions include adjustment of Rs.579 lac (Previous Year Rs.230 lac) on account of exchange fluctuation consequent to restatement of liabilities denominated in foreign currency.

The cash outflow out of the above provisions as per the current terms under the lease agreements are as under:-

Year	Aircraft	Amount (Rs. in lac)
2009-10	7	877
2010-11	4	394
2011-12	1	87
2012-13	17	1,286
2014-15	3	106
2015-16	13	269
2018-19	3	12
<b>Total</b>		<b>3,031</b>



## Significant Accounting Policies and Notes to Accounts (contd.)

### (c) Aircraft Maintenance Costs :

Certain heavy maintenance checks including overhaul of Auxiliary Power Units need to be performed at specified intervals as enforced by the Director General of Civil Aviation in accordance with the Maintenance Program Document laid down by the manufacturers. The movements in the provisions for such costs are as under: -

Amount (Rs. in lac)		
Particulars	2008-09	2007-08
<b>Opening Balance</b>	<b>4,217</b>	7,398
<b>Add:-</b> Adjustments during the year *	<b>1,048</b>	(122)
<b>Less:-</b> Amounts used during the year	<b>1,633</b>	1,031
<b>Less:-</b> Unused Amounts reversed during the year	<b>199</b>	2,028
<b>Closing Balance</b>	<b>3,433</b>	4,217

\* Adjustments during the year represents exchange fluctuation impact consequent to restatement of liabilities denominated in foreign currency.

### (d) Engine Repairs Cost :

The aircraft engines have to undergo shop visits for overhaul and maintenance at specified intervals as per the Maintenance Program Document. The same was provided for on the basis of hours flown at a pre-determined rate.

Amount (Rs. in lac)		
Particulars	2008-09	2007-08
<b>Opening Balance</b>	<b>657</b>	943
<b>Add:-</b> Adjustments during the year *	<b>164</b>	(21)
<b>Less:-</b> Amounts used during the year	<b>372</b>	-
<b>Less:-</b> Unused Amounts reversed during the year	<b>116</b>	265
<b>Closing Balance</b>	<b>333</b>	657

\* Adjustments during the year represents exchange fluctuation impact consequent to restatement of liabilities denominated in foreign currency.

- 20) Disclosures relating to amounts payable as at the year end together with interest paid / payable to Micro, Small and Medium Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosure are given below:

Amount (Rs. in lac)			
	Particulars	2008-09	2007-08
a	Principal amount remaining unpaid as on 31 <sup>st</sup> March, 2009	<b>113</b>	32
b	Interest due thereon as on 31 <sup>st</sup> March, 2009	-	-
c	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-



## Significant Accounting Policies and Notes to Accounts (contd.)

Amount (Rs. in lac)

	Particulars	2008-09	2007-08
d	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
e	Interest accrued and remaining unpaid as at 31 <sup>st</sup> March, 2009	-	-
f	Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

- 21) The Airline Industry both domestic and global have been adversely affected by the general economic slowdown which has significantly impacted the performance and cash flows of the Company and its subsidiary. This, coupled with the significant depreciation of the Indian Rupee, high fuel cost and lower load factors resulted in significant operating loss during the year and substantial erosion of the net worth. The Company is exploring various means of raising finances and restructuring of its debts/ contracts to overcome the fund requirements for meeting its various short term and long term obligations including financial support to its subsidiary – Jetlite. The management is continuously implementing initiatives directed at improving operating profits through cost control, route rationalization, leasing out aircraft etc. The Company expects that such measures would result in improving operational efficiencies and cash flows and, accordingly, is of the view that presenting these financial statements on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business is appropriate.
- 22) Balances of Sundry Debtors and Creditors are subject to confirmations and reconciliations and adjustments, if any. The management doesn't expect any material adjustment on receipt of confirmations/ reconciliation of such balances.
- 23) Comparative financial information (i.e. amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond to figures of the current year.

Signatures to Schedules 'A' to 'S'

As per our attached report of even date.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

**R. D. Kamat**

Partner

**For CHATURVEDI & SHAH**

Chartered Accountants

**C.D.Lala**

Partner

On behalf of the Board of Directors

**Naresh Goyal**

**Saroj K. Datta**

**Ali Ghandour**

**Victoriano P. Dungca**

**I.M. Kadri**

**Javed Akhtar**

**Aman Mehta**

**Yash Raj Chopra**

**Monica Chopra**

Mumbai

25<sup>th</sup> May, 2009

Chairman

Executive Director

Directors

Company Secretary

Mumbai

25<sup>th</sup> May, 2009



## Balance Sheet Abstract and Company's General Business Profile

### I) Registration Details

Registration No.:-   
 Balance-sheet Date   
 Date Month Year State Code

### II) Capital Raised during the year (Amount in Rs. Thousands)

Public Issue   
 Bonus Issue   
 Right Issue   
 Private Placement

### III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities   
 Total Assets

#### Sources of Funds-

Paid-up Capital   
 Subordinated Debt   
 Secured Loans   
 Deferred Tax Liability   
 Reserves & Surplus   
 Unsecured Loans   
 Deferred Payment

#### Application of Funds

Net Fixed Assets   
 Net Current Assets   
 Investments   
 Accumulated Losses   
 Misc. Expenditure

### IV) Performance of Company (Amount in Rs. Thousands)

Turnover   
 Profit/Loss Before Tax   
 Earning per share in   
 Total Expenditure   
 Profit/Loss After Tax   
 Dividend @% Equity   
 Preference

### IV) Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No. (ITC Code) - Not Applicable



**Statement relating to subsidiary company pursuant to Section 212 of the Companies Act, 1956 for the Year ended 31<sup>st</sup> March, 2009**

<b>Name of the Subsidiary Company</b>	<b>Jet Lite (India) Ltd</b>
1 Financial year of the Subsidiary Company ended on	<b>31<sup>st</sup> March, 2009</b>
2 Holding Company's Interest	
a) Number of Equity Shares of Rs.10/- each fully paid	456,115,409
b) Extent of holding	100%
c) Number of Preference Shares	340,000,000
3 Net aggregate amount of Loss of the Subsidiary, so far as they concern members of the Jet Airways (India) Ltd.	Amount (Rs. in Lac)
i) for the financial year of the Subsidiary	
a) Dealt with in the account of the Holding Company	(63,043)
b) Not dealt with in accounts of the Holding Company	-
ii) for the previous financial years of the Subsidiary since it became the Holding Company's Subsidiary	
a) Dealt with in the account of the Holding Company	(38,211)
b) Not dealt with in accounts of the Holding Company	-
4 As the financial year of the Subsidiary Company coincides with the financial year of the Holding Company, section 212(5) of the Companies Act, 1956 is not applicable.	

On behalf of the Board of Directors

<b>Naresh Goyal</b>	Chairman
<b>Saroj K. Datta</b>	Executive Director
<b>Ali Ghandour</b>	} Directors
<b>Victoriano P. Dungca</b>	
<b>I.M. Kadri</b>	
<b>Javed Akhtar</b>	
<b>Aman Mehta</b>	
<b>Yash Raj Chopra</b>	
<b>Monica Chopra</b>	Company Secretary

Mumbai  
25<sup>th</sup> May, 2009



## Auditors' Report on Consolidated Financial Statements

### TO THE BOARD OF DIRECTORS OF JET AIRWAYS (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of Jet Airways(India) Limited ("the Company") and its subsidiary, (the Company and its subsidiary constitute "the Group") as at 31<sup>st</sup> March, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating overall the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiary company, which reflect total assets of Rs.69,001 lac as of 31<sup>st</sup> March, 2009 and total revenue of Rs.166,561 lac and net cash outflows of Rs.57,169 lac for the year ended on that date are audited by M/s. Chaturvedi and Shah, Chartered Accountants, one of the joint auditors of the Company.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' (AS-21) as notified under the Companies (Accounting Standards) Rules, 2006 and on the basis of separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.
5. Without qualifying our opinion, attention is invited to Notes to Schedule "S":
  - a) Note No. 10 regarding a claim against the Holding Company. The matter being sub-judice, it is not possible to determine the impact of the outcome at this stage;
  - b) Note No. 13(b) regarding no impairment required for Goodwill on Consolidation for the reasons stated therein; and
  - c) Note No. 20 regarding adequacy of provision of Rs.3,381 lac, to meet the repair cost of three grounded CRJ-200 aircraft of the subsidiary company. The matter being technical in nature, the auditors of the subsidiary company have placed reliance on the explanations provided by the management.





## Auditors' Report on Consolidated Financial Statements (contd.)

6. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2009;
  - b) in the case of Consolidated Profit and Loss Account, of the loss of the Group for the year then ended; and
  - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year then ended.

**FOR DELOITTE HASKINS & SELLS**

Chartered Accountants

**R. D. KAMAT**

Partner

M. No. 36822

Mumbai

25<sup>th</sup> May, 2009

**FOR CHATURVEDI & SHAH**

Chartered Accountants

**C. D. LALA**

Partner

M. No. 35671



## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Schedule No.	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>I. SOURCES OF FUNDS</b>			
1 Shareholders' Funds :			
a) Share Capital Equity	A	8,633	8,633
		8,633	8,633
b) Reserves and Surplus	B	333,206	416,966
		341,839	425,599
2 Loan Funds :			
a) Secured Loans	C	503,639	175,301
b) Unsecured Loans	D	1,159,761	1,045,229
		1,663,400	1,220,530
3 Deferred payments towards acquisition of wholly owned subsidiary company [Due within one year Rs. 13,750 lac (Previous Year Rs.13,750 lac), Refer Note 10(i) of Schedule S]		27,500	41,250
4 Deferred Tax Liability (Refer Note 18 of Schedule S)		-	16,023
<b>Total</b>		<b>2,032,739</b>	<b>1,703,402</b>
<b>II. APPLICATION OF FUNDS</b>			
1 Fixed Assets :	E		
a) Gross Block		1,884,498	1,666,865
b) Less : Depreciation		255,016	255,595
c) Net Block		1,629,482	1,411,270
d) Capital Work-in-progress		65,709	130,259
		1,695,191	1,541,529
2 Goodwill on Consolidation (Refer Note 13 of Schedule S)		187,239	187,239
3 Investments	F	10,000	1,035
4 Current Assets, Loans and Advances :			
a) Inventories	G	69,631	60,440
b) Sundry Debtors	H	80,753	139,896
c) Cash And Bank Balances	I	146,620	95,837
d) Loans and Advances	J	132,425	119,211
		429,429	415,384
Less : Current Liabilities and Provisions			
a) Current Liabilities	K	389,171	430,051
b) Provisions	L	22,081	22,249
		411,252	452,300
Net Current Assets		18,177	(36,916)
5 Profit & Loss Account Debit Balance		122,132	19,190
Less: Adjusted against balance in General Reserve as per contra		-	8,675
		122,132	10,515
<b>Total</b>		<b>2,032,739</b>	<b>1,703,402</b>
Significant Accounting Policies and Notes to Accounts	S		

As per our attached report of even date

For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. D. Kamat  
Partner

For CHATURVEDI & SHAH  
Chartered Accountants

C.D. Lala  
Partner

On behalf of the Board of Directors

Naresh Goyal  
Saroj K. Datta  
Ali Ghandour  
Victoriano P. Dungca  
I.M. Kadri  
Javed Akhtar  
Aman Mehta  
Yash Raj Chopra  
Monica Chopra

