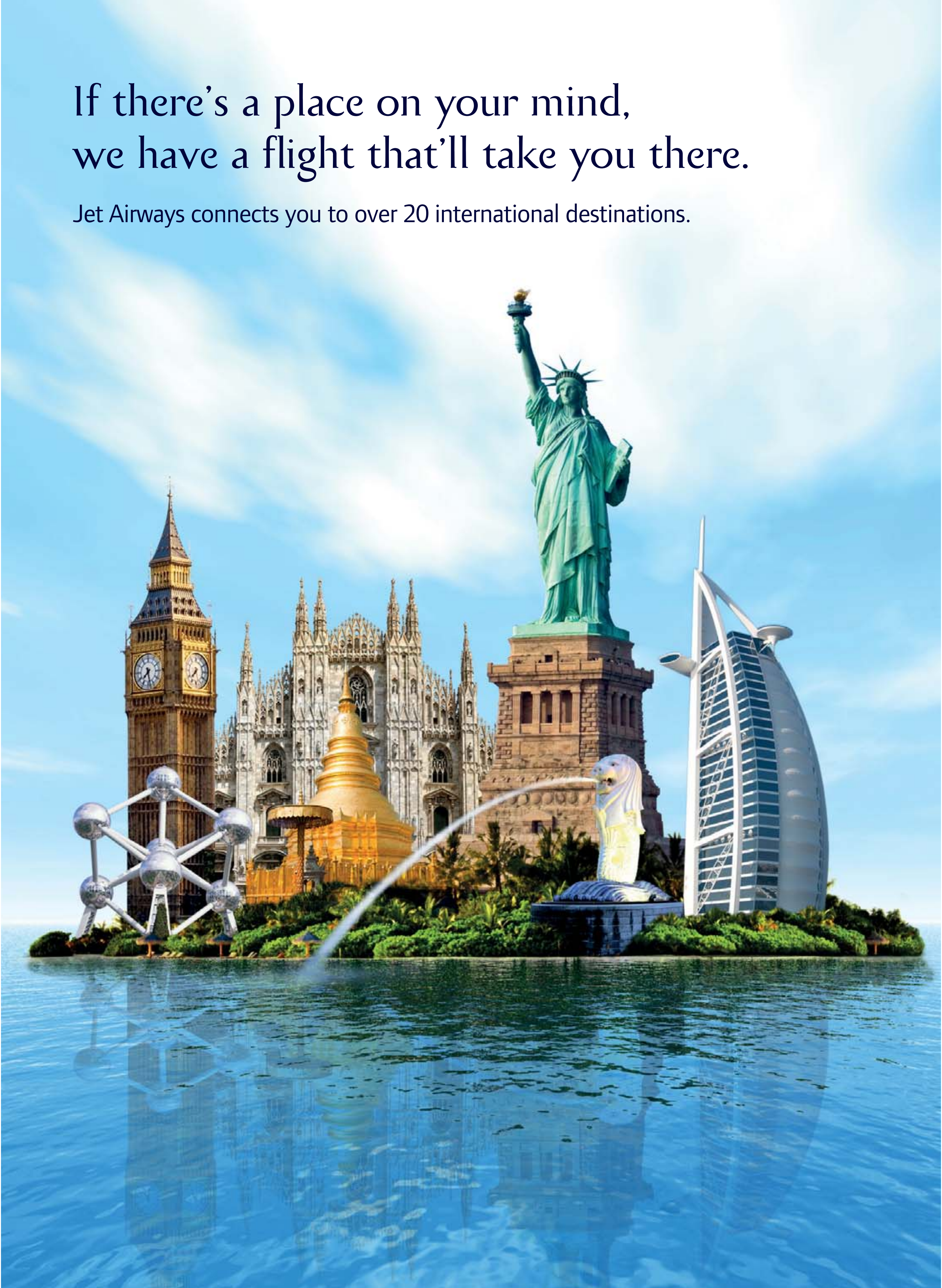
JET AIRWAYS

Creating the blueprint for a better future.

Jet Airways (India) Limited | Annual Report 2012


If there's a place on your mind,
we have a flight that'll take you there.
Jet Airways connects you to over 20 international destinations.

14 Codeshare Partners

25 Frequent Flier Partners

163 Interline Partners

96 Interline eTicketing Partners

44 Through Check-in Partners

It's how we connect you across the globe.

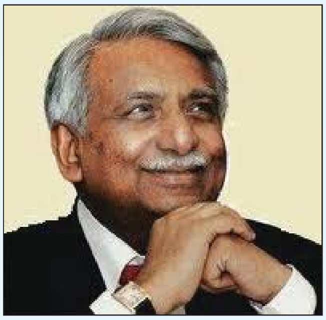
Codeshare Partners

- Jetkonnect
- Etihad Airways
- Air Canada
- Kenya Airways – The Pride of Africa
- Alitalia
- Malaysia Airlines
- American Airlines
- Qantas
- ANA
- Thalys
- Brussels Airlines
- United
- Emirates
- Virgin Atlantic

Frequent Flier Partners

- Jetkonnect
- Cathay Pacific
- Lufthansa
- Air France
- Delta
- Malaysia Airlines
- Alitalia
- Dragonair
- Qantas
- American Airlines
- Emirates
- South African Airways
- ANA
- Etihad Airways
- Swiss
- Austrian
- Gulf Air طيران الخليج
- Turkish Airlines
- British Midland International bmi
- Kenya Airways – The Pride of Africa
- United
- US Airways
- Brussels Airlines
- KLM
- Virgin Atlantic

Letter from the Chairman



Dear Shareholders,

The last year has been a particularly challenging one for the global airline industry, owing to the prolonged economic crisis that has transformed corporate landscapes, the world over. Indian aviation companies too have not been spared from the impact of the global crisis and as a result, most have been suffering losses.

At a recently held IATA conference, the sentiment expressed by the airline industry worldwide was one of uncertainty for the immediate future. This is predominantly due to the ongoing Eurozone debt crisis and a slower than expected economic recovery from the US. Adding to the global woes is the distinct slowdown of the Indian and Chinese economies. It has been aptly said that the global airline industry's profitability is now precariously balancing on a 'knife's edge'.

The Indian aviation sector is facing a similar dilemma. On one hand is the sharply depreciating rupee vis-à-vis the dollar, while on the other; airlines have had to contend with escalating Aviation Turbine Fuel (ATF) prices, rising infrastructure costs and high taxes imposed on the sector. These factors have resulted in challenging market dynamics. Admittedly, there has been an improvement in infrastructure by way of new terminal buildings. However, the imposed levies and charges have resulted in a sharp increase in operational costs. Further, while there has been an improvement in yields over the past six months following a marginal increase in fares, this could get negated by a lower volume growth due to the overall slowdown in the economy and a depreciating currency.

Recent studies based on IATA's Passenger data reveal that on average, domestic net air fares in India were the lowest compared to major world aviation markets. As an Example, the average domestic air travel above 2,000 kms was higher by 87 per cent in China, 119 per cent in USA, 162 per cent in Canada and 182 per cent in Australia compared to India.

In difficult circumstances, as is prudent with any commercial enterprise, your airline undertook stringent fiscal control measures and looked at several non-payroll areas to minimise costs. These included contract re-negotiations, process improvements, increasing ancillary revenues, discontinuing loss making routes, restructuring agent commissions and sale and lease back of some of the aircraft to repay dues. These measures will help your airline over the medium to long-term. It is this fiscal prudence, coupled with some truly unique marketing initiatives such as increased customer touch points through social media tools and a strategic rebranding exercise that has helped your airline to keep flying through stormy skies.

Early last year, the Jet Airways Group created history in the Indian aviation industry by flying a record 2 million guests in the month of May 2011. This marked the highest number of passengers carried by any airline of Indian origin on its domestic and international network in a month.

As you would be aware, the year saw Jet Airways consolidate its low fare service products, namely JetLite and Jet Airways Konnect under the JetKonnect brand to simplify the group's service proposition and enhance brand recall. We are delighted with the strong guest response received with the launch of JetKonnect, which is now our dedicated low-fare service. Recently we also extended our Premiere service to certain JetKonnect flights in a step towards product harmonization of the JetKonnect brand, and in keeping with the increasing demand from our guests for premium services on select routes.

Letter from the Chairman (contd.)

This along with the redeployment of aircraft to more profitable routes has helped the Jet Airways Group consolidate its leadership position in the Indian aviation industry with a market share of 29.3 per cent for the year ended 31st March, 2012. This is testimony that our continued focus on delivering customer delight has paid dividends, despite the existing market challenges. Domestic revenues have been driven by a steady growth in air traffic from Tier II and III cities and towns, which your airline has been able to seamlessly connect through its hub and spoke concept. The airline has consciously promoted the development of Delhi and Mumbai airports as transit hubs, connecting the western markets of Europe, UK and North America with points in the SAARC region and East Asia. Jet Airways also continues to explore all avenues of enhancing its business through alliances and code share agreements. We also constantly review systems and processes to improve productivity across the board.

Our international business continues to be robust. In financial year 2011-12, revenues from international operations accounted for 58 per cent of the company's total revenues. We have achieved high seat factors on our international routes. In view of the current global economic conditions and its impact on business worldwide, Jet Airways is redeploying its assets with a clear focus on profitability. As part of our drive to rationalise routes and replace loss making ones with profitable destinations, your airline recently enhanced connectivity for business and leisure travelers on the India – Gulf sector.

Jet Airways' Gulf network now operates 44 daily flights between India and the Middle East, including Abu Dhabi, Bahrain, Dubai, Doha, Kuwait, Muscat and Sharjah, as well as Jeddah, Riyadh and Dammam from several cities in India. This has helped establish Jet Airways as a prestigious brand in the intensely competitive Indo-Gulf market in a relatively short period of time. Your airline flies to 22 international destinations, including Abu Dhabi, Bahrain, Bangkok, Brussels, Colombo, Dammam, Dhaka, Doha, Dubai, Hong Kong, Jeddah, Kathmandu, Kuala Lumpur, Kuwait, London (Heathrow), Milan, Muscat, New York (both JFK and Newark), Riyadh, Sharjah, Singapore and Toronto.

In an effort to actively reach out to a larger cross section of guests and engage with them on a real time basis, your airline has started utilising social media platforms like Facebook, Twitter, Foursquare and LinkedIn. Your airline today has emerged as the first Indian airline to have over seven lakh fans on Facebook and utilises these social media channels to provide guests with real-time news updates about flight schedules, new customer programmes, route additions, services and other special offers, besides providing an online forum to share experiences and feedback.

Jet Airways' management team and employees have rallied through difficult challenges and understand that success almost never happens by chance, but is based on hard work, dedication, commitment and adherence to a collective vision. We have realised that with relentless focus and determination, we can overcome difficult times. The team has demonstrated that it is not scared of taking tough decisions. As a result, your airline has grown towards building a stronger and more resilient framework for the future.

I sincerely appreciate the Ministry of Civil Aviation's efforts for taking up with the Government of India, the cause of the industry, especially with respect to ATF imports, rationalisation of service tax, lowering of ATF taxes as well as understanding the critical role of private Indian carriers in the development of the aviation sector. A direct corollary to this has been the opening up of more international routes for private carriers, allowing the import of ATF and focusing on infrastructure development.

Letter from the Chairman (contd.)

Thanks to the support of the Ministry of Civil Aviation, your airline has been recently granted additional rights to several important, new European destinations and is in the process of evaluating opportunities in emerging growth markets. Jet Airways is extremely keen to not only deploy additional frequencies in growth markets, but also grow some of its operating hubs into global aviation hubs for increased international traffic.

The on going domestic capacity reduction in the Industry will help align demand with the capacity and help airlines to rationalize fares and strengthen yields. The impact of this, however, would only be realised in financial year 2012-13. Further, aviation in India is only set to grow, given that currently only a miniscule percentage of Indians use this efficient and time saving travel option. In an emerging economy like India, where the need for connectivity is critical to facilitate the growth of trade and travel, one can only be optimistic about the future.

I would like to take this opportunity to express my concerns regarding the heavy taxes that the Indian authorities continue to levy on ATF and the new / additional airport levies that have been introduced. The authorities need to recognise that these additional costs, if passed on to passengers will only dampen or stifle demand as the airlines themselves cannot absorb any of these further costs due to their fragile financial conditions.

For the industry to recover from its current travails and achieve long-term self- sustaining growth, there is a need to address problems created by high input costs and an unsustainable fare regime. I strongly urge the Government of India, the airlines industry and all other stake holders to join hands and collectively work together to nurse this vital industry back to health.

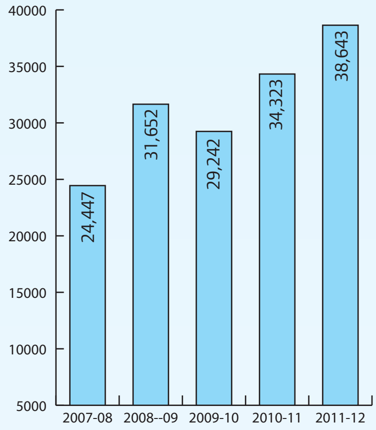
To conclude, I would like to thank 22.10 million passengers who have flown with us during the year ended 31st March, 2012 and shareholders who have continued to repose their faith in us. I am grateful to the aircraft lessors and banks that have financed our aircraft and assisted in re-structuring some of the aircraft leases and loans to reduce costs. I also wish to thank every member of the management and staff of Jet Airways for their loyalty, dedication and hard work in overcoming the adverse conditions that the company is passing through.

Naresh Goyal
Chairman

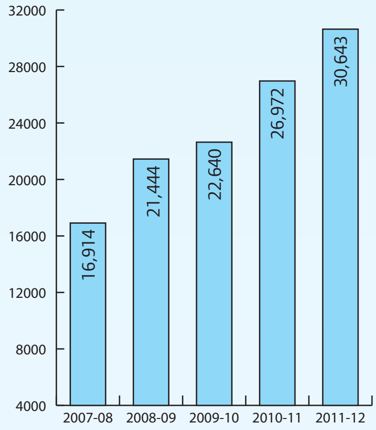
Contents

Operating Highlights

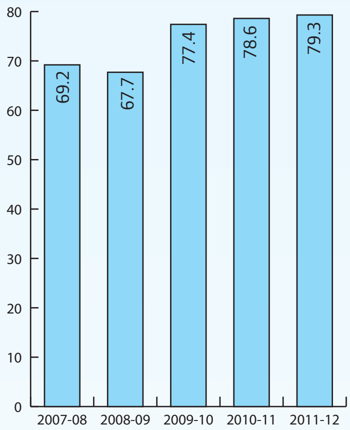
Available Seat Kilometers (Millions)



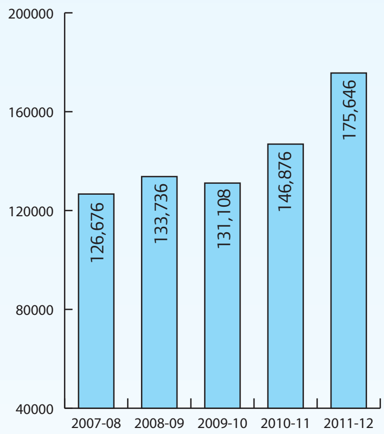
Revenue Passenger Kilometers (Millions)



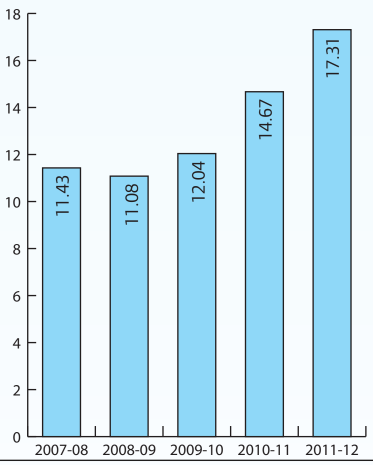
Passenger Load Factor (%)



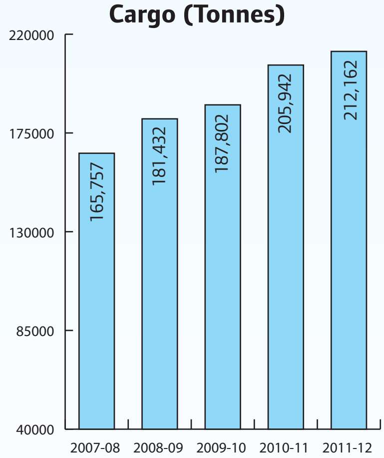
Departures (Number)



Revenue Passengers (Millions)

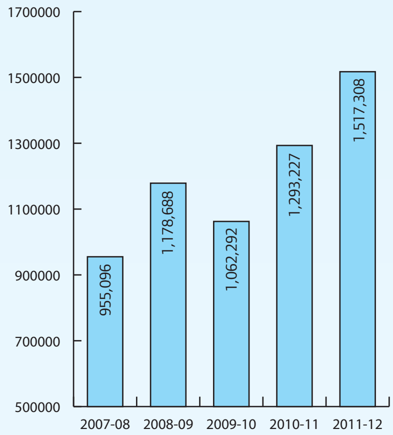


Cargo (Tonnes)