Chairman  
Executive Director

Directors

Company Secretary

Mumbai  
25<sup>th</sup> May, 2009

Mumbai  
25<sup>th</sup> May, 2009



## Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009

	Schedule No.	Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>INCOME :</b>				
Operating Revenue	M		<b>1,307,790</b>	1,024,555
Non - Operating Revenue	N		<b>37,096</b>	74,517
<b>Total</b>			<b>1,344,886</b>	1,099,072
<b>EXPENDITURE :</b>				
Employees Remuneration and Benefits	O		<b>158,426</b>	138,882
Aircraft Fuel Expenses			<b>585,355</b>	406,998
Selling & Distribution Expenses	P		<b>120,403</b>	111,372
Other Operating Expenses (including Maintenance, Airport Charges, etc)	Q		<b>425,188</b>	301,443
Aircraft Lease Rentals (Refer Note 4 of Schedule S)			<b>104,286</b>	82,157
Depreciation/ Amortisation		<b>94,942</b>		81,743
Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve		<b>4,733</b>		1,563
Interest & Finance Charges	R		<b>90,209</b>	80,180
			<b>80,225</b>	52,247
<b>Total</b>			<b>1,564,092</b>	1,173,279
<b>(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>			<b>(219,206)</b>	(74,207)
<b>Exceptional Items</b>				
Excess Depreciation Reversal in respect of Earlier Years (Refer Note 5 of Schedule S)			<b>91,587</b>	-
CENVAT Credit (Refer Note 6 of Schedule S)			<b>34,993</b>	-
Marked to Market - Derivatives (Refer Note 9 of Schedule S)			<b>10,073</b>	6,945
<b>(LOSS) BEFORE TAX</b>			<b>(102,699)</b>	(81,152)
<b>Tax Expenses</b>				
Current Tax ( including provision for Wealth Tax Rs 12 lac, Previous Year Rs.10 lac)			<b>12</b>	10
Deferred Tax			<b>(8,054)</b>	(17,083)
Fringe Benefit Tax			<b>1,016</b>	1,188
Reversal of MAT Credit Entitlement			<b>468</b>	-
Short Provision of Income Tax (Net) for Earlier Years			<b>-</b>	120
<b>(LOSS) AFTER TAX</b>			<b>(96,141)</b>	(65,387)
Balance Brought Forward			<b>(19,190)</b>	46,197
Less : Adjustment on account of change in Policy for exchange difference			<b>6,801</b>	-
Balance Brought Forward after adjustment			<b>(25,991)</b>	46,197
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>(122,132)</b>	(19,190)
Earnings per share of Rs 10 each (Ref. Note 17 of Schedule S) Basic and Diluted (in Rupees)			<b>(111.36)</b>	(75.74)
Significant Accounting Policies and Notes to Accounts	S			

As per our attached report of even date

For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. D. Kamat  
Partner

For CHATURVEDI & SHAH  
Chartered Accountants

C.D. Lala  
Partner

On behalf of the Board of Directors

Naresh Goyal  
Saroj K. Datta  
Ali Ghandour  
Victoriano P. Dungca  
I.M. Kadri  
Javed Akhtar  
Aman Mehta  
Yash Raj Chopra  
Monica Chopra

Chairman  
Executive Director

Directors

Company Secretary

Mumbai  
25<sup>th</sup> May, 2009

Mumbai  
25<sup>th</sup> May, 2009



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2009

	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>A. Cash Flow from Operating Activities</b>		
(Loss) before tax	(102,699)	(81,152)
Adjustments for :		
Depreciation / Amortisation	90,209	80,180
Excess Depreciation Reversal in respect of Earlier Years	(91,587)	-
CENVAT Credit	(34,993)	-
Marked to Market - Derivatives	10,073	6,945
Provision for Stock Obsolescence	3,739	3,011
Profit on sale of Fixed Assets (Net)	(17,002)	(31,234)
Profit on sale of Investments / Dividend on Current Investments	(429)	(929)
Interest & Finance Charges	80,225	52,247
Interest on Bank & Other Deposits	(4,063)	(3,729)
Excess Provision no longer required	(3,501)	(3,010)
Provision for doubtful debts no longer required written back	-	(129)
Provision for Leave Encashment & Gratuity	18	3,764
Exchange difference on translation (Net)	12,070	(29,584)
Provision for doubtful debts	4,020	913
Bad Debts written off	169	1,556
Inventory scrapped during the year	1,801	3,367
<b>Operating profit before working capital changes</b>	<b>(51,950)</b>	<b>2,216</b>
Changes in Inventories	(14,731)	(15,694)
Changes in Sundry Debtors	55,757	(71,992)
Changes in Loans & Advances	22,026	(48,321)
Changes in Current Liabilities and Provisions	(45,770)	185,200
<b>Cash generated from operations</b>	<b>(34,668)</b>	<b>51,409</b>
Direct Taxes paid	(8,297)	(6,139)
<b>Net cash from operating activities</b>	<b>(42,965)</b>	<b>45,270</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets and Capital work-in-progress	(105,160)	(635,822)
Proceeds from sale of Fixed Assets	108,704	54,680
Purchase of Current Investments	(772,926)	(618,900)
Sale of Current Investments	764,197	625,221
Long Term Investment in wholly owned Subsidiary Company:		
Cost of Acquisition	-	(146,500)
Adjustment of Advance paid as per Share Purchase Agreement	-	50,000
Deferred Payment towards Investment	(13,750)	41,250
Changes in Fixed Deposits with Banks	(79,715)	10,723
Interest Received on Bank & Other Deposits	2,529	3,416
Dividend on Current Investment	193	467
<b>Net cash used for investing activities</b>	<b>(95,928)</b>	<b>(615,465)</b>



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2009 (contd.)

	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>C. Cash flows from Financing Activities</b>		
Net Increase in Short Term Loans	49,714	102,388
Proceeds from Long Term Loans during the year	260,917	1,029,774
Repayment of Long Term Loans during the year	(114,421)	(502,425)
Interest & Finance Charges	(87,783)	(64,541)
Dividend paid (including Tax on Dividend)	-	(6,056)
<b>Net cash from financing activities</b>	<b>108,427</b>	<b>559,140</b>
<b>Net change in cash (A+B+C)</b>	<b>(30,466)</b>	<b>(11,055)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>69,447</b>	<b>80,502</b>
<b>Cash and cash equivalents at end of the year</b> (Refer Note 1 & 2 below)	<b>38,981</b>	<b>69,447</b>

Note :

- 1) Cash and Cash equivalents for the year ended March 31, 2009 includes unrealised Gain (Net) of Rs.1,854 lac [Previous Year unrealised Gain (Net) of Rs.677 lac] on account of translation of foreign currency bank balances.
- 2) Fixed Deposits with banks with maturity period of more than three months including interest accrued thereon and Fixed Deposits under lien amounting to Rs.107,639 lac (Previous Year Rs.26,390 lac ) are not included in Cash and Cash equivalents.

As per our attached report of even date  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. D. Kamat  
Partner

For CHATURVEDI & SHAH  
Chartered Accountants

C.D. Lala  
Partner

On behalf of the Board of Directors

Naresh Goyal  
Saroj K. Datta  
Ali Ghandour  
Victoriano P. Dungca  
I.M. Kadri  
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Aman Mehta  
Yash Raj Chopra  
Monica Chopra  
Mumbai  
25<sup>th</sup> May, 2009

Chairman  
Executive Director

Directors

Company Secretary

Mumbai  
25<sup>th</sup> May, 2009



## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE A : SHARE CAPITAL</b>			
Authorized			
180,000,000 (Previous Year 180,000,000) Equity Shares of Rupees 10/- each		<b>18,000</b>	18,000
20,000,000 (Previous Year 20,000,000) Preference Shares of Rupees 10/- each		<b>2,000</b>	2,000
		<b>20,000</b>	20,000
Issued, Subscribed and Paid up			
Equity:			
86,334,011 Equity Shares (Previous Year 86,334,011 shares) of Rs.10/- each fully paid up		<b>8,633</b>	8,633
Of the above Equity Shares:			
– 69,067,205 Equity Shares held by the holding company, Tail Winds Limited & its nominee (Previous Year 69,067,205 Shares)			
– 9,402,900 shares are allotted as fully paid bonus shares by Capitalization of Profit (Previous Year 9,402,900 Shares)			
<b>Total</b>		<b>8,633</b>	8,633
<b>SCHEDULE B : RESERVES AND SURPLUS</b>			
Capital Reserve			
Balance as per Last Balance Sheet	*		
Nominal Value of investments in SITA received free of cost (See Note I.1.(a) of Schedule 'F' - Investments )	-		
*Rupees 2/- (Previous Year Rupees 2/-)		*	*
Capital Redemption Reserve			
Balance as per Last Balance Sheet		<b>5,558</b>	5,558
Share Premium			
Balance as per Last Balance Sheet		<b>141,418</b>	141,418
Revaluation Reserve			
Balance as per Last Balance Sheet	<b>269,990</b>		13,244
Add : Created during the year	-		266,252
Less : Adjustment /Reversal during the year on Sale and Lease Back	<b>79,027</b>		7,943
Less: Depreciation for the year on amount added on Revaluation transferred to Profit and Loss Account	<b>4,733</b>		1,563
		<b>186,230</b>	269,990
General Reserve			
Balance created in the earlier years	<b>8,675</b>		8,675
Less : Debit Balance in Profit and Loss Account to the extent of General Reserve	-		8,675
Less :Adjustment on account of accounting for Exchange Difference (Net of Deferred Tax Rs.6,801 lac (Previous Year Nil))	<b>8,675</b>		-
		-	-
<b>Total</b>		<b>333,206</b>	416,966



## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE C : SECURED LOANS</b>			
From Banks - Rupee Loans		<b>423,942</b>	102,475
Of the above loans:			
1. Bank Overdrafts Rs.43,792 lac (Previous Year Nil) are secured against Fixed Deposits.			
2. Pre delivery loan Rs.15,000 lac (Previous Year Nil) is secured by first ranking security arrangement over the borrower's right and interests in the purchase agreement related to one Boeing 777-300 ER Aircraft with MSN No. 35163 and charge on the said Aircraft.			
3. Working Capital Loans Rs.155,775 lac (Previous Year Rs.87,475 lac) are secured by way of Inventories (excluding stored aircraft fuel), Debtors (excluding Credit Card Receivables) and Ground Support Vehicles (excluding trucks, jeeps and motor vehicles).			
4. Working Capital Loan of Subsidiary Company Rs.15,000 lac(Previous Year Rs.15,000 lac) are secured by hypothecation of Inventory, Book Debts and Other movable Current Assets and Corporate Guarantee of Jet Airways (India) Limited, the Holding Company)			
5. Loans against future Credit Card receivables Rs.184,375 lac (Previous Year Nil) are secured by hypothecation of Credit Card Receivables, mortgage of immovable property situated at village Vadagaon, pari passu charge on the four simulators, charge on the Escrow of Lease Rentals, subservient to charge on Current Assets of the Company.			
6. Loan against charge on the Escrow of Lease Rentals Rs.10,000 lac (Previous Year Nil).			
From Financial Institutions			
Rupee Loan (Secured by Specific assets financed by them)		-	156
Foreign Currency Loan		<b>79,697</b>	72,670
		<b>79,697</b>	72,826
1. Foreign Currency loan to the extent of Rs.41,150 lac (Previous Year Rs.32,550 lac) of Holding Company is Secured by Mortgage on leasehold land situated at Bandra-Kurla Complex.			
2. Foreign Currency loan of Subsidiary Company Rs.38,547 lac (Previous Year Rs.40,120 lac) is Secured by Corporate Guarantee and pledge of 100% Equity Shares of the Company held by Jet Airways (India) Limited, the Holding Company.			
<b>Total</b>		<b>503,639</b>	175,301
<b>SCHEDULE D : UNSECURED LOANS</b>			
Short Term Loans:			
From Banks		<b>35,634</b>	75,931
Other Loans:			
From Banks		-	47,081
[Repayable within one year Rs. Nil lac (Previous Year - Rs.47,081 lac)]			
From Others			
Outstanding Hire Purchase/Finance Lease Installments	<b>1,124,127</b>		922,217
[Installments due within one year Rs.94,185 lac (Previous Year - Rs.69,438 lac)]		<b>1,124,127</b>	969,298
<b>Total</b>		<b>1,159,761</b>	1,045,229



# Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

## SCHEDULE - E FIXED ASSETS

Rs. in lac

	GROSS BLOCK (At Cost / Valuation)				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01.04.2008	Additions during the Year	Deductions/ Adjustments	As at 31.03.2009	Upto 31.03.2008	For the Year Ended 31.03.2009	Deductions Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
NATURE OF ASSETS									
OWNED TANGIBLE ASSETS									
FREEHOLD LAND	-	11	-	11	-	-	-	11	-
PLANT & MACHINERY	767	-	-	767	168	83	-	516	599
FURNITURE AND FIXTURES	4,983	517	504	4,996	2,806	375	170	1,985	2,177
ELECTRICAL FITTINGS	2,920	180	267	2,833	1,253	233	122	1,364	1,667
DATA PROCESSING EQUIPMENT	8,534	1,052	146	9,440	6,622	952	116	7,458	1,912
OFFICE EQUIPMENT	5,486	309	160	5,635	2,487	433	60	2,860	2,999
GROUND SUPPORT EQUIPMENT	6,957	367	120	7,204	3,633	502	63	4,072	3,324
VEHICLES	1,237	99	55	1,281	671	152	37	786	566
GROUND SUPPORT VEHICLES	8,672	484	191	8,965	5,291	1,091	142	2,725	3,381
SIMULATORS	21,620	567	-	22,187	5,792	2,596	-	13,799	15,828
LEASED ASSETS									
LEASEHOLD LAND	185,253	5,882	-	191,135	753	2,320	-	188,062	184,500
AIRCRAFT & SPARE ENGINE (Narrow Body)	534,901	42,576	79,785	497,692	186,667	25,170	91,858	377,713	348,234
AIRCRAFT & SPARE ENGINE (Wide Body)	844,196	337,140	88,984	1,092,352	24,649	54,563	458	1,013,598	819,547
IMPROVEMENT ON LEASED AIRCRAFT	15,535	1,800	2,237	15,098	5,553	2,629	2,237	5,945	9,982
IMPROVEMENT ON LEASED PROPERTY	4,468	-	-	4,468	2,048	703	-	1,717	2,420
INTANGIBLE ASSETS									
(Other than internally generated)									
SOFTWARE	3,779	1,311	3	5,087	2,308	1,013	3	1,769	1,471
LANDING RIGHTS	14,411	-	2,210	12,201	4,052	1,813	255	6,591	10,359
TRADEMARKS	3,146	-	-	3,146	842	314	-	1,156	2,304
TOTAL	1,666,865	392,295	174,662	1,884,498	255,595	94,942	95,521	1,629,482	1,411,270
PREVIOUS YEAR	392,102	1,376,516	101,753	1,666,865	244,215	81,743	70,363	1,411,270	
CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCES								65,709	130,259

NOTE :

- 1) All the Aircraft are acquired on Hire-purchase / Finance Lease basis. Such Aircraft are charged by the Hirers / Lessors against the financing arrangements obtained by them.
- 2) Additions to Leasehold land/Aircraft/simulators/CWIP during the year include Rs. 215,556 lac [Net] (Previous Year net of Rs. 15 lac) on account of exchange Loss / (-) Gain during the year and opening exchange difference (Refer Note 7 of Schedule 5)
- 3) (a) Leasehold Land was revalued on 31st March, 2008 with reference to current market prices; amount added on revaluation is Rs. 148,119 lac; the revalued amount substituted for historical cost on 31st March, 2008 was Rs. 184,500 lac.  
(b) Narrow Body Aircraft were revalued on 31st March, 2008 with reference to current market prices; amount added on revaluation was Rs.118,133 lac; the revalued amount substituted for book value on 31st March, 2008 is Rs.346,396 lac. Adjustment to Gross Block of Narrow Body Aircraft during the year included reversal of Rs. 79,027 lac from revaluation reserve on account of change in method of depreciation for Narrow Body Aircraft from WDV to SLM.  
(c) Deduction from Accumulated Depreciation of Narrow Body Aircraft during the year includes Rs. 91,587 lac on account of change in method of depreciation for Narrow Body Aircraft from WDV to SLM.
- 4) Useful life of Intangible Assets :  
Software - Upto 3 years  
Landing Rights - Upto 20 years  
Trademarks - 10 years





## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

				As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE F : INVESTMENTS</b>					
<b>Unquoted</b>					
<b>I. Long Term Investments - (At Cost)</b>					
Trade Investments					
18 Shares (Previous Year -18 Shares) held with Societe Internationale de Telecommunications Aeronautiques (S.I.T.A S.C) * [Rs.2/- (Previous Year Rs.2/-)]				*	*
<b>NOTES :</b>					
(a) These investments have been received free of cost from SITA SC for participation in their Computer Reservation System and have been accounted at a nominal value of Rs.2/- (Previous Year Rs.2/-) by crediting equivalent amount to Capital Reserve.					
(b) The transfer of this investment is restricted to other Depository Certificate holders for e.g. Air Transport members, etc.					
<b>Unquoted</b>					
<b>II. Current Investments - Others</b>					
Investments in Mutual Funds - (Debt Schemes)					
Schemes	As at 31 <sup>st</sup> March, 2009 No. of Units	As at 31 <sup>st</sup> March, 2008 No. of Units	Face Value / Unit	<b>10,000</b>	
<b>Liquid Plan</b>					
SBI - Magnum Insta Cash Fund - Cash Option	50,908,980	-	Rs. 10.00		
Prudential ICICI Mutual Fund **(Rupees 6,842/-)	-	535	Rs. 10.00		
Barclays Global Investors Mutual Fund	-	1,134	€ 1.00		
- Euro **** (Rupees 1,134/-)	-	1,295,961	£ 1.00		
- GBP	-				
<b>Market Value</b>	<b>As at 31<sup>st</sup> March, 2009 Rs. in lac</b>	<b>As at 31<sup>st</sup> March, 2008 Rs. in lac</b>			
<b>Liquid Plan</b>					
SBI - Magnum Insta Cash Fund - Cash Option	10,002	-			
Prudential ICICI Mutual Fund (*** Rupees 7,070/-)	-	***			
Barclays Global Investors Mutual Fund	-	1,035			
	<b>10,002</b>	<b>1,035</b>			
Note : The market price is based on the repurchase price declared by the respective funds					
<b>Total</b>				<b>10,000</b>	<b>1,035</b>



## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE G : INVENTORIES (At Lower of Cost or Net Realisable Value)</b>			
i) Rotables, Consumable stores and tools	80,906		68,071
Less :Provision for Obsolescence / Slow & Non-Moving items (Refer Note I (N) of Schedule S)	16,088		12,662
		64,818	55,409
ii) Fuel		182	454
iii) Other Stores Items	4,664		4,610
Less :Provision for Slow & Non-Moving items (Refer Note I (N) of Schedule S)	33		33
		4,631	4,577
<b>Total</b>		<b>69,631</b>	<b>60,440</b>
<b>SCHEDULE H : SUNDRY DEBTORS (Unsecured)</b>			
a) Debts (Outstanding for a period exceeding six months)	11,272		5,269
b) Other Debts	78,676		139,802
	89,948		145,071
Less : Provision for Doubtful Debts	9,195		5,175
		80,753	139,896
<b>NOTE :</b>			
	<b>As at March 31, 2009</b>	<b>As at March 31, 2008</b>	
1) Considered good	80,753	139,896	
Considered doubtful	9,195	5,175	
	<b>89,948</b>	<b>145,071</b>	
2) Debtors include Rs. 5,545 lac (Previous Year Rs. 88 lac) due from private company in which the company's director is a director / member.			
<b>Total</b>		<b>80,753</b>	<b>139,896</b>



## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE I :</b>			
<b>CASH AND BANK BALANCES</b>			
Cash on hand [includes cheques on hand Rs.61 lac (Previous Year Rs.60 lac) and Traveller Cheques Rs. Nil (Previous Year Rs.4 lac)]		117	195
Balance with Scheduled banks :			
a) In Current Account		17,531	3,867
b) In Fixed Deposit Account [(Including interest accrued of Rs.2,238 lac (Previous Year Rs.734 lac ) and margin deposit Rs.105,421 lac (Previous Year Rs.14,726 lac )]		116,072	87,107
		<b>133,720</b>	<b>91,169</b>
Balance with other banks :			
In Current Account			
a) Citibank N.A, Johannesburg South Africa Maximum balance outstanding during the Year Rs.8 lac (Previous Year Rs.77 lac)	14		18
b) Barclays Business Premium GBP Account, UK Maximum balance outstanding during the Year Rs.4,134 lac (Previous Year Rs.4,947 lac)	45		37
c) Barclays Bank - PLC - USD, UK Maximum balance outstanding during the Year Rs.9,989 lac (Previous Year Rs.103,934 lac)	-		446
d) HSBC CCF - Euro- Paris Maximum balance outstanding during the Year Rs.1,248 lac (Previous Year Rs.582 lac)	62		6
e) Deutsche Bank AG - Euro - Frankfurt Maximum balance outstanding during the Year Rs.779 lac (Previous Year Rs.616 lac)	109		510
f) Barclays Bank - PLC - GBP, UK Maximum balance outstanding during the year Rs.38 lac (Previous Year Rs.802 lac)	4		19
g) DBS Bank Ltd - SGD - Singapore Maximum balance outstanding during the Year Rs.2,208 lac (Previous Year Rs.1,004 lac)	543		1,004
h) HSBC Bank - Brussels Maximum balance outstanding during the Year Rs.1,363 lac (Previous Year Rs.955 lac)	74		307
i) Barclays GBP Interest Account, UK Maximum balance outstanding during the year Rs.472 lac (Previous Year Rs.274 lac)	-		274
j) Barclays Bank - PLC - Euro Account, UK Maximum balance outstanding during the year Rs.1,064 lac (Previous Year Rs.771 lac)	28		208
k) JP Morgan Chase Bank-EWR-USD Maximum balance outstanding during the Year Rs.121 lac (Previous Year Rs.1,594 lac)	-		8



## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
l) HSBC Bank Ltd. Shanghai Maximum balance outstanding during the Year Rs.2,219 lac (Previous Year N.A.)	49		-
m) HSBC Bank Ltd. - Disbursement Account - Dhaka Maximum balance outstanding during the Year Rs.58 lac (Previous Year N.A.)	58		-
n) ICICI Bank UK Ltd., UK Maximum balance outstanding during the Year Rs.890 lac (Previous Year Rs.2,990 lac)	41		37
o) JP Morgan Chase Bank—Collection -Toronto Maximum balance outstanding during the Year Rs.1,637 lac (Previous Year Rs.1,614 lac)	183		483
p) HSBC Bank Ltd. - Current Account -Dhaka Maximum balance outstanding during the Year Rs.4,183 lac (Previous Year Rs.256 lac)	1,423		256
q) HSBC Bank Ltd. Bangkok Maximum balance outstanding during the Year Rs.946 lac (Previous Year Rs.658 lac)	269		615
r) Punjab National Bank - Hong Kong Maximum balance outstanding during the Year Rs.9,190 lac (Previous Year N.A)	9,190		-
s) HSBC Bank Ltd. -Collection - Hongkong Maximum balance outstanding during the Year Rs.934 lac (Previous Year Rs.50 lac)	354		28
t) HSBC Bank Ltd - Disbursement - Hongkong Maximum balance outstanding during the Year Rs.28 lac (Previous Year Rs.8 lac)	16		8
u) Bank of America - USD A/c, USA Maximum balance outstanding during the Year Rs.936 lac (Previous Year Rs.244 lac)	302		136
v) ING Brussels Maximum balance outstanding during the Year Rs.1,607 lac (Previous Year Rs.811 lac)	136		268
		12,900	4,668
<b>Total</b>		<b>146,620</b>	<b>95,837</b>