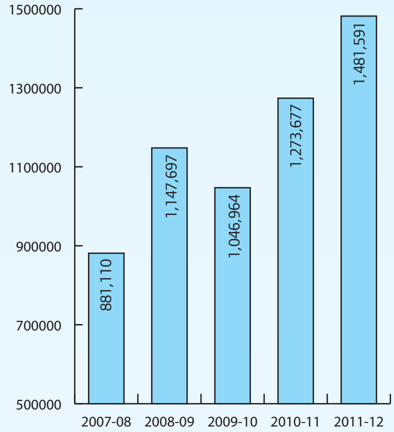


Financial Highlights

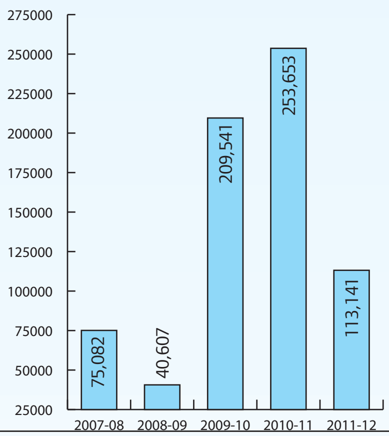
Income (₹ Lakhs)



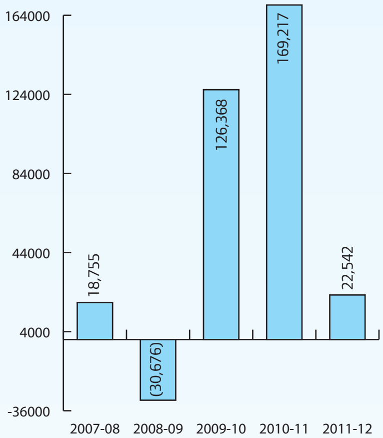
Operating Revenue (₹ Lakhs)



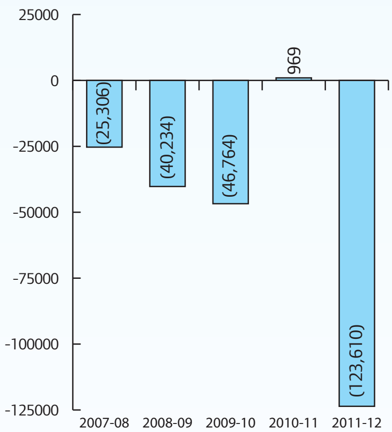
EBITDAR* (₹ Lakhs)



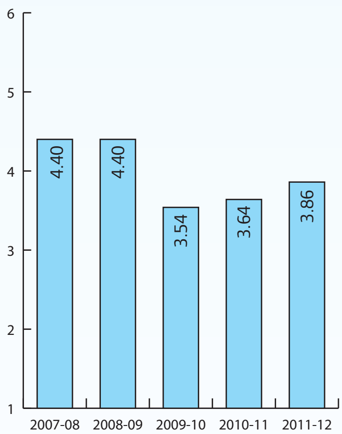
EBITDA** (₹ Lakhs)



Profit After Tax (₹ Lakhs)



Revenue per Passenger Kilometers (₹)



* Earnings Before Interest Taxation Depreciation Amortisation and Rentals
** Earnings Before Interest Taxation Depreciation and Amortisation

Corporate Information

Board of Directors

Mr. Naresh Goyal	Chairman
Mr. Ali Ghandour	
Mr. Victoriano P. Dungca	
Mr. Javed Akhtar	
Mr. I. M. Kadri	
Mr. Aman Mehta	
Mr. Yash Raj Chopra	
Mr. Gaurang Shetty	Whole-time Director and Manager

Company Secretary

Ms. Monica Chopra	Company Secretary & Associate Legal Counsel

Senior Management

Mr. Nikos Kardassis	Chief Executive Officer
Capt. Hameed Ali	Chief Operating Officer
Mr. Sudheer Raghavan	Chief Commercial Officer
Mrs. Anita Goyal	Executive Vice President - Revenue Management & Network Planning
Mr. Sitham Nadarajah	Executive Vice President - Technical
Mr. M. Shivkumar	Senior Vice President - Finance
Mr. Gaurang Shetty	Senior Vice President - Commercial

Statutory Auditors

Deloitte Haskins & Sells

Chaturvedi & Shah

Legal Advisors

Gagrats

Registered Office

Siroya Centre
Sahar Airport Road
Andheri (East)
Mumbai - 400 099

Corporate Information (contd.)

Registrar & Share Transfer Agent

Karvy Computershare Private Limited

Hyderabad Office
Plot No. 17 - 24, Vittal Rao Nagar
Madhapur, Hyderabad - 500 081
Phone: +91 40 2342 0818 Fax: +91 40 2342 0814
Email : einward.ris@karvy.com
Contact Person Mr. T. P. Raju, General Manager

Mumbai Office
24-B, Raja Bahadur Mansion
Ground Floor, Ambalal Doshi Marg
Fort, Mumbai - 400 023
Tel : +91 22 6623 5327 / 6623 5312
Email Id : ircfort@karvy.com

Bankers

- Abhu Dhabi Commercial Bank
- AXIS Bank Limited
- Banca Popolare Di Milano
- Bank of America N.A.
- Bank of Baroda
- Bank of India
- Banque Nationale de Paris
- Barclays Bank Plc
- Canara Bank
- Citibank N.A.
- Corporation Bank
- Credit Agricole S.A. (formerly known as Calyon Bank)
- DBS Bank Limited
- Deutsche Bank AG
- DVB Bank SE
- First National Bank
- HDFC Bank Limited
- ICICI Bank Limited
- IDBI Bank Limited
- Indian Overseas Bank
- ING Belgium SA / N.V.
- JP Morgan Chase, N.A.
- Kotak Mahindra Bank Limited
- Lloyds TBS Bank (formerly known as Bank of Scotland Plc)
- National Bank of Kuwait
- Punjab National Bank
- Standard Chartered Bank Plc
- State Bank of India
- Syndicate Bank
- The Hongkong and Shanghai Banking Corporation Limited
- The Royal Bank Of Scotland N.V. (formerly known as ABN AMRO Bank)
- Yes Bank

Notice

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Jet Airways (India) Limited will be held at Bhaidas Maganlal Sabhagriha, Juhu Vile Parle Development Scheme, Bhaktivendanta Swami Marg, Vile Parle (West), Mumbai - 400 056 on Friday, 3rd August, 2012, at 3.30 p.m. to transact the following business:-

ORDINARY BUSINESS:

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

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date together with the Reports of the Auditors and the Directors thereon.

Re-appointment of Directors retiring by rotation

2. To appoint a Director in place of Mr. Ali Ghandour, who retires by rotation, and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Yash Raj Chopra, who retires by rotation, and being eligible, offers himself for re-appointment.

Re-appointment of Statutory Auditors

4. To re-appoint Deloitte Haskins & Sells having Registration Number 117366W and Chaturvedi & Shah having Registration Number 101720W, as the Joint Statutory Auditors of the Company to hold office from the conclusion of the Twentieth Annual General Meeting till the conclusion of the Twenty First Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. **Appointment of Mr. Gaurang Shetty as a Director**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Mr. Gaurang Shetty, who was appointed by the Board of Directors as an Additional Director with effect from 24th May, 2012 under Section 260 of the Companies Act, 1956, and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a Member under Section 257 of the Companies Act, 1956, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."

6. **Appointment of Mr. Gaurang Shetty as the Manager**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 198, 269 read with Schedule XIII, 387 and other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government, if required, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Gaurang Shetty as the Manager of the Company, for a period of three years with effect from 24th May, 2012, on such remuneration and terms and conditions as set out under Sr. No. 2 of the Explanatory Statement annexed hereto.

   RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year during Mr. Shetty's tenure as the Manager, he shall be paid the remuneration as set out under Sr. No. 2 of the Explanatory Statement annexed hereto, as minimum remuneration."

7. **Appointment of Mrs. Anita Goyal to an Office or Place of Profit**

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Members of the Company be and is hereby accorded to Mrs. Anita Goyal, a relative of Mr. Naresh Goyal, Chairman of the Board of Directors of the Company, to hold and continue to hold an Office or Place of Profit as "Executive Vice President – Revenue Management & Network

Notice (contd.)

Planning" in the Company (or any other designation which the Board of Directors of the Company may decide from time to time) on such remuneration and terms and conditions as set out under Sr. No. 3 of the Explanatory Statement annexed hereto."

8. Raising of Capital

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the Resoultions passed earlier in this regard and pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, (inlcuding any statutory modifications or re-enactments thereof for the time being in force), and subject to:

a) the provisions of the Memorandum and Articles of Association of the Company;

b) the requirements of the Listing Agreement(s) entered into by the Company with the Stock Exchanges on which the Company's Shares are presently listed;

c) the provisions of the Foreign Exchange Management Act, 1999 (FEMA), as amended, and all applicable regulations framed and notifications issued thereunder;

d) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, as applicable; including the Regulations for Qualified Institutions Placement prescribed in Chapter VIII thereof;

e) all applicable circulars, notifications, guidelines issued by the Ministry of Civil Aviation and the Directorate General of Civil Aviation;

f) all other applicable rules, regulations, circulars, notifications, guidelines issued by the Ministry of Finance, the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and all other governmental or regulatory bodies in India;

g) obtaining and complying with all necessary approvals, consents, permissions and / or sanctions, as applicable for Foreign Direct Investment of the Government of India (GOI), the Foreign Investment Promotion Board (FIPB), RBI, SEBI, relevant Stock Exchanges whether in India or overseas, all other appropriate regulatory and governmental authorities whether in India or overseas, any institutions, lenders and any other third parties and subject to such conditions and modifications as may be prescribed by any of them whilst granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee(s) constituted or to be constituted for the purpose of any offering(s) to be made by the Company in pursuance of this Resolution);

consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot:

(i) in the course of one or more domestic offering(s), and / or

(ii) in the course of one or more international offering(s), in one or more foreign markets,

such number of Equity Shares, including those to be issued pursuant to Qualified Institutions Placements (QIPs), Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), and / or convertible bonds, debentures and / or any other securities fully or partly convertible into or exchangeable with Equity Shares and / or other securities convertible into Equity Shares at the option of the Company and / or the holder(s) of such securities and / or securities linked to Equity Shares and / or securities with or without detachable / non-detachable warrants and / or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and / or any instruments which would be converted into / exchanged with Equity Shares at a later date, whether rupee denominated or denominated in any foreign currency, naked or otherwise, either in registered or bearer forms or any combination of the Equity Shares and securities, with or without premium as the Board, in its sole discretion, may decide, whether secured by way of charge on the assets of the Company or unsecured (hereinafter collectively referred to as "the Securities"), in one or more tranches, with or without green shoe option, to such investors including foreign, resident (whether institutions, incorporated bodies, Banks, Insurance Companies, Mutual Funds and / or individuals or otherwise) Qualified Institutional

Notice (contd.)

Buyers, Foreign Institutional Investors, Indian and / or Multilateral Financial Institutions, Non-resident Indians, Employees of the Company and / or other categories of investors whether they be holders of Shares in the Company or not (hereinafter collectively referred to as "Investors") who are eligible to acquire the Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals including those of the Government of India through public issue(s), preferential issue(s), private placement(s) or any combination thereof, through prospectus, offer document, offer letter, offer circular, placement document, information memorandum, private placement memorandum or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc. as may be deemed appropriate by the Board in its discretion, for an aggregate amount, in one or more offering(s) and / or in one or more tranches, not exceeding an amount of US$ 400 Million (United States Dollars Four Hundred Million) inclusive of any premium, green shoe or over-allotment option or an equivalent amount in Indian Rupees, as may be approved by the Board, who shall have the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors and the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors, and wherever necessary, in consultation with Advisor(s), Lead Manager(s) and Underwriter(s).

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid offering(s) of Securities, subject to compliance with all applicable local and international laws, rules, regulations, guidelines and approvals, may have all or any terms, or combination of terms, in accordance with domestic and / or international practice, including but not limited to, conditions in relation to payment of interest, additional interest, premium(s) on redemption, prepayment and any other debt service payments whatsoever and all such terms as are provided in domestic / international offerings of this nature including variation of the conversion price of the Securities during the tenure of the Securities.

RESOLVED FURTHER THAT the Board is entitled to appoint, enter into and execute all such agreements with any Advisor(s), Lead Manager(s), Underwriter(s), Guarantor(s), Depository(ies), Trustee(s), Custodian(s), Legal Counsel(s) and all such other relevant agencies as may be involved or concerned with such offerings of Securities and to remunerate all such agencies including by payment of commissions, brokerage, fees or the like.

RESOLVED FURTHER THAT the Board may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue receipts and / or certificates representing the Securities with such features and attributes as are prevalent in international and / or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and / or domestic practices and regulations, and in the forms and practices prevalent in such international and / or domestic markets.

RESOLVED FURTHER THAT the Board be and is hereby authorised to apply for listing of the Securities, as may be issued pursuant to this Resolution, on the domestic stock exchanges and / or one or more international stock exchanges, as may be necessary, and to apply for admission thereof to the domestic and / or international Depositories.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any of the Securities or as may be necessary in accordance with the terms of the offering(s), all such Equity Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects, except such right as to dividend as may be provided under the terms of the issue and in the offer document, if any.

RESOLVED FURTHER THAT the pricing of the Securities shall be in compliance with applicable laws, rules, regulations, guidelines and approvals, further, that the pricing of Securities that may be issued pursuant to a QIP shall be in accordance with the applicable SEBI Regulations which presently provide for a price not less than the average of the weekly high and low of the closing price of the related Securities quoted on the Stock Exchanges during the two weeks preceding the "relevant date."

Notice (contd.)

RESOLVED FURTHER THAT the "relevant date" means the date of the meeting in which the Board decides to open the proposed issue or as may be determined in accordance with applicable laws, rules, regulations, guidelines and approvals.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities as described in the above paragraphs, the Board be and is hereby authorized, on behalf of the Company, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary or desirable for such purpose, as regards, *inter-alia*, the issue and / or allotment of Securities, the utilization of issue proceeds and with power, on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may, in its discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make all filings including as regards the requisite listing application / prospectus / offer document / offer letter / offer circular / placement document / information memorandum / private placement memorandum or otherwise, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges, RBI, SEBI and such other authorities or institutions in India and / or abroad for this purpose.

RESOLVED FURTHER THAT the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers hereby conferred to any Committee along with the authority to the said Committee to further delegate specific powers to any one or more Directors / Executives of the Company, in order to give effect to the aforesaid Resolution."

9. Investment in a company to be set up as a marketing services company

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 372A and other applicable provisions of the Companies Act, 1956, and subject to all applicable statutory and regulatory approvals including the Foreign Investment Promotion Board and the Reserve Bank of India, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to invest, in one or more tranches, an amount upto ₹ 5,000,000 (Rupees Fifty Lakhs Only) constituting upto 100% of the Paid-up Share Capital of a company to be set up as a marketing services company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual amount to be invested within the above sanctioned limit, the mode and time of the investment and to do all acts, matters, deeds and things arising out of or incidental to the proposed investment and to execute all necessary agreements, deeds and documents including shareholders' agreement, share purchase / share subscription agreement, programme transfer agreement, transfer deeds, escrow agreements, etc. as may be required for the said purpose and to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate such functions and activities as may be necessary to give effect to the above to any committee or officer of the Company as the Board of Directors may deem fit."

10. Investment in a company to be set up as a training academy

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions of the Companies Act, 1956, and subject to all applicable statutory and regulatory approvals, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to invest, in one or more tranches, an amount upto ₹ 5,000,000 (Rupees Fifty Lakhs Only) being 100% of the Share Capital of a company to be set up as a training academy.

Notice (contd.)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual amount to be invested within the above sanctioned limits, the mode and time of the investment and to execute and sign all necessary deeds and documents including share subscription / application forms, acceptance of offer, transfer deeds and share purchase / share subscription agreement(s), as may be required for the said purpose and to do all such acts, deeds, matters and things as may be necessary to give effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to delegate such functions and activities as may be necessary to give effect to the above to any committee or officer of the Company as the Board of Directors may deem fit."

By Order of the Board of Directors

Jet Airways (India) Limited

Monica Chopra
Company Secretary & Associate Legal Counsel

Registered Office:
Siroya Centre
Sahar Airport Road
Andheri (East)
Mumbai - 400 099

Mumbai
24th May, 2012

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 less 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 items of Special Business given in this Notice, is annexed hereto.

4. Profile of the Directors seeking re-appointment / being appointed, as required by Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges, is annexed hereto.

5. Corporate Members intending to send their representatives to attend the Twentieth Annual General Meeting are requested to send a duly certified copy of the Resolution passed by the Board of Directors authorising their representatives to attend and vote at the said Annual General 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 the Share Transfer Books of the Company will remain closed from **Thursday, 19th July, 2012 to Friday, 3rd August, 2012** (both days inclusive) for the purpose of the Twentieth Annual General Meeting.