## Schedules to the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2009

	Rs. in lac	As at 31 <sup>st</sup> March, 2009 Rs. in lac	As at 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE J : LOANS AND ADVANCES</b>			
(Unsecured unless otherwise stated and Considered Good)			
Advances Recoverable in Cash or in kind or for value to be Received			
- Considered Good	88,972		85,899
- Considered Doubtful	705		705
	<u>89,677</u>		<u>86,604</u>
Less : Provision for Doubtful Advances	705		705
	<u>88,972</u>	88,972	85,899
Deposits with Airport Authorities & others			
- Considered Good	17,821		14,482
- Considered Doubtful	92		92
	<u>17,913</u>		<u>14,574</u>
Less : Provision for Doubtful Advances	92		92
	<u>17,821</u>	17,821	14,482
Balances with Customs Authorities		1	1
Advance Tax & Tax deducted at Source (Net of Provisions)		25,631	18,361
MAT Credit Entitlement		-	468
<b>Total</b>		<u>132,425</u>	<u>119,211</u>
Note : Deposits & Advances include Rs.3,385 lac (Previous Year Rs.3,302 lac) amount placed with private limited companies in which the company's director is a director / member.			
<b>SCHEDULE K : CURRENT LIABILITIES</b>			
Sundry Creditors			
Outstanding dues to Micro and Small Enterprises	113		32
Others	<u>177,247</u>		<u>203,512</u>
		177,360	203,544
Other Current Liabilities		127,364	108,664
Interest Accrued but not due on loans		3,954	4,483
Forward Sales (net) (Passenger/Cargo)		74,581	103,594
Balance with Banks - overdrawn as per books		5,896	9,750
Unclaimed Dividend		13	13
Unclaimed Share Application Money		3	3
<b>Total</b>		<u>389,171</u>	<u>430,051</u>
<b>SCHEDULE L : PROVISIONS</b>			
Wealth Tax		14	13
Gratuity		4,757	5,200
Leave Encashment \ Compensated Absences		3,556	4,511
Others (Refer Note 19 of Schedule S)		13,754	12,525
<b>Total</b>		<u>22,081</u>	<u>22,249</u>



## Schedules to the Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009

	Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE M : OPERATING REVENUE</b>			
Passenger	1,170,934		942,747
Less: Service Tax	6,240		4,716
		1,164,694	938,031
Excess Baggage		3,849	2,868
Cargo	100,606		70,536
Less: Service Tax	3,555		3,584
		97,051	66,952
Export Incentives (Net)		-	4,000
Other Revenue		42,196	12,704
<b>Total</b>		<b>1,307,790</b>	<b>1,024,555</b>
<b>SCHEDULE N : NON-OPERATING REVENUE</b>			
Interest on Bank & Other Deposits [Tax Deducted at Source Rs.805 lac (Previous Year Rs.645 lac)]		4,063	3,729
Exchange difference (Net)		-	27,765
Profit on Sale and Lease back of Aircraft		15,730	31,484
Profit on Sale of Other Fixed Assets		2,088	-
Profit on Sale of Current Investments		236	462
Dividend on Current Investments		193	467
Provision for aircraft maintenance no longer required written back		2,706	2,905
Provision for Doubtful Debts no longer required written back		-	129
Other excess Provision written back		4,628	105
Other Income [including Interest on Income Tax Refund of Rs.Nil (Previous Year Rs.246 lac)]		7,452	7,471
<b>Total</b>		<b>37,096</b>	<b>74,517</b>
<b>SCHEDULE O : EMPLOYEES REMUNERATION AND BENEFITS</b>			
(Includes Managerial Remuneration - Refer Note 12 of Schedule S )			
Salaries, Wages, Bonus & Allowances		149,820	124,471
Contribution to Provident Fund & ESIC		3,968	3,094
Provision for Gratuity		9	1,407
Provision for Leave Encashment		9	2,357
Staff Welfare Expenses (Net)		4,620	7,553
<b>Total</b>		<b>158,426</b>	<b>138,882</b>



## Schedules to the Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009

	Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2009 Rs. in lac	For the Year ended 31 <sup>st</sup> March, 2008 Rs. in lac
<b>SCHEDULE P : SELLING &amp; DISTRIBUTION EXPENSES</b>			
Computerised Reservation System Cost		32,837	27,099
Commission		81,315	72,209
Others (Net)		6,251	12,064
<b>Total</b>		<b>120,403</b>	<b>111,372</b>
<b>SCHEDULE Q : OTHER OPERATING EXPENSES</b>			
Aircraft Variable Rentals		36,060	27,284
Aircraft Insurance & Other Insurance		8,639	7,998
Landing, Navigation & Other Airport Charges		116,973	81,458
Aircraft Maintenance (including Customs Duty and Freight, where applicable)			
Freight, where applicable)			
Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul (Net)	71,502		52,877
Lease of Aircraft Spares including Engine	9,422		8,002
Consumption of Stores & Spares (Net) [including items scrapped / written off Rs.1,801 lac (Prior Period Rs.3,367 lac)]	10,886		6,798
Provision for Spares Obsolescence	3,739		3,011
		95,549	70,688
Inflight & Other Pax Amenities [including provision for Slow & Non-Moving inventory amounting to Rs.Nil (Previous Year Rs.33 lac)]		64,883	52,226
Communication Cost		6,525	5,771
Travelling & Subsistence		27,665	23,517
Rent		10,456	6,567
Rates & Taxes		175	111
Repairs & Maintenance			
- Leased Premises	620		279
- Others	3,755		3,422
		4,375	3,701
Electricity		2,241	1,656
Director's Sitting Fees		16	15
Provision for Bad & Doubtful Debts		4,020	913
Bad Debts Written off		169	1,556
Exchange difference (Net) [Refer Note 7 of Schedule S]		20,305	-
Loss on scrapping of Aircraft Parts		337	120
Loss on scrapping of Fixed Asset Other than Aircraft (Net)		478	130
Miscellaneous Expenses (Including Professional Fees, Audit Fees, Printing & Stationery, Cargo Handling, Bank Charges etc.)		26,322	17,732
<b>Total</b>		<b>425,188</b>	<b>301,443</b>
<b>SCHEDULE R : INTEREST AND FINANCE CHARGES</b>			
- On Fixed Loan	86,266		51,783
- Others	988		14,715
	87,254		66,498
Less : Capitalised during the Year	7,029		14,251
<b>Total</b>		<b>80,225</b>	<b>52,247</b>



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts

### SCHEDULE 'S': SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The accompanying consolidated financial statements of Jet Airways (India) Limited ("the Holding Company") and its wholly owned subsidiary viz. Jet Lite (India) Limited (together "the Company / Group") are prepared under the historical cost convention, except certain Fixed Assets which are revalued, in accordance with the generally accepted accounting principles applicable in India, the provisions of the Companies Act, 1956 and the applicable accounting standards, to the extent possible in the same format as that adopted by the Holding Company for its separate financial statements.

The financial statements of Subsidiary used in the consolidation are drawn upto the same reporting date as that of the Holding Company, viz. 31<sup>st</sup> March, 2009.

##### B. PRINCIPLES OF CONSOLIDATION:

- (i) The financial statements of the Holding Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and the unrealised profits / losses.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.
- (iii) The excess of cost of investment in the Subsidiary Company over the Holding Company's portion of the equity of the Subsidiary Company at the date of investment made is recognized in the financial statements as Goodwill.

##### C. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised.

##### D. REVENUE RECOGNITION:

Passenger and Cargo income is recognised on flown basis, i.e. when the service is rendered.

The sale of tickets / airway bills (sales net of refunds) are initially credited to the "Forward Sales Account". Income recognised as indicated above is reduced from the Forward Sales Account and the balance net of commission and discount thereon is shown under Current Liabilities.

The unutilized balances in Forward Sales Account are recognized as income based on historical statistics, data and management estimates and considering Company's refund policy.

Lease income on the aircraft given on operating lease is recognized in the Profit and Loss account on an accrual basis over the period of lease.

##### E. EXPORT INCENTIVE:

Export incentive available under prevalent scheme is accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization of such duty credit.

##### F. COMMISSION:

As in the case of revenue, the commission paid / payable on sales including any over-riding commission is recognised only on flown basis.





## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### G. EMPLOYEE BENEFITS:

- a) **Defined Contribution plan:** Company's contribution paid / payable for the year to defined contribution schemes are charged to Profit and Loss Account.
- b) **Defined Benefit and Other Long Term Benefit plan:** Company's liabilities towards defined benefit plans and other long term benefit plans are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss account in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent of benefits are vested, otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The employee benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

c) **Short Term Employee Benefits:**

Short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

### H. FIXED ASSETS:

a) **TANGIBLE ASSETS:**

Owned tangible fixed assets are stated at cost and includes amount added on revaluation less accumulated depreciation and impairment loss, if any. All costs relating to acquisition and installation of fixed assets upto the time the assets get ready for their intended use are capitalised.

The cost of improvements to Leased Properties as well as customs duty / modification cost incurred on aircraft taken on operating lease have been capitalised and disclosed appropriately.

Capital Work in progress comprises advances paid to acquire fixed assets and the cost of fixed assets not ready for their intended use as at the reporting date of the financial statements.

b) **INTANGIBLE ASSETS:**

Intangible assets are recognized only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

c) **ASSETS TAKEN ON LEASE:**

1. **Operating Lease:** Rentals are expensed with reference to the Lease Term and other considerations.
2. **Finance Lease / Hire Purchase:** The lower of the fair value of the assets and the present value of the minimum lease rentals is capitalised as Fixed Assets with corresponding amount shown as Lease Liability (Outstanding Hire Purchase / Finance Lease Instalments). The principal component of the lease rentals is adjusted against the leased liability and interest component is charged to the Profit and Loss Account.

### I. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts(contd.)

### J. DEPRECIATION / AMORTISATION:

- a) Depreciation on tangible fixed assets has been provided at the rates and in the manner prescribed under the schedule XIV to the Companies Act, 1956 on Written Down Value method, other than Narrow and Wide Body aircraft which are depreciated on Straight Line method and expenditure incurred on improvements of assets acquired on operating lease are written off evenly over the balance period of the lease. Premium on leasehold land is amortised over the period of lease.
- b) On revalued assets, depreciation is charged over the residual life and the additional charge of depreciation is withdrawn from the Revaluation Reserve.
- c) Intangible assets are amortised on straight line basis as follows.
  1. Landing Rights acquired are amortised over a period not exceeding 20 years. Amortisation period exceeding 10 years is applied considering industry experience and expected asset usage.
  2. Trademarks are amortised over 10 years.
  3. Computer Software is amortised over a period not exceeding 36 months.

### K. INVESTMENTS:

Current Investments are carried at lower of cost and quoted / fair value. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

### L. BORROWING COSTS:

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

### M. FOREIGN CURRENCY TRANSACTIONS / TRANSLATION:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates.

In case of holding company the exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognized as income or expense, as the case may be. Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the balance term of the long term monetary item or 31<sup>st</sup> March, 2011 whichever is earlier.

In case of subsidiary company the exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year including those relating to long term foreign currency monetary items is recognised as income or expense, as the case may be.

In case of forward exchange contracts entered into to hedge the foreign currency exposure in respect of monetary items, the difference between the exchange rate on the date of such contracts and the year end rate is recognized in the Profit and Loss Account. Any profit/loss arising on cancellation of forward exchange contract is recognized as income or expense of the year. Premium/discount arising on such forward exchange contracts is amortised as income/expense over the life of contract.

### N. INVENTORIES:

Inventories are valued at cost or Net Realisable Value (NRV) whichever is lower. Cost of inventories comprises of all costs of purchase and other incidental cost incurred in bringing them to present location and condition. Cost is determined using the Weighted Average formula. In respect of reusable items such as rotables, galley equipment and tooling etc., NRV takes into consideration provision for obsolescence and wear and tear based on the estimated useful life of the aircraft derived from Schedule XIV of the Companies Act, 1956 and also provisioning for non – moving / slow moving items.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### O. AIRCRAFT MAINTENANCE AND REPAIRS COST:

Aircraft Maintenance, Auxiliary Power Unit (APU) and Engine maintenance and repair costs are expensed as incurred except where such overhaul cost in respect of Engines / APU are covered by third party maintenance agreement and these are accounted in accordance therewith.