Notice (contd.)

8. Members are requested to inform the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited of any change in their postal address / e-mail address and any other updations in respect of the Equity Shares held in physical form. Members are requested to inform their respective Depository Participants in respect of Equity Shares held in dematerialised form.

9. For any assistance or information about Shares, Dividend, etc. Members may contact the Company's Registrar and Share Transfer Agent, as follows:

   Karvy Computershare Private Limited
   [UNIT: Jet Airways (India) Limited]

   Hyderabad Office
   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: +91 40 2342 0818 Fax: +91 40 2342 0814
   Email : einward.ris@karvy.com
   Website : www.karvy.com
   Contact Person Mr. T. P. Raju, General Manager

   Mumbai Office
   24-B, Raja Bahadur Mansion
   Ground Floor, Ambalal Doshi Marg
   Fort, Mumbai - 400 023
   Tel : +91 22 6623 5327 / 6623 5312
   Email Id : ircfort@karvy.com

   Members are requested to provide their telephone numbers to facilitate prompt action and communication.

10. As per the provisions of the Companies Act, 1956, nomination facility is available to the Members in respect of the Shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited.

11. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

12. Members who wish to obtain information concerning the accounts or operations of the Company may send their queries at least seven days before the Annual General Meeting, to the Company Secretary, at the Registered Office of the Company or by e-mail to companysecretary@jetairways.com.

13. All documents referred to in this Notice and the Explanatory Statement annexed hereto, 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 Twentieth Annual General Meeting.

14. 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 unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

15. 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. Kindly note that no claim shall lie against the Company or the IEPF after such transfer.

16. Unclaimed share application money aggregating to ₹ 222,950 in respect of the Company's Initial Public Offer in 2005 has been transferred to the IEPF on 27th March, 2012.

Explanatory Statement

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

1. Item No. 5

The Board of Directors appointed Mr. Gaurang Shetty as an Additional Director of the Company with effect from 24th May, 2012. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Shetty holds office upto the date of forthcoming Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with the requisite deposit, from a Member, proposing Mr. Shetty's candidature for the office of Director.

A profile of Mr. Shetty is given as an annexure to the Notice. Keeping in view his experience and qualification, your Directors consider it to be in the interest of the Company, to appoint Mr. Shetty as a Director of the Company and hence, recommend the Resolution for the approval of the Members.

None of the Directors, except Mr. Shetty, is, in any way, concerned or interested in the Resolution.

2. Item No. 6

The Board of Directors appointed Mr. Gaurang Shetty as the Manager of the Company for a period of 3 years with effect from 24th May, 2012, subject to your approval by way of a Special Resolution.

Mr. Shetty shall, subject to the superintendence, control and direction of the Board of Directors, be responsible for the management of the affairs of the Company. In consideration for his services, Mr. Shetty shall be entitled to the following, by way of remuneration, as approved by the Remuneration and Compensation Committee:

I. Salary :

Basic Salary	:	₹ 160,000 p.m.
Basic Salary Range	:	₹ 55,000 p.m. - ₹ 300,000 p.m.
Special Pay	:	₹ 160,000 p.m.
Gross Salary Range	:	₹ 175,000 p.m. - ₹ 1,018,000 p.m.

Increments within the Gross Salary Range - as may be decided by the Remuneration and Compensation Committee of Directors / Board of Directors, from time to time.

II. Perquisites :

In addition to the above, Mr. Shetty shall also be entitled to the following perquisites:

i. Housing : House Rent Allowance equivalent to 50% of Basic Salary.

ii. Allowances : For business promotion, subscription, attire, driver's salary, car maintenance, fuel and insurance, etc. not exceeding ₹ 200,000 p.m.

iii. Medical Reimbursement:

Expenses incurred for self and family upto ₹ 1,250 p.m.

iv. Hospitalisation Expenses:

Hospitalisation expenses under the Medical Benefit Scheme, as per Rules of the Company.

v. Staff Travel Assistance:

For self and family, in accordance with the Rules of the Company.

vi. Leave: As per Rules of the Company.

vii. Long Service / Merit Award: As per Rules of the Company.

viii. Telephone: Telephone(s) facility as per the Rules of the Company. Cost of personal long distance calls will be borne by him.

ix Retirals : Company's contribution towards Provident Fund and Gratuity – payable as per Rules of the Company.

x. Encashment of leave at the end of tenure.

"Family" means spouse and dependent children.

Explanatory Statement (contd.)

Minimum Remuneration

Notwithstanding anything hereinabove, where in any financial year during the currency of Mr. Shetty's tenure as Manager, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of Salary and Perquisites, as Minimum Remuneration to him.

Mr. Shetty shall not be entitled to Sitting Fees for attending the Meetings of the Board of Directors or any Committee thereof.

The above particulars of the appointment and remuneration of Mr. Shetty may be treated as an abstract of terms under Section 302 of the Companies, Act, 1956.

In compliance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the terms and conditions of appointment of Mr. Shetty, as specified above, are being placed before the Members for approval. The Board of Directors recommends the Resolution for the approval of the Members.

None of the Directors, except Mr. Shetty, is, in any way, concerned or interested in the Resolution.

Statement pursuant to Schedule XIII of the Companies Act, 1956 to be given for payment of remuneration in excess of the limits specified therein in case of inadequate profits is as under:

I. General Information

(1) Nature of industry: The Company is a scheduled airline with domestic and international operations.

(2) Date or expected date of commencement of commercial production: The Company commenced operations as an Air Taxi Operator on 5th May, 1993.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable. Refer to Sr. No. 2 above.

(4) Financial performance based on given indicators :

(₹ in Lakhs)

Sr. No.	Particulars	Year ended 31st March	
		2011	2010
1	Total Revenue	1,293,227	1,062,292
2.	Total Expenses	1,307,492	1,116,092
3.	Net Profit / (Loss) before Tax	4,654	(46,755)

(5) Export performance and net foreign exchange collaborations: The Company had foreign exchange earnings of ₹ 675,301 lakhs and expenditure in foreign currency of ₹ 689,739 lakhs for the year ended 31st March, 2012.

(6) Foreign investments or collaborations, if any:

a. 5,133 Shares of THB100 each in Aeronautical Radio of Thailand, a state enterprise under Ministry of Transport. This is a mandatory investment required to the maintained for operations into Thailand. Further, transfer of this investment in restricted to airline members flying into Thailand.

b. 48 Shares in Societe Internationale de Telecommunicationes Aeronautiques ('SITA') SC of Euro 5 each.*

c. 145,276 Depository Certificates in SITA Group foundation of US$ 1.20 each.*

* These investments have been received free of cost from S.I.T.A S.C and S.I.T.A. Group Foundation for participation in their Computer Reservation System.

II. Information about the appointee

(1) Background details: Mr. Shetty, 56, is a Bachelor of Science and has over 37 years experience in the aviation industry.

He has had a distinguished career with the Company. He joined the Company in 1996 as General Manager - Marketing and was promoted to Vice President - Marketing in 2004. Currently, he is Senior Vice President - Commercial.

Explanatory Statement (contd.)

Prior to joining the Company, he was with British Airways as its Marketing Manager - South Asia where he was responsible for passenger marketing.

(2) Past remuneration : The Gross remuneration for last three years is as follows:

2011-12	2010-11	2009-10
₹ 61 lakhs	₹ 61 lakhs	₹ 52 lakhs

(3) Recognition or rewards: Not applicable

(4) Job profile and his suitability: At Jet Airways (India) Limited, he is responsible for Customer Services, Cargo, Cabin Crew and Marketing department. With his in-depth knowledge and experience of over 37 years in the aviation industry, he is suitable for the position.

(5) Remuneration proposed: As provided under Sr. No. 2 of this Explanatory Statement.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with regard to the country of origin): The following factors were considered : the remuneration being paid by other airlines to their managerial personnel, the duties and responsibilities of the appointee, the remuneration being paid to other similarly placed employees in the Company and the fact that the Company is the largest private airline in India.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any,: Nil

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits: The aviation industry is passing through turbulent times globally, with India being no exception. It has been adversely affected by two principal factors, firstly the rapid escalation in the aviation turbine fuel prices which constitute approximately 40% of the total operating cost and secondly, the depreciation in the Rupee vis-à-vis the US Dollar.

(2) Steps taken or proposed to be taken for improvement: The Company has implemented comprehensive cost reduction measures and other improvement programmes in an effort to return to a breakeven/profitable situation as also to improve the cash flows. The principal measures that have been taken are: Network Restructuring, suspension of operations on loss-making international routes, rationalizing Personnel Costs through reduction in Headcount, re-negotiation of contracts with vendors, etc.

(3) Expected increase in productivity and profits in measurable terms: The Company firmly believes that the various improvement measures and cost control initiatives will bear fruit and enable the Company to be profitable in the long run.

3. Item No. 7

At the Eighteenth Annual General Meeting held on 26th August, 2010, the Members had accorded their consent to the appointment and remuneration of Mrs. Anita Goyal, relative of Mr. Naresh Goyal, Chairman of the Board of Directors, as the Executive Vice President – Revenue Management and Network Planning, upto 31st December, 2012.

In accordance with the provisions of Section 314(1B) of the Companies Act, 1956, the Director's Relative (Office or Place of Profit) Rules, 2011 and pursuant to the approval by the "Selection Committee", the Board of Directors at its Meeting held on 24th May, 2012, had, subject to the approval of the Members and the Central Government, approved the re-appointment and remuneration of Mrs. Anita Goyal as the Executive Vice President – Revenue Management and Network Planning, for a period of 3 years with effect from 1st January, 2013.

Mrs. Goyal, 59, an Indian National, holds a B.A. (Honours) degree with specialization in Political Science and Sociology. She has over 30 years of experience in Marketing and Sales in the Airline Industry.

Before joining the Company, Mrs. Goyal had a distinguished career with Jetair Private Limited ("Jetair"), at one time India's largest General Sales Agent ("GSA"). She joined Jetair in 1979 and rose to head the Sales function of Jetair.

She has been associated with the Company since its inception and had served in various senior positions. As Vice President - Marketing and Sales she was mainly responsible for the meteoric growth in the Company's business

Explanatory Statement (contd.)

making it India's leading domestic carrier in a short span of a decade of its inception. Her contribution as Vice President - Marketing and Sales resulted in a spectacular expansion in the network and of the operations of the Company. The Company has been successful in maintaining its *'Most Preferred Airline'* status, due to the high quality of its product, convenient flight timings and connections and various fare schemes, all of which are the responsibilities of Mrs. Goyal.

Since August, 2007, Mrs. Goyal has been the Executive Vice President – Revenue Management and Network Planning. It is now proposed to re-appoint Mrs. Goyal as the Executive Vice President – Revenue Management and Network Planning. As such, the following will be her duties and responsibilities:

Duties and Responsibilities :

The duties and responsibilities, *inter alia*, include but are not limited to:

- Developing and directing the implementation of strategic business and / or operational plans and projects.
- Ensuring route optimization through effective use of Revenue Management tools and strategies to achieve higher yields and load factor.
- Analysing market performances, identifying trends and deciding the strategy to enhance revenue.
- Understanding the complexities of airline consumer behavior and devising innovative ways to protect and capture additional revenue in their markets
- Developing strategies for alliances and partnerships.
- Ensuring that the pricing strategy maintains the competitiveness of Jet Airways' in the market place at all times.
- Closely monitoring competitors' pricing activities / market trends, evaluating pricing recommendations, suggesting pricing promotions / devising creative pricing strategies for both domestic and international markets.
- Overseeing route network planning and re-structuring activities.
- Recommending and approving new markets / routes on the basis of data available from the business intelligence unit.
- Evaluating under-performing markets with a time frame to improve or prepare for exit.
- Overseeing the Scheduling unit to ensure fleet rationalization and optimum fleet utilization.
- Promoting the image of the Company by continuously liaising and interacting with Travel bodies, Institutions, Corporate bodies and influential opinion makers.
- Recruiting, selecting, developing and motivating key executive team members and delivering a succession plan.
- Serving on planning and policy-making committees

The following are the terms and conditions of appointment, including remuneration:

Tenure:

3 years with effect from 1st January, 2013.

Location :

In view of the global nature of the work, Mrs. Goyal is required to be based at London, United Kingdom.

Reporting Line:

Mrs. Goyal reports to the Chief Executive Officer of the Company.

Notice Period:

The contract of employment may be terminated by giving three months' notice in writing by the Company or Mrs. Goyal, as the case may be.

Salary, Perquisites and Benefits:

a) Basic Salary: ₹ 15,480,000 (Rupees one crore fifity four lakhs eighty thousand) per annum to be paid in equivalent Pounds Sterling according to the Exchange Rate prevalent from time to time, with authority to the Board of Directors of the Company to give annual increment not exceeding 15% of the immediately previously drawn Basic Salary.

b) Mrs. Goyal will also be entitled to perquisites and benefits, the monetary value of which will be subject to a ceiling of 25% of the Basic Salary.

Explanatory Statement (contd.)

c) Mrs. Goyal will also be entitled to retirement benefits subject to a ceiling of 10% of the Basic Salary.

With her in-depth knowledge, her strong grip on the subject and her vast expertise and experience, Mrs. Goyal's services will prove invaluable in helping the Company overcome the difficult time being faced. Hence, the Board of Directors recommends the Resolution for approval of the Members.

None of the Directors, except Mr. Naresh Goyal, is, in any way, concerned or interested in the Resolution.

4. Item No. 8

At the Nineteenth Annual General Meeting held on 17th August, 2011, the Members had accorded their approval for raising capital through a Qualified Institutions Placement (QIP) / Global Depositary Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCCBs) / other Securities up to an amount not exceeding US$ 400 Million (United States Dollars Four Hundred Million) in the course of one or more domestic and / or international offering(s). The proceeds of the offering(s) were to be utilized to capitalize the Company adequately besides meeting the working requirements of the Company.

According to the provisions of Chapter VIII of the Securities and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Special Resolution passed by the Members for approving the proposal is valid for a period of twelve months from the date of passing the Special Resolution. Therefore, the validity of the Special Resolution passed at the Nineteenth Annual General Meeting held on 17th August, 2011, is due to expire on 16th August, 2012.

However, due to the unfavourable and uncertain market conditions, this proposal could not be implemented. The intention of the Company to raise capital still holds good and therefore, it is proposed to approach the potential investors as and when there is an improvement in the situation. For this purpose, an enabling Resolution is being proposed to give necessary authority to the Board of Directors to decide and finalise the timing and the terms of the issue, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals.

The detailed terms and conditions for the offer will be determined by the Board of Directors in consultation with the Advisor(s), Lead Manager(s), Underwriter(s) and such other agency(ies) as may be required to be consulted considering the prevailing market conditions and other relevant factors. The pricing of the domestic and / or international offering(s) will be subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, including of the Foreign Investment Promotion Board and may be at a premium or discount to market price in accordance with international / domestic practice, as the case may be. The Special Resolution, *inter-alia*, also seeks to give the Board of Directors the flexibility of including a green shoe or over allotment or similar option in the offering of Securities, so long as its does not exceed US$ 400 Million in the aggregate.

The pricing of the Securities shall be in compliance with applicable laws, guidelines and regulations and, further, that Securities that may be issued pursuant to a QIP shall be in accordance with the applicable SEBI guidelines which presently provide for a price not less than the average of the weekly high and low of the closing price of the related Securities quoted on the Stock Exchanges during the two weeks preceding the "relevant date."

The "relevant date" means the date of the meeting in which the Board of Directors decides to open the proposed issue or as may be determined in accordance with applicable laws, rules, regulations, guidelines and approvals.

The Securities issued pursuant to international offering(s) may be listed on stock exchange(s) outside India as may be decided by the Board of Directors in consultation with its Advisor(s), Lead Manager(s) and Underwriter(s).

The Securities issued pursuant to domestic offering(s) shall be listed on the National Stock Exchange of India Limited and BSE Limited.

The Special Resolution seeks to give the Board of Directors powers to issue Securities in one or more tranches, at such time or times, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals. Section 81(1) of the Companies Act, 1956, provides, *inter-alia,* that when it is proposed to increase the issued capital of the company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down therein, unless the shareholders in a general meeting by way of a special resolution decide otherwise, in accordance with Section 81(1A) of the Companies Act, 1956.

Explanatory Statement (contd.)

The Listing Agreement(s) entered into by the Company with the Stock Exchanges on which the Company's Equity Shares are listed provide, *inter-alia*, that the Company in the first instance, should offer all the shares to be issued by the Company for subscription on a pro-rata basis to the equity shareholders unless the shareholders in a general meeting decide otherwise.

The said Special Resolution, if passed, shall have effect of also allowing the Board, on behalf of the Company, to offer, issue and allot the Securities otherwise than on a pro-rata basis to the existing Shareholders.

The Board of Directors believes that such offering(s) are in the interest of the Company and, therefore, recommends the Resolution for approval of the Members.

None of the Directors of the Company may be deemed to be concerned or interested in the said Resolution except to the extent to which they hold Securities and / or may subscribe to the Securities, if any, as the case may be.