### P. TAXES:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable / virtual certainty, as the case may be, that the asset will be realised in future.

Fringe Benefit Tax is recognized in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance note on Fringe Benefit Tax issued by the Institute of Chartered Accountants of India (ICAI).

### Q. SHARE ISSUE EXPENSES:

Issue Expenses are adjusted against the Share Premium Account.

### R. SALE AND LEASE BACK TRANSACTION:

Profit or loss on sale and lease back arrangements resulting in operating leases are recognized, in case the transaction is established at fair value, else the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

### S. ACCOUNTING FOR DERIVATIVE INSTRUMENTS:

Interest Rate Swaps, Currency Option, Currency Swaps and other products, in the nature of firm commitment and highly probable forecast transactions, entered into by the Company for hedging the risks of foreign currency exposure (including interest rate risk) are accounted based on the principles of prudence as enunciated in Accounting Standard 1(AS 1) "Disclosure of Accounting Policies".

### T. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## II. NOTES TO ACCOUNTS:

1. a) The consolidated financial statements present the consolidated accounts of Jet Airways (India) Limited with the following subsidiary:

Name of the Subsidiary Company	Country of Incorporation	Extent of Holding as on 31st March, 2009
Jet Lite (India) Limited	India	100%

- b) The Subsidiary Company has investment in a Joint Venture viz. "Sahara States – Bhopal", for joint development of housing projects. Since the said investment in joint venture as per the Share Purchase Agreement (SPA) is a part of assets held in trust, the Company has not made any adjustment in respect of its share of assets, liabilities and income and expenses of the said joint venture.

2. Estimated amount of Contracts remaining to be executed on capital account net of advances, not provided for:

Tangible Assets	Rs.1,618,788 lac(Previous Year Rs.1,524,624 lac)
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## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### 3. CONTINGENT LIABILITY:

- a) Unprovided Income Tax demands which are under appeals and Others Rs.103,570 lac (Previous Year Rs.49,838 lac).
- b) Unprovided Service Tax demands which are under appeals and Others Rs.78,674 lac (Previous Year Rs.109 lac).
- c) Unprovided Sales Tax demands which are under appeals Rs.6 lac (Previous Year Rs.6 lac) and the same has been deposited with the authorities.
- d) Unprovided claims against the Company, pending Civil and Consumer suits of Rs.5,149 lac (Previous Year Rs.3,187 lac).
- e) Unprovided Inland Air Travel Tax demands which are under appeal Rs.473 lac (Previous Year Rs.473 lac) against which the amount of Rs.117 lac (Previous Year Rs.117 lac) is deposited with the Authorities.
- f) Unprovided claims for Octroi amounts to Rs.2,899 lac (Previous Year Rs.2,899 lac).
- g) Disputed claims against the company towards Ground Handling charges amount to Rs.5,477 lac. (Previous Year Rs.4,564 lac).
- h) Letters of Credit outstanding are Rs.86,780 lac (Previous Year Rs.63,191 lac) and Bank Guarantees outstanding are Rs.95,134 lac (Previous Year Rs.51,892 lac).
- i) Claims against the Company not acknowledged as debt Rs.63,708 lac (Previous Year Rs.3,708 lac) (Includes claim filed by erstwhile selling shareholders of Sahara Airlines Limited – Refer note no. 10 (i) for details).

The Company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows.

4. Aircraft Lease Rentals are stated net of sub-lease rentals of Rs.194 lac (Previous Year Rs.1,229 lac).
5. In case of Holding Company depreciation on Narrow Body Aircraft was hitherto provided on Written Down Value Method. Based on the usage of such Aircraft, the industry practice followed in domestic and international markets, the Company, in order to reflect a more appropriate preparation / presentation of financial statements, has changed the method of depreciation on such Aircraft to Straight Line Method w.e.f. 1st April, 2008 and the surplus arising from retrospective computation aggregating Rs.91,587 lac (excluding adjustment to revaluation reserve) has been accounted and disclosed under Exceptional Item. Consequently, charge on account of depreciation for the year ended 31st March, 2009 is lower by Rs.12,997 lac.
6. In case of Holding Company, pursuant to the clarification by CBEC Vide Circular No. File No. 137/72/2008-CX.4 dated 21-11-2008 that the accumulated CENVAT credit upto 31<sup>st</sup> March 2008 can be utilized by the Company for payment of future output service tax without any restriction of time line. The Company has accordingly recognized such CENVAT credit available for utilization as on 1<sup>st</sup> April, 2008 amounting to Rs.34,993 lac and has been disclosed as an exceptional item. The Holding Company has partially utilized the said balance during the year for discharging its output service tax liability.
7. a) In line with the notification dated 31<sup>st</sup> March, 2009 issued by The Ministry of Corporate Affairs, amending Accounting Standard AS11 –‘Effects of Changes in Foreign Exchange Rates’, the Holding Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification.

Accordingly, with retrospective effect from 1<sup>st</sup> April, 2007, the Holding Company has adjusted the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets, to the carrying cost of fixed assets, which was hitherto recognized as income/expense to the profit and loss account.

Arising from the accounting prescribed in the above said notification, the Holding Company has-

- (i) charged first to the opening General Reserve of Rs.8,675 lac and the balance to the opening balance of profit and loss account of Rs.6,801 lac aggregating Rs.15,476 lac (Net of Deferred Tax Rs.7,969 lac) which was recognised as exchange gain in the Profit and Loss account in previous financial year ended 31st March, 2008.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

- (ii) added to fixed assets Rs.22,721 lac and to capital work-in-progress Rs.724 lac being the exchange differences on long term monetary items relatable to the acquisition of fixed assets.

As a result of the above change in Accounting Policy the net loss before tax for the year is lower by Rs.239,001 lac.

- b) The subsidiary company, however, has not exercised the option given under paragraph 46 of AS 11 and, accordingly, exchange loss on long term loans(for working capital) amounting to Rs.8,056 lac has been charged off to profit and loss account.Loans to which such treatment has been adopted,aggregate Rs.38,547 lac out of the total long term loans of Rs.11,22,985 lac.
8. Prior Period Expenses included in the determination of the net profit are towards Employee Remuneration and Benefits and Other Operating Expenses Rs. Nil [Previous Year Rs.33 lac (net of Prior Period Income Rs.1 lac)].

### 9. Disclosure on Derivatives

- a) The Holding Company has entered into various derivative contracts viz. interest rate swaps (IRS), currency options, currency swaps, etc. in order to hedge and manage its foreign currency exposures towards future export receivables and foreign currency borrowings. Such derivative contracts which are in the nature of firm commitments and highly probable forecast transactions are entered into by the Company for hedging purposes only and does not use the same for trading or speculation purposes.

Nominal amounts of derivatives contracts entered into by the Holding Company and outstanding as on 31<sup>st</sup> March, 2009 amount of Rs.165,638 lac (Previous Year Rs.247,453 lac) The category-wise break-up thereof is as under:

Particulars	2008-09		2007-08	
	No. of Contracts	Amount (Rs. in lac)	No. of Contracts	Amount (Rs. in lac)
Interest Rate Swaps	3	120,206	5	73,801
Currency Options	1	18,259	9	107,993
IRS cum Currency Options	-	-	1	41,031
Currency Swaps	1	12,173	1	9,628
IRS cum Currency Swaps	2	15,000	2	15,000

The Holding Company, during the year based on the announcement of The Institute of Chartered Accountants of India "Accounting for Derivatives" along with the principles of prudence as enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Policies" has accounted for outstanding derivative contracts at fair values as at the balance sheet date.

On that basis, the fair value of the derivative instruments as at 31<sup>st</sup> March, 2009 aggregating to Rs.10,073 lac (Previous Year Rs.6,945 lac) has been debited to the Profit and Loss Account and disclosed as exceptional item in the current year. The charge on account of derivative losses has been computed on the basis of Marked to Market (MTM) values based on the confirmations from the counter parties.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

- b) The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31<sup>st</sup> March, 2009 are as follows:

Particulars	INR Equivalent (Rs. in lac)	USD Equivalent (USD in lac)
Current Assets	<b>82,664</b> (87,858)	<b>1,630</b> (2,190)
Current Liabilities	<b>99,496</b> (118,724)	<b>1,962</b> (2,959)
Interest accrued but not due on Loans	<b>3,745</b> (3,521)	<b>74</b> (88)
Long Term Loans for purchase of Aircraft*	<b>904,823</b> (827,763)	<b>17,840</b> (20,632)
Loans for Pre Delivery Payment**	<b>Nil</b> (47,081)	<b>Nil</b> (1,174)
Other Loans payable	<b>41,150</b> (44,981)	<b>811</b> (1,121)

(Figures in brackets indicate 31 March, 2008 figures)

\* Includes Loans payable after 5 years Rs. 585,847 lac (Previous Year Rs.506,863 lac).

\* \* Loans to be returned on delivery of aircraft in Foreign Currency.

10. (i) During the previous year, the Holding Company acquired 100% shares of Sahara Airlines Limited (SAL) (Now known as Jet Lite (India) Limited) as per Share Purchase agreement with erstwhile shareholders of SAL ("Selling Shareholders") and 'Consent Terms and Consent Award' for a lump-sum price of Rs.146,500 lac, out of which, Rs.91,500 lac was paid on or before the acquisition date. The balance Rs.55,000 lac was payable in four interest free annual equal installments commencing on or before 30<sup>th</sup> March, 2008. Out of Rs.55,000 lac, two annual installments aggregating Rs.18,792 lac have been paid after deducting Rs.8,708 lac, which the Holding Company had paid to income tax department in respect of demands on SAL for periods prior to the execution of the Share Purchase Agreement.

Balance installments payable of Rs.27,500 lac as on 31<sup>st</sup> March, 2009 have been disclosed under the separate head "Deferred payment towards acquisition of wholly owned subsidiary company".

Aggrieved by such deduction from installment due under the Consent Terms and Consent Award dated 12th April 2007, Selling Shareholders on 30<sup>th</sup> March 2009 filed an Execution Application for recovery of an amount of Rs. 99,958 lac. The claim by Selling Shareholders of Rs.99,958 lac includes acceleration of three installments each of Rs.13,750 lac plus deduction of Rs.3,708 lac made from 1<sup>st</sup> installment paid in March 2008 and demanding further Rs.55,000 lac towards increase in lump-sum purchase consideration for the breach of the Consent Terms in payment of installments by the Holding Company after deducting tax dues of earlier years of SAL.

- (ii) The proceedings adopted by SAL are being resisted by the Holding Company. Further, Jet Airways (India) Limited (Holding Company) has taken execution proceedings against Selling Shareholders to recover amounts aggregating Rs.82,102 lac (net of Rs.8,708 lac deducted in (i) above) due to it pursuant to Selling Shareholders' obligation to indemnify the Holding Company for income tax demands raised on Jet Lite for the assessment years prior to the Effective Date of the Share Purchase Agreement/ Consent Terms and Consent Award by which SAL shares were acquired. In terms of the undertaking given by the Holding Company to the Honorable High Court, the Holding Company will not create any further encumbrance, alienate or transfer their movable and immovable assets and properties in any manner, without the consent of the court. The matter is subjudice at Honorable High Court of Bombay.

The management, at this stage is confident that no loss will arise for which a provision is currently necessary.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### 11. EMPLOYEE BENEFITS

#### a) Defined Contribution plan

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF) for qualifying employees.

The Company recognised Rs.3,858 lac (Previous Year Rs.2,925 lac) for provident fund contributions in the Profit and Loss Account.

#### b) Defined Benefit plans

The Company provides the annual contributions as a non-funded defined benefit plan for qualifying employees. The gratuity scheme provides for payment to vested employees as under:

i) On Normal retirement / early retirement / withdrawal / resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death while in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out at 31<sup>st</sup> March, 2009 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2009.

Amount (Rs. in lac)

Sr. No	Particulars	Gratuity (Non-Funded) As on 31.03.2009	Gratuity (Non-Funded)) As on 31.03.2008
<b>I)</b>	<b>Reconciliation of defined benefit obligation (DBO) :</b>		
	DBO at the beginning of the year	5,200	3,987
	Current Service Cost	1,007	636
	Interest Cost	416	319
	Actuarial (gain) / losses	(1,593)	452
	Benefits paid	(273)	(194)
	DBO at end of the year (Net liability recognized in the Balance sheet)	4,757	5,200
<b>II)</b>	<b>Net cost for the year ended 31<sup>st</sup> March, 2009 :</b>		
	Current Service cost	1,007	636
	Interest cost	416	319
	Actuarial (gain) / losses	(1,593)	452
	Net cost	(170)	1,407
<b>III)</b>	<b>Assumption used in accounting for the gratuity plan:</b>		
	Discount rate (%)	7.75 %	8.00 %
	Salary escalation rate (%)	5 %	7.50 %

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### c) Other Long Term Employee Benefits

The Leave Encashment (reversal)/ charge for the year ended 31<sup>st</sup> March, 2009, based on actuarial valuation carried out using the Projected Accrued Benefit Method, amounting to Rs. (159) lac (Previous Year Rs.2,357 lac) has been recognized in the Profit and Loss Account.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### 12. MANAGERIAL REMUNERATION:

Amount (Rs. in lac)

	Particulars	2008-09	2007-08
(i)	Salary and Allowances*	90	48
(ii)	Contribution to Provident Fund and Provision for Gratuity*	4	5
(iii)	Perquisites*	Nil	Nil
(iv)	Commission to Non-Executive Directors #	Nil	Nil
(v)	Sitting Fees #	16	15
	<b>Total</b>	<b>110</b>	<b>68</b>

\* Included under the head "Employees Remuneration and Benefits" (refer Schedule - O).

# Disclosed under the head "Other Operating Expense" (refer Schedule - Q).

#### Notes

- a) Consequent to loss during the year, remuneration paid to the Executive Director of the Holding Company is in excess of the limits specified in section 198 of the Companies Act, 1956 read with Schedule XIII of the said Act. The excess remuneration of Rs.42 lac for the current year (Previous Year Rs. Nil) is pending approval of the Central Government, in respect of which the Holding Company has made application.
  - b) The remuneration reported above excludes charge for gratuity fund and compensated absences since the same is ascertained on an aggregated basis for the Holding Company as a whole by way of actuarial valuation and separate values attributable to directors are not available.
13. a) The Airline Industry both domestic and global have been adversely affected by the general economic slowdown which has significantly impacted the performance and cash flows of the Group. This, coupled with the significant depreciation of the Indian Rupee, high fuel cost and lower load factors resulted in significant operating loss during the year and substantial erosion of the net worth. The Group is exploring various means of raising finances and restructuring of its debts/ contracts to overcome the funds requirements for meeting its various short term and long term obligations. The management is continuously implementing initiatives directed at improving operating profits through cost control, route rationalization, leasing out aircraft etc. The Group expects that such measures would result in improving operational efficiencies and cash flows and, accordingly, is of the view that presenting these financial statements on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business is appropriate.
- b) Further in view of the indications of a potential impairment as stated in (a) above management has estimated recoverable amount of its recognized assets including the goodwill on consolidation of Rs.187,239 lac. On the basis of this assessment, there is no impairment that needs to be recognized.

### 14. SEGMENT REPORTING:

#### a) Primary Segment: Geographical Segment

The Company, considering its higher level of international operations and present internal financial reporting based on geographic segment, has identified geographic segment as primary segment.

The geographic segment consists of:

- i) Domestic (air transportation within India)
- ii) International (air transportation outside India)





## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

Revenue and expenses directly attributable to segments are reported based on items that are individually identifiable to that segment, while the remainder of the expenses are categorized as unallocated which are mainly employee remuneration and benefits, other selling and distribution expenses, other operating expenses, aircraft lease rentals, depreciation / amortisation and interest, since these are not specifically allocable to specific segments as the underlying assets / services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to these revenue and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total revenues.

The Company believes that it is not practical to identify fixed assets used in the Company's business or liabilities contracted, to any of the reportable segments, as the fixed assets are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

Amount (Rs. in lac)

Particulars	Domestic	International	Total
Passenger and Cargo Revenue (Including Excess Baggage)	<b>672,874</b> (693,795)	<b>592,720</b> (314,056)	<b>1,265,594</b> (1,007,851)
Segment result	<b>193,890</b> (337,570)	<b>296,738</b> (118,877)	<b>490,628</b> (456,447)
Less: Un-allocable expenses			<b>708,901</b> (569,628)
Add: Un-allocable revenue			<b>195,799</b> (84,276)
(-)Loss before Interest and tax			<b>(-) 22,474</b> ((-) 28,905)
Less: Interest and Finance Charges			<b>80,225</b> (52,247)
<b>(-)Loss before tax</b>			<b>(-)102,699</b> ((-)81,152)
Less: (-) Tax Benefits			<b>(-)6,558</b> ((-)15,765)
<b>(-)Loss after tax</b>			<b>(-)96,141</b> ((-)65,387)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

### b) Secondary Segment: Business Segment

The Company is operating into a single business i.e. Air Transportation and as such all business activities revolve around this segment. Hence, there is no separate secondary segment to be reported considering the requirement of AS 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### 15. RELATED PARTY TRANSACTIONS:

As per Accounting Standard - 18 on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below:

#### (i) List of Related Parties with whom transactions have taken place and Relationships :

Sr. No.	Name of the related party	Nature of relationship
(1)	Tail Winds Limited	Holding Company
(2)	Naresh Goyal	Controlling Shareholder of Holding Company
(3)	Anita Goyal	Relative of controlling shareholder of Holding Company
(4)	Saroj K Datta	Key Managerial Personnel
(5)	Jetair Private Limited	Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence directly or indirectly.
(6)	Jet Airways LLC	
(7)	Trans Continental e Services Private Limited	
(8)	Jet Enterprises Private Limited	
(9)	Jet Airways of India Inc.	
(10)	India Jetairways Pty Limited	
(11)	Jet Airways Europe Services N.V.	
(12)	Jetair Tours Private Limited	

#### (ii) Transactions during the year ended 31<sup>st</sup> March, 2009 and balances with related parties :

- a) Remuneration includes remuneration to Mrs. Anita Goyal, relative of controlling shareholder of Holding Company Rs.156 lac (Previous Year Rs.146 lac) and to Mr. Saroj K. Datta, Key Managerial Personnel Rs.94 lac (Refer Note 12 of schedule S) (Previous Year Rs.53 lac).
- b) Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence:

Amount (Rs. in lac)

<b>Jetair Private Limited</b>	
Transactions During the Year :	
- Agency Commission	4,168 (5,328)
- Travelling Expenses	13 (16)
- Rent Paid (including Service Tax)	153 (157)
- Expenses Reimbursed (Staff Costs Communication Costs, Rent)	1,853 (1,570)
- Reimbursement (Received)	(-) 11 (-8)
- Rent Received	(-)68 (-61)
Closing Balance as on 31 March, 2009:	
- Deposits for Leased Premises	332 (343)
- Sundry Debtors	5,545 (88)
- Sundry Creditors	1 (953)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

Amount (Rs. in lac)

<b>Jet Airways LLC</b>	
Transactions During the Year :	
- Agency Commission	<b>8,746</b> (5,675)
- Reimbursement of Expenses (Staff Costs, Communication Costs, Rent)	<b>590</b> (76)
Closing Balance as on 31 March, 2009:	
- Sundry Creditors	<b>2,274</b> (1,406)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Trans Continental e Services Private Limited</b>	
Transactions During the Year :	
- Other Selling and Distribution Cost	<b>628</b> (1,852)
Closing Balance as on 31 March, 2009:	
- Other Deposit	<b>853</b> (225)
- Sundry Creditors	<b>Nil</b> (30)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Jet Enterprises Private Limited</b>	
Transactions During the Year :	
- Rent Paid (Including Service Tax)	<b>65</b> (60)
Closing Balance as on 31 March, 2009:	
- Deposits for Leased Premises	<b>2,200</b> (2,200)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Jet Airways of India Inc.</b>	
Transactions During the Year :	
- Agency Commission	<b>2,493</b> (1,683)
- Reimbursement of Expenses (Staff Costs, Communication Costs, Rent)	<b>1,852</b> (814)
Closing Balance as on 31 March, 2009:	
- Advances	<b>1,167</b> (Nil)
- Sundry Creditors	<b>107</b> (488)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

Amount (Rs. in lac)

<b>India Jetairways Pty Limited</b>	
Transactions During the Year :	
- Agency Commission	<b>17</b> (37)
Closing Balance as on 31 March, 2009:	
- Sundry Creditors	<b>Nil*</b> (5)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures) [\*Rs.42,028/-]

Amount (Rs. in lac)

<b>Jet Airways Europe Services N.V.</b>	
Transactions During the Year :	
- Reimbursement of Expenses (Staff Costs, Communication Costs, Rent)	<b>4,044</b> (1,381)
- Service Charges	<b>88</b> (24)
Closing Balance as on 31 March, 2009:	
- Sundry Creditors	<b>540</b> (577)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

Amount (Rs. in lac)

<b>Jetair Tours Pvt. Ltd.</b>	
Transactions During the Year :	
- Reimbursement of Expenses	<b>1</b> (Nil)

(Figures in brackets indicate 31<sup>st</sup> March, 2008 figures)

16. The Company has entered into Finance and Operating Lease agreements. As required under the Accounting Standard 19 on 'Leases', the future minimum lease payments on account of each type of lease are as follows: -

**a) Finance Leases / Hire Purchase**

Amount (Rs. in lac)

Particulars	Future Minimum Lease Payments As at 31 <sup>st</sup> March 2009	Present Value of Future Minimum Lease Payments As at 31 <sup>st</sup> March 2009	Finance Charges
<b>Aircraft</b>			
Less than 1 year	<b>142,399</b> (103,362)	<b>94,185</b> (69,438)	<b>48,214</b> (33,924)
Between 1 and 5 years	<b>579,018</b> (438,913)	<b>438,266</b> (326,992)	<b>140,752</b> (111,921)
More than 5 years	<b>664,583</b> (591,856)	<b>591,677</b> (525,787)	<b>72,906</b> (66,069)
<b>Grand Total</b>	<b>1,386,000</b> (1,134,131)	<b>1,124,128</b> (922,217)	<b>261,872</b> (211,914)

(Figures in bracket indicate 31<sup>st</sup> March, 2008 figures)

The salient features of a Hire Purchase / Finance Lease Agreement are:

- Option to purchase the aircraft either during the term of the Hire Purchase on payment of the outstanding Principal amount or at the end of the Hire Purchase term on payment of a nominal option price.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

- In the event of default, the Hirer / Lessee is responsible for payment of all costs of the Owner including the financing cost, and other associated costs. Further a right of repossession is available to the Owner / Lessor.
- The Hirer / Lessee is responsible for maintaining the aircraft as well as insuring the same.
- In the case of Finance Lease the property passes to the Lessee, on the payment of a nominal option price at the end of the term.

### b) Operating Leases

- i) The Holding Company has taken various residential / commercial premises and amenities under cancelable and non-cancelable operating leases. These lease agreements are normally renewed on expiry.