5. Item No. 9

The loyalty industry is evolving in India. Your Company proposes to leverage this evolving business opportunity by setting up a marketing services company engaged in the business of managing reward points and loyalty programs for its program partners.

Initially, the marketing services company will be a 100% subsidiary company. As and when negotiations with the potential knowledge partners crystallize into a concrete decision, it is proposed that some percentage of the Company's stake be offered to the knowledge partners.

Your Company currently runs a frequent flyer programme, the JetPrivilege programme, through which members can earn and redeem JPMiles. The JetPrivilege programme is managed and operated in-house. Your Company proposes to transfer the JetPrivilege programme to the marketing services company and in the process transform the JetPrivilege programme into a larger retail-based coalition loyalty program and through its operations unlock greater commercial value. Approval of the Shareholders for transfer of the JetPrivilege programme to the subsidiary company will be sought through postal ballot in due course.

Therefore, the Board of Directors, at the Meeting held on 24th May, 2012, granted its unanimous approval for an investment up to 100% in the Share Capital of the proposed maketing services company.

The proposed investment will be funded from the Company's internal accruals.

In terms of the provisions of Section 372A of the Companies Act, 1956, such an investment, being in excess of the limits specified therein, requires the prior approval of the Shareholders by a Special Resolution.

The Board of Directors believes that the aforesaid investment is in the interest of the Company and, therefore, recommends the Resolution for approval of the Members.

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

6. Item No. 10

The Company currently imparts training to its cabin crew at its in-house training centres. The Company has its own trainers and has developed substantial expertise in the area of operational and safety training, cockpit and cabin crew training.

Since the aviation sector in India is growing and given the expected capacity expansion in the sector, it is projected that there will be a substantial demand for well trained crew in the coming years. Accordingly, it is proposed to build on and leverage the knowledge accumulated by the Company in training crew by setting up a 100% owned subsidiary Company which will function as an academy to impart training to the crew of different airlines as well as individuals who desire to pursue a career in aviation. It will also provide training in other related fields like hospitality, travel and tourism, etc.

Explanatory Statement (contd.)

The proposed investment will be funded from the Company's internal accruals.

In terms of the provisions of Section 372A of the Companies Act, 1956, such an investment, being in excess of the limits specified therein, requires the prior approval of the Shareholders by a Special Resolution.

The Board of Directors believes that the aforesaid investment is in the interest of the Company and, therefore, recommends the Resolution for approval of the Members.

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

By Order of the Board of Directors

Jet Airways (India) Limited

MChopra

Monica Chopra
Company Secretary & Associate Legal Counsel

Registered Office:
Siroya Centre
Sahar Airport Road
Andheri (East)
Mumbai - 400 099

Mumbai
24th May, 2012

Explanatory Statement (contd.)

Profiles of the Directors seeking re-appointment / being appointed at the Twentieth Annual General Meeting

Mr. Ali Ghandour and Mr. Yash Raj Chopra are due to retire by rotation at the Twentieth Annual General Meeting and being eligible, offer themselves for re-appointment. Mr. Shetty is being appointed as a Director liable to retire by rotation. Profiles of Mr. Ghandour, Mr. Chopra and Mr. Shetty, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are as follows:

Name	**Mr. Ali Ghandour**	**Mr. Yash Raj Chopra**	**Mr. Gaurang Shetty**
Date of Birth	28th May, 1931	18th September, 1932	8th October, 1956
Qualifications	Aeronautical Engineer from New York University, U.S. A.	Bachelor of Arts	Bachelor of Science
Expertise in specific functional area	Mr. Ghandour, a Jordian national, has over 50 years of experience in the civil aviation industry. He was an advisor of the late King Hussein of Jordan and was earlier the Chairman of the Royal Jordanian Airlines. He has also been associated with the development of a number of airlines in Middle East.	Mr. Chopra, an Indian national, has been appointed a Director of the Company since April 2006. 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. He is also the Chairman of one of India's most vibrant, innovative and successful film production houses of all times – Yash Raj Films.	Mr. Shetty, an Indian national, joined the Company in 1996 as General Manager – Marketing and was promoted to Vice President – Marketing in 2004. Currently, Mr. Shetty is Senior Vice President – Commercial. Prior to joining the Company, he was with British Airways as its Marketing Manager - South Asia. He is currently responsible for Customer Services, Cargo, Cabin Crew and Marketing departments.
Directorships held in other Public Companies (excluding foreign and private companies)	None	None	Jet Lite (India) Limited
Memberships/Chairmanships of Committees in Public Companies	None	None	Member of the Audit Committee of Jet Lite (India) Limited.
Shareholding, if any, in the Company	Nil	355	Nil

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their Twentieth Annual Report together with the audited Statement of Accounts for the financial year ended 31st March, 2012.

1. Performance highlights

The financial and operating highlights for the year under review, compared with the previous financial year, are given below:

Financial highlights **(₹ in lakhs)**

Particulars	Standalone for year ended 31st March		Consolidated for year ended 31st March	
	2012	**2011**	**2012**	**2011**
GROSS REVENUE	**1,517,308**	1,293,227	**1,706,704**	1,470,606
Profit before Interest, Depreciation, Exceptional Items & Tax	**58,259**	188,768	**33,733**	185,091
Finance Costs	**97,123**	111,971	**100,579**	118,415
(Loss) / Profit before Depreciation, Exceptional Items & Tax	**(38,864)**	76,797	**(66,846)**	66,676
Depreciation	**93,988**	91,062	**94,462**	91,857
(Loss) / Profit before Exceptional Items & Tax	**(132,852)**	(14,265)	**(161,308)**	(25,181)
Exceptional Items	**7,319**	18,919	**17,316**	20,328
(Loss) / Profit before Taxation & Adjustments	**(125,533)**	4,654	**(143,992)**	(4,853)
Provision for Tax	**1,440**	322	**1,384**	368
Deferred Tax	**(3,363)**	3,363	**(3,363)**	3,363
(Loss) / Profit after Taxation	**(123,610)**	969	**(142,013)**	(8,584)
Profit / (Loss) brought forward	**(71,939)**	(72,908)	**(172,734)**	(164,150)
Amount available for Appropriation	**(195,549)**	(71,939)	**(314,747)**	(172,734)
APPROPRIATIONS				
Transfer to Balance Sheet	**(195,549)**	(71,939)	**(314,747)**	(172,734)

Note: 1 lakh = 100,000

Operating highlights

Operating parameters	Year ended 31st March	
	2012	**2011**
Departures (Number)	**175,646**	146,876
Available Seat Kilometers (ASKMs) (Million)	**38,643**	34,323
Revenue Passenger Kilometers (RPKMs) (Million)	**30,643**	26,972
Passenger Load Factor (%)	**79.3**	78.6
Revenue Passengers (Number)	**17,305,290**	14,667,466
Average fleet size	**98.0**	90.0

2. Dividend

The Board of Directors has not recommended any dividend on the Equity Shares in view of the performance of the Company for the financial year ended 31st March, 2012 (Previous year: Nil per Equity Share).

Directors' Report (contd.)

3. Review of Operations

The year under review has been a challenging one for your Company not only because of the events around the world over which the Company has little control but also because of severe overcapacity in the domestic market in India.

The domestic overcapacity led to fare wars in the domestic business with nearly all airlines selling seats below cost. This led to severe losses for the Industry as a whole. For the year ended 31st March 2012, the domestic airline industry is estimated to have lost over ₹12,000 crores.

There were other major events across the world which impacted the business :

a) Slowdown in other economies which led to a drop in yields in international markets

b) The weakening of the Indian Rupee vis-à-vis the United States Dollar

c) Increase in crude oil prices and resultant price of Aviation Turbine Fuel, which forms close to 50% of our operating cost

d) General stress in the Indian economy which not only meant that interest rates hardened but also made it difficult for airlines like ourselves to raise short term/ working capital debt

Towards the second half of the financial year, things started giving way and a major airline in India had to significantly reduce capacity in the market. Also, airlines had no choice but to make fare increases and there were two rounds of fare increases; one in November 2011 of around 10% and another one in March 2012 of around 12%. This had very little impact on the passenger traffic because of the capacity reduction in the market, which also led to a steady increase in our corporate and business class bookings.

The Company, on its part, has taken various initiatives to improve its operating efficiency and revenue earning potential to bring down the break even load factor.

Initiatives such as enhancing ancillary revenues, discontinuing loss making routes, Sale/ Sale and lease back of aircraft, re-negotiation of major contracts including, for aircraft maintenance, ground handling, selling and distribution costs, etc., have been either implemented or in the process of being implemented, which will bring down the break even load factor.