The future minimum lease payments in respect of non-cancelable period which, as at 31<sup>st</sup> March, 2009 are as follows:

Amount (Rs. in lac)	
Particulars	Total Lease Payments
<b>Commercial Premises and amenities</b>	
Less than 1 year	<b>562</b> (1,576)
Between 1 and 5 years	- (1,180)
<b>Grand Total</b>	<b>562</b> (2,756)

(Figures in bracket indicate 31<sup>st</sup> March, 2008 figures)

- ii) The Group has taken on operating lease aircraft and spare engines the future minimum lease payments in respect of which, as at 31<sup>st</sup> March, 2009 are as follows :

Amount (Rs. in lac)	
Particulars	Total Lease Payments
<b>Aircraft and Spare Engines</b>	
Less than 1 year	<b>124,424</b> (101,926)
Between 1 and 5 years	<b>326,364</b> (281,255)
More than 5 years	<b>106,038</b> (66,775)
<b>Grand Total</b>	<b>556,826</b> (449,956)

(Figures in bracket indicate 31<sup>st</sup> March, 2008 figures)

The Salient features of an Operating Lease agreement are:

- Monthly rentals paid in form of fixed and variable rental. Variable Lease Rentals are payable on a pre determined rate payable on the basis of actual flying hours. Additionally, the predetermined rates of Variable Rentals are subject to the annual escalation as stipulated in the respective leases.
- The Company neither has an option to buyback nor does it generally have an option to renew the leases.
- In case of delayed payments, penal charges are payable as stipulated.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

- In case of default, in addition to repossession of the aircraft, damages including liquidated damages as stipulated are payable.
  - The Lessee is responsible for maintaining the aircraft as well as insuring the same. The Lessee is eligible to claim reimbursement of costs as per the terms of the lease agreement.
  - The leases are non-cancelable.
- iii) The Holding Company has given six (6) aircraft on wet lease [Four (4) owned and Two (2) leased (Previous Year Nil)] and One (1) aircraft on dry sub-lease [(Previous Year : Two (2) sub lease)], the future minimum lease income in respect of non-cancelable period which, as at 31st March, 2009 is as follows:

Amount (Rs. in lac)

Particulars	Total Lease Income
<b>Aircraft</b>	
Less than 1 year	<b>(-)17,377</b> (-) 250)
Between 1 and 5 years	<b>Nil</b> (Nil)
More than 5 years	<b>Nil</b> (Nil)
<b>Grand Total</b>	<b>(-)17,377</b> (-)250)

(Figures in brackets indicates 31<sup>st</sup> March, 2008 figures)

The Salient features of Wet Lease agreement are:

- Operational control and maintenance of aircraft remains the responsibility of the Company. The aircraft remains on Indian registry and is operated with the Company's crew.
- Monthly rentals are received in form of fixed and variable rental. Variable Lease Rentals are receivable on a pre determined rate on the basis of additional flying hours.
- The wet leases are non-cancelable.

The Salient features of Dry Lease agreement are:

- In this leasing arrangement aircraft is leased without insurance and crew.
- Monthly rentals paid in form of fixed and variable rental. Variable Lease Rentals are payable on a pre determined rate payable on the basis of actual flying hours. Additionally, the predetermined rates of Variable Rentals are subject to the annual escalation as stipulated in the respective leases.
- The Lessee neither has an option to buyback nor does it generally have an option to renew the leases.
- The dry leases are non-cancelable.

Details of the owned aircraft given on non-cancelable wet lease are as under:

Amount (Rs. in lac)

Details of Leased Assets (Aircraft):	2008-09	2007-08
Cost of acquisition	<b>309,014</b>	-
Accumulated Depreciation	<b>23,748</b>	-

Depreciation of Rs.15,807 lac (Previous Year Nil) has been debited to Profit and Loss Account on the above leased assets.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

- iv) The lease rental expense recognised: Rs.1,14,652 lac (Previous Year Rs.87,420 lac). It includes Rs.5,977 lac (Previous Year Rs.3,597 lac) recognized as lease rental expenses on account of sale and lease back of aircraft.
- v) The Subsidiary Company has given assets on lease under operating lease on or after 01.04.2001 which is in the nature of 'Cancelable Lease'. The relevant information is as under:

Amount (Rs. in lac)

Details of Leased Assets (Vehicles):	2008-09	2007-08
Cost of acquisition	37	41
Accumulated Depreciation	13	11

Depreciation of Rs.4 lac (Previous Year Rs.4 lac) has been debited to Profit and Loss Account on the above leased assets.

### 17. EARNINGS PER SHARE (EPS) :

The earnings per equity share, computed as per the requirements of Accounting Standard-20 "Earnings Per Share", is as under:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>(Loss) after tax</b>	<b>(96,141)</b>	(65,387)
<b>(Loss) attributable to Equity Shareholders</b> (A)	<b>(96,141)</b>	(65,387)
No. of Equity Shares outstanding during the year (B)	<b>86,334,011</b>	86,334,011
Nominal Value of Equity Shares (Rupees)	<b>10</b>	10
<b>Basic and Diluted EPS (Rupees)</b> (C = A/B)	<b>(111.36)</b>	(75.74)

18. The Deferred Tax as at 31<sup>st</sup> March 2009 comprises of the following:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	<b>47,453</b>	38,346
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation/Business Loss (Refer Note below)	<b>41,847</b>	17,658
Other Disallowances under Income Tax Act, 1961	<b>5,606</b>	4,665
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>-</b>	(16,023)

Note :

In the absence of virtual certainty, Deferred Tax Asset on account of unabsorbed depreciation and business loss has been recognised to the extent it can be realised against reversal of deferred tax liability on account of depreciation.

- 19) As per AS 29, Provisions, Contingent Liabilities and Contingent Assets given below are movements in provision for Frequent Flyer Programme, Redelivery of Aircraft, Aircraft Maintenance Costs and Engine Repairs Costs.

#### a) Frequent Flyer Programme :

The Company has a Frequent Flyer Programme named 'Jet Privilege', wherein the passengers who frequently use the services of the Airline become members of 'Jet Privilege' and accumulate miles to their credit. Subject to certain terms and conditions of 'Jet Privilege', the passenger is eligible to redeem such miles lying to their credit in the form of free tickets.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

The cost of allowing free travel to members as contractually agreed under the Frequent Flyer Programme is accounted considering the members' accumulated mileage on an incremental cost basis. The movement in the provision during the year is as under:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Balance created in the earlier years</b>	<b>2,949</b>	1,651
<b>Add:</b> - Additional Provisions during the year	<b>1,446</b>	1,803
<b>Less:</b> - Amounts used during the year	<b>1,051</b>	505
<b>Less:</b> - Unused Amounts reversed during the year	-	-
<b>Closing Balance</b>	<b>3,344</b>	2,949

### b) Redelivery of Aircraft :

The Company has in its fleet aircraft on operating lease. As contractually agreed under the lease agreements, the aircraft have to be redelivered to the lessors at the end of the lease term in the stipulated technical condition. Such redelivery conditions would entail costs for technical inspection, maintenance checks, repainting costs prior to its redelivery and the cost of ferrying the aircraft to the location as stipulated under the lease agreement.

The Company, therefore, provides for such redelivery expenses, as contractually agreed, in proportion to the expired lease period.

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Balance created in the earlier years</b>	<b>4,702</b>	4,717
<b>Add:-</b> Additional Provisions during the year*	<b>2,935</b>	1,131
<b>Less:-</b> Amounts used during the year	<b>993</b>	1,146
<b>Closing Balance</b>	<b>6,644</b>	4,702

\* Additions include adjustment of Rs.1,253 lac (Previous Year Rs.392 lac) on account of exchange fluctuation consequent to restatement of liabilities denominated in foreign currency.

The cash outflow out of the above provisions as per the current terms under the lease agreements are as under:

Year	Aircraft	Amount (Rs. in lac)
2009-10	8	<b>1,071</b>
2010-11	17	<b>2,815</b>
2011-12	2	<b>224</b>
2012-13	20	<b>1,734</b>
2013-14	2	<b>189</b>
2014-15	6	<b>296</b>
2015-16	14	<b>303</b>
2018-19	3	<b>12</b>
	<b>Total</b>	<b>6,644</b>





## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

### c) Aircraft Maintenance Costs :

Certain heavy maintenance checks including overhaul of Auxiliary Power Units need to be performed at specified intervals as enforced by the Director General of Civil Aviation in accordance with the Maintenance Program Document laid down by the manufacturers. The movements in the provisions for such costs are as under:

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Balance created in the earlier years</b>	<b>4,217</b>	7,398
<b>Add:-</b> Additional Provisions during the year *	<b>1,048</b>	(122)
<b>Less: -</b> Amounts used during the year	<b>1,633</b>	1,031
<b>Less: -</b> Unused Amounts reversed during the year	<b>199</b>	2,028
<b>Closing Balance</b>	<b>3,433</b>	4,217

\* Adjustments during the year represents exchange fluctuation impact consequent to restatement of liabilities denominated in foreign currency.

### d) Engine Repairs Cost :

The aircraft engines have to undergo shop visits for overhaul and maintenance at specified intervals as per the Maintenance Program Document. The same was provided for on the basis of hours flown at a pre-determined rate.

Amount (Rs. in lac)

Particulars	2008-09	2007-08
<b>Balance created in the earlier years</b>	<b>657</b>	943
<b>Add:-</b> Additional Provisions during the year *	<b>164</b>	(21)
<b>Less: -</b> Amounts used during the year	<b>372</b>	0
<b>Less: -</b> Unused Amounts reversed during the year	<b>116</b>	265
<b>Closing Balance</b>	<b>333</b>	657

\* Adjustments during the year represents exchange fluctuation impact consequent to restatement of liabilities denominated in foreign currency.

20. The Subsidiary Company is currently evaluating proposals from various aircraft manufacturing/leasing companies to replace the three grounded CRJ – 200 aircrafts in its fleet. Currently, the Subsidiary Company is carrying provisions of Rs.3,381 lacs to meet the expenses to make these grounded aircraft airworthy, which, is stipulated by the terms of the lease agreement with the lessors of lease aircraft. The expenditure to replace these aircraft is not expected to be in excess of this provision.
21. In the year 2007 the legacy inventory system used to control technical inventories of the subsidiary company broke down beyond salvage. To address this, the subsidiary company implemented AMOS (Aircraft Maintenance Operating System) as of August, 2008. This software package improved efficiencies in aircraft maintenance activities and technical inventory management. As part of this initiative a complete evaluation of technical inventory was undertaken, resulting in write back of previously unserviceable/scrap inventory items. The total value of such write back is Rs.1,787 lac and reflected in Schedule N of the consolidated profit and loss account.



## Significant Accounting Policies And Notes Forming Part Of Consolidated Accounts (contd.)

22. In case of the Subsidiary Company, pending resolution of representation made by the Board of Airline Representatives in India "BAR (I)" to the statutory authorities regarding non levy of Fringe Benefit Tax on free/concessional tickets issued by the airline companies, no provision for the same has been made upto 31.03.2009 in the books of accounts amounting to Rs.808 lac (Previous Year Rs.466 lac).
23. Comparative financial information (i.e. amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped / reclassified wherever necessary to correspond to figures of the current year.

### Signatures to Schedules 'A' to 'S'

As per our attached report of even date.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

**R. D. Kamat**

Partner

**For CHATURVEDI & SHAH**

Chartered Accountants

**C.D.Lala**

Partner

On behalf of the Board of Directors

**Naresh Goyal**

Chairman

**Saroj K. Datta**

Executive Director

**Ali Ghandour**

**Victoriano P. Dungca**

**I.M. Kadri**

**Javed Akhtar**

**Aman Mehta**

**Yash Raj Chopra**

**Monica Chopra**

Directors

Company Secretary

Mumbai

25<sup>th</sup> May, 2009

Mumbai

25<sup>th</sup> May, 2009





## JET AIRWAYS (INDIA) LIMITED

Regd. Office : S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059

### ATTENDANCE SLIP 17<sup>th</sup> Annual General Meeting

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM.

DP ID No.: \_\_\_\_\_ Reg. Folio / Client ID No.: \_\_\_\_\_

I hereby record my presence at the 17<sup>th</sup> Annual General Meeting of the Company at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400018 on Monday, 17<sup>th</sup> August, 2009.

**NAME OF THE SHAREHOLDER / PROXY  
(IN BLOCK LETTERS)**

**SIGNATURE OF THE SHAREHOLDER / PROXY**

**Notes:** Shareholders / Proxies attending the Meeting are requested to bring this Attendance Slip and Annual Report 2009 with them.

Duplicate Attendance Slip and Annual Reports will not be issued at the Annual General Meeting.

Joint Shareholders may obtain additional Attendance Slip on request.



## JET AIRWAYS (INDIA) LIMITED

Regd. Office : S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059

### PROXY 17<sup>th</sup> Annual General Meeting

I/We .....of.....  
..... being a Member/ Members of Jet Airways (India) Limited,  
hereby appoint ..... of ..... or failing  
him / her,.....of.....as my / our proxy to attend  
and vote for me / us and on my / our behalf at the 17<sup>th</sup> Annual General Meeting of the Company to be held at Nehru Centre  
Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Monday, 17<sup>th</sup> August, 2009  
at 3.30 p.m. and at any adjournment thereof.

Regd. Folio/Client ID No. :

DP ID No. :

No. of Shares :

Affix  
Revenue  
Stamp of  
Re.1

Signed this .....day of ..... 2009.

Signature :

**Notes:** The Proxy Form, complete in all respects, must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the Meeting.

A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy and the Proxy need not be a Member of the Company.



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## City Facts



### Agartala:

Agartala Airport.

Jet Airways Reservations: (0381) 2341400/01/02.

Airport: (0381) 234 1403.

### Ahmedabad:

Sardar Vallabhbhai Patel International Airport.

Jet Airways Reservations: (079) 2754 3304/10.

Airport: (079) 2286 6540/2286 6240.

### Amritsar:

Raja Sansi International Airport, Amritsar.

Jet Airways Reservations: (0183) 250 8003/4.

Airport: (0183) 221 4033/221 4034.

### Aurangabad:

Chikalhana Airport.

Jet Airways Reservations: (0240) 244 1392/770.

Airport: (0240) 248 4269/248 7076.

### Bagdogra:

Bagdogra Airport.

Jet Airways Reservations: (0353) 243 5876/77.

Airport: (0353) 269 8019/21.

### Bengaluru:

BIAL - Bengaluru International Airport Limited.

Tele Check-in: (080) 3989 3333

Jet Airways Reservations: (080) 3989 3333 (24 hours)

Airport: (080) 6678 4501.

### Bhavnagar:

Bhavnagar Airport.

Jet Airways Reservations: (0278) 243 3371/72.

Airport: (0278) 220 2003/4/5.

### Bhopal:

Raja Bhoj Airport.

Jet Airways Reservations: (0755) 276 0371/2/3.

Airport: (0755) 264 5676/8.

### Bhuj:

Bhuj Airport.

Jet Airways Reservations: (02832) 253 671/4.

Airport: (02832) 254 836.

### Chandigarh:

Chandigarh Airport.

Jet Airways Reservations: (0172) 274 1465.

Airport: (0172) 265 8934.

### Chennai:

Kamaraj: Domestic Terminal. Anna: International Terminal.

Tele Check-in: (044) 3989 3333.

Jet Airways Reservations: (044) 3989 3333 (24 hrs)

Airport: (044) 2256 8020.

### Coimbatore:

Peelamedu Airport.

Tele Check-in: (0422) 257 2001.

Jet Airways Reservations: (0422) 224 3465/66/67.

Airport: (0422) 257 5387/5275.

### Delhi:

Indira Gandhi International Airport.

Tele Check-in: (011) 3989 3333.

Jet Airways Reservations: (011) 3989 3333 (24 hours).

Airport: (011) 2567 5404.

### Diu:

Diu Airport.

Jet Airways Reservations & Airport: (02875) 255 030/1/8.

### Goa:

Dabolim: Domestic and International Terminal.

Tele Check-in: (0832) 2541 354.

Jet Airways Reservations: (0832) 243 8792.

Airport: (0832) 254 1354.

### Guwahati:

Lokpriya Gopinath Bordoloi International Airport.

Jet Airways Reservations: (0361) 266 2202/5784/5785.

Airport: (0361) 284 0600.

### Hyderabad:

Rajiv Gandhi International Airport.

Tele Check-in: (040) 3989 3333.

Jet Airways Reservations: (040) 3989 3333 (24 hrs)

Airport: (040) 6660 5500.

### Indore:

Devi Ahilyabai Holkar Airport.

Tele Check-in: (0731) 262 0819.

Jet Airways Reservations: (0731) 254 4590/1/2/3.

Airport: (0731) 262 0819.

### Jaipur:

Sanganer Airport.

Tele Check-in: (0141) 255 1354.

Jet Airways Reservations: (0141) 511 2222/23/24.

Airport: (0141) 254 6230.

### Jammu:

Jammu Airport.

Jet Airways Reservations: (0191) 257 4312/15.

Airport: (0191) 245 3888/3999, 243 7688/99.



## City Facts



### Jodhpur:

Jodhpur Civil Aerodrome.  
Jet Airways Reservations: (0291) 510 2222.  
Airport: (0291) 251 5551/2.

### Jorhat:

Rowrah Airport.  
Jet Airways Reservations: (0376) 230 4694/232 5652.  
Airport: (0376) 293 2252.

### Khajuraho:

Khajuraho Airport.  
Jet Airways Reservations & Airport: (07686) 274 406/07/08.

### Kochi:

Cochin International Airport: International & Domestic Terminals.  
Jet Airways Reservations: (0484) 235 9212/235 8879.  
Airport: (0484) 261 0039/82.

### Kolkata:

Netaji Subhash Chandra Bose: International & Domestic Terminals.  
Tele Check-in: (033) 3989 3333.  
Jet Airways Reservations: (033) 3989 3333 (24 hours).  
Airport: (033) 2511 9895.

### Leh:

Kushok Bakula Rinpoche Civil Airport.  
Jet Airways Reservations: (01982) 250 999/444.  
Airport: (01982) 250 380.

### Lucknow:

Lucknow Airport.  
Jet Airways Reservations: (0522) 223 9612/4.  
Airport: (0522) 243 1750.

### Madurai:

Madurai Airport.  
Jet Airways Reservations &  
Airport: (0452) 269 0771/72/74.

### Mangalore:

Bajpe Airport.  
Jet Airways Reservations: (0824) 244 1181.  
Airport: (0824) 225 2709.

### Mumbai:

Chhatrapati Shivaji: Separate International and Domestic Terminals.  
Tele Check-in: (022) 3989 3333.  
Jet Airways Reservations: (022) 3989 3333 (24 hrs).  
Airport: (022) 2615 6666.

### Patna:

Jaiprakash Narayan International Airport.  
Jet Airways Reservations: (0612) 329 8224/222 3045/48.  
Airport: (0612) 222 3046.

### Porbandar:

Porbandar Airport.  
Jet Airways Reservations: (0286) 222 0974/75/34/35.  
Airport: (0286) 222 0935.

### Pune:

Lohegaon Civil Airport.  
Tele Check-in: (020) 2668 5591.  
Jet Airways Reservations: (020) 2613 7181/2616 8153.  
Airport: (020) 2668 5591/92/93.

### Raipur:

Mana Airport.  
Jet Airways Reservations: (0771) 241 8613/16.  
Airport: (0771) 241 8618.

### Rajahmundry:

Rajahmundry Airport.  
Jet Airways Reservations &  
Airport: (0883) 200 7866.

### Rajkot:

Rajkot Airport.  
Tele Check-in: (0281) 245 0200/01.  
Jet Airways Reservations: (0281) 247 9623/4.  
Airport: (0281) 245 0202/203.

### Srinagar:

Sheikh – Ul – Alam International Airport.  
Jet Airways Reservations: (0194) 248 0801/2/3.  
Airport: (0194) 230 3330/6.

### Tirupati:

Tirupati Airport.  
Jet Airways Reservations: (0877) 227 4155.

### Thiruvananthapuram:

Trivandrum International Airport (Thiruvananthapuram).  
Jet Airways Reservations: (0471) 272 1018/272 5267.  
Airport: (0471) 250 0860/250 0710.

### Udaipur:

Maharana Pratap Airport, Dabok, Udaipur.  
Jet Airways Reservations: (0294) 510 2222/256 1105.  
Airport: (0294) 265 6288/6192.

### Varanasi:

Lal Bahadur Shastri Airport, Babatpur, Varanasi.  
Jet Airways Reservations: (0542) 2506 444/555.  
Airport: (0542) 262 2795/796/588.



# City Facts



## Vadodara (Baroda):

Vadodara Airport.  
Tele Check-in: (0265) 248 3938.  
Jet Airways Reservations: (0265) 233 0771/233 7051.  
Airport: (0265) 248 4209/249 5241.

## INTERNATIONAL DESTINATIONS

### Abu Dhabi:

Abu Dhabi International Airport.  
Jet Airways Reservations: +971 2 635 1066.  
Airport: +971 2 575 8787/88.

### Bahrain:

Bahrain International Airport.  
Jet Airways Reservations: +973 17 227123/14.  
Airport: +973 17 329377/378.

### Bangkok:

Suvarnabhumi Airport.  
Jet Airways Reservations: +662 696 8980.  
Airport: +662 134 2627/28.

### Brussels:

Brussels Airport.  
Jet Airways Reservations: +32 2 709 09 09.

### Colombo:

Bandaranaike International Airport.  
Jet Airways Reservations: +94 11 231 8781.  
Airport: +94 11 2252861.

### Dhaka:

Zia International Airport.  
Jet Airways Reservations: +88 02 986 2002/986 0542  
Airport: +88 02 893 3849

### Doha:

Doha International Airport.  
Jet Airways Reservations: +974 4437788.  
Airport: +974 4621465.

### Dubai:

Dubai International Airport.  
Jet Airways Reservations: +971 4 222 2119  
Airport: +971 4 220 0755.

### Hong Kong:

Hong Kong International Airport.  
Jet Airways Reservations: +852 3966 5008.  
Airport: +852 3559 1588.

### Jeddah:

King Abdul Aziz International Airport  
Jet Airways Reservations: +966 2 6602332/3771  
Airport: +966 2 6853144/145

## Kathmandu:

Tribhuvan International Airport.  
Jet Airways Reservations: +977 1 444 6375/78.  
Airport: +977 1 411 3004/6.

## Kuala Lumpur:

Kuala Lumpur International Airport.  
Jet Airways Reservations: +60-03-2148-9020.  
Airport: +60-03-8776-6149/50/51.

## Kuwait:

Kuwait International Airport.  
Jet Airways Reservations: +965 247 7631.  
Airport: +965 431 5925/803.

## London:

Heathrow Airport.  
Tele check-in: +44 208 897 3464.  
Jet Airways Reservations: City: 0808 n 1011199.  
Airport: 0208 897 3464.

## Muscat:

Muscat International Airport  
Jet Airways Reservations: +968 24813321/47.  
Airport: +968 24510913.

## New York (Newark):

Newark Liberty International Airport.  
Jet Airways Reservations: 1-877-uflyjet (1-877-8359538).  
Airport: +973 504 8700/81.

## New York (JFK):

John F. Kennedy International Airport.  
Jet Airways Reservations: 1-877-uflyjet (1-877-8359538).  
Airport: +718 553 7414/15.

## Riyadh:

King Khalid International Airport  
Jet Airways Reservations: +966 1 29321139  
Airport: +966 1 220174

## Singapore:

Changi International Airport.  
Jet Airways Reservations: +65 6227 0222.  
Airport: +65 6243 2511.

## Toronto:

Lester B. Pearson International Airport.  
Jet Airways Reservations: 1-877-Uflyjet (1-877-835 9538).  
Airport: +416 776 0432/35.



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