The Company raised funds from the sale of development rights of its lease hold property at Bandra-Kurla Complex, Mumbai and from the sale and lease back of engines.

As part of its strategic re-branding exercise, your Company has consolidated its low fare service products under the **JetKonnect** brand to simplify the group's service proposition and enhance brand recall.

Thus, effective 25th March, 2012, the erstwhile JetLite and Jet Airways Konnect services have started operating under the **JetKonnect** brand, enabling guests to avail of a single superior in-flight product in the full service (Jet Airways) and low-fare (JetKonnect) categories. For the financial year ended 31st March, 2012, our capacity on JetKonnect services formed 64% of our overall domestic capacity in terms of number of seats. With its mixed fleet of Boeings and ATR aircraft and 400 daily flights connecting 56 destinations across India, JetKonnect provides more flexibility and choice to its guests, making it India's largest low fare brand.

For the financial year 2012, your Company has had the best On Time Performance (OTP) and has reported an OTP of 91.1%, which was higher than all other domestic carriers in India. Our vision and focus has been to consistently be not only the biggest, but also the best in our service to customers and in all our operational metrics vis-a-vis the industry.

We are pleased to inform you that the benefits of these measures have translated in the Company continuing to dominate the Indian domestic skies with a market share of 26.1% during the year.

The Indian aviation market is one of the only markets in the world which continues to grow at a healthy pace and it therefore presents an enviable opportunity for companies like ours, to take advantage of the strong franchise that we have created over the last few years.

The domestic traffic in India grew by 13% for fiscal year 2012 and over the next few years, we expect the domestic aviation market to grow at around 15% per annum and this has also been supported by various studies and analysis carried out by independent agencies like IATA, CAPA, etc. However, there will be short term challenges to grow profitably because of high operating costs and overcapacity in both domestic market as well as international traffic into and out of India.

Directors' Report (contd.)

During the year under review, domestic passenger traffic for the Company, reported a 17.9% growth as compared to the same period last year while international passenger traffic registered an increase of 18.1%.

The Company ended the financial year with a system-wide seat factor of 74.8% on the domestic and 81.6% on the international sectors.

The Company carried 173.05 lakhs revenue passengers on its international and domestic services during the year under review, up from 146.67 lakhs in the previous financial year.

The financial year 2012 was a year of consolidation and there were not many new routes that the Company began operations on. The focus was largely on building traffic flows between domestic and international as well as international traffic flows over our key hubs at Mumbai and New Delhi. The International business of the Company has now posted several consecutive quarters of consistent growth in terms of seat factor of above 80% and increase in the capacity in terms of ASKMs reflecting the growing impact of our network synergies, major strategic international code shares and customer centric product and service focus

The Company will take deliveries of 4 Airbus A330 – 300 aircraft this financial, of which 2 will be replacements for lease expiries while the other 2 will be deployed on long haul international routes. There are various international route rights that your Company has applied for to fly into European countries and the new aircraft capacity will be deployed on some of these routes. Additionally, we will also free some A330 aircraft capacity due to temporary suspension of our loss making routes like Mumbai-Johannesburg in June 2012. These aircraft will be redeployed on to other routes.

Routes

The details of the routes introduced and discontinued during the financial year ended 31st March, 2012 are as follows:

Routes	Introduced	Discontinued
Domestic segment		
Aizawl-Guwahati-Aizawl	1st May, 2011	
Aurangabad-Hyderabad-Aurangabad	30th October, 2011	
Bengaluru-Vijayawada-Bengaluru	30th October, 2011	
Bengaluru-Vijayawada-Bengaluru		14th December, 2011
Delhi-Bagdogra-Guwahati-Delhi		30th June, 2011
Delhi-Guwahati-Agartala-Delhi	1st July, 2011	
Delhi-Guwahati-Bagdogra-Delhi		30th June, 2011
Guwahati-Imphal-Guwahati	1st May, 2011	
Guwahati-Jorhat-Guwahati	1st May, 2011	
Guwahati-Silchar-Guwahati	1st May, 2011	
Hyderabad-Bhubaneswar-Hyderabad		24th May, 2011
Hyderabad-Tirupati-Hyderabad		30th October, 2011
Indore-Jaipur-Indore	23rd September, 2011	
Indore-Jodhpur-Indore	30th October, 2011	
Indore-Jodhpur-Indore		14th December, 2011
Indore-Lucknow-Indore	15th October, 2011	
Jaipur-Chandigarh-Jaipur	23rd September, 2011	
Kolkatta-Aizawl-Kolkatta	1st May, 2011	
Kolkatta-Dimapur-Kolkatta	16th November, 2011	
Kolkatta-Nagpur-Kolkatta	30th October, 2011	

Directors' Report (contd.)

Routes	Introduced	Discontinued
Domestic segment		
Kolkatta-Silchar-Kolkatta	1st May, 2011	
Leh-Chandigarh-Leh	30th October, 2011	
Lucknow-Patna-Lucknow	15th October, 2011	
Madurai-Bengaluru-Madurai	30th October, 2011	
Madurai-Bengaluru-Madurai		14th December, 2011
Raipur-Bhubaneswar-Raipur		23rd May, 2011
Raipur-Indore-Raipur	23rd September, 2011	
International segment		
Mumbai-Bangkok-Mumbai	14th December, 2011	
Mumbai-Riyadh-Mumbai	14th December, 2011	
Thiruvananthapuram-Sharjah-Thiruvananthapuram	30th October, 2011	
Delhi-Dammam-Delhi	17th March, 2012	

Fleet

As on date, the Company had a fleet of 102 aircraft, comprising 10 Boeing 777-300 ER aircraft, 12 Airbus A330-200 aircraft, 60 Next Generation Boeing 737-700/800/900/900ER aircraft and 20 modern ATR 72-500 Turboprop aircraft. With an average fleet age of 6.04 years, the airline has one of the youngest aircraft fleets in the world.

Of the 10 B777-300ER aircraft, 5 aircraft have been sub-leased to Thai Airways Public Company Limited ("Thai Airways"). The lease in respect of these aircraft expires between May, 2013 and November, 2013.

Flights to 76 destinations span the length and breadth of India and beyond, including Abu Dhabi, Bahrain, Bangkok, Brussels, Colombo, Dammam, Dhaka, Doha, Dubai, Hong Kong, Jeddah, Johannesburg, Kathmandu, Kuala Lumpur, Kuwait, London (Heathrow), Milan, Muscat, New York (both JFK and Newark), Riyadh, Sharjah, Singapore and Toronto.

4. Management Discussion and Analysis

As required by Clause 49 of the Listing Agreement(s) entered into with the 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 Discussion and Analysis - forming part of this Annual Report.

5. Subsidiary Company

Jet Lite (India) Limited ('Jet Lite') is a wholly owned subsidiary which was acquired by the Company on 20th April, 2007.

Jet Lite is a non-material, non-listed subsidiary company as defined under Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges.

Jet Lite follows the low-cost, no-frills business model. Effective 25th March, 2012, the service offered under the JetLite brand was re-christened as JetKonnect.

For the financial year ended 31st March, 2012, Jet Lite posted a total income of ₹ 190,386 lakhs (2010-11 : ₹ 178,615 lakhs) and a Net Loss of ₹ 18,403 lakhs (2010-11: Net Loss of ₹ 10,747 lakhs). In view of the loss, the Board of Directors of Jet Lite has not recommended a dividend; neither on the Equity Shares nor on the Compulsorily Fully Convertible Non-Cumulative Preference Shares for the financial year ended 31st March, 2012 (Previous Year : Nil). The Company continues to support the operations of Jet Lite.

Directors' Report (contd.)

The highlights of the operating performance ofJet Lite for the financial year ended 31st March, 2012 are as follows:

Traffic Parameters	Year ended 31st March	
	2012	**2011**
Departures (Number)	**41,992**	39,003
Available Seat Kilometers (ASKMs) (Million)	**5,829**	5,481
Revenue Passenger Kilometers (RPKMs) (Million)	**4,543**	4,340
Passenger Load Factor (%)	**77.9**	79.2
Revenue Passengers (Number)	**4,794,658**	4,332,469

As on date, Jet Lite had an all Boeing fleet of 19 aircraft, comprising 9 Boeing 737-700, 8 Boeing 737-800 and 2 Boeing 737-900 ER aircraft. The airline flies to 56 destinations across India and 1 international destination - Nepal.

Pursuant to Circular No. 2/2011 dated 8th February, 2011, issued by the Ministry of Corporate Affairs read with the provisions of Section 212(8) of the Companies Act, 1956, the Annual Report of Jet Lite, for the financial year ended 31st March, 2012, is not annexed to this Report. A summary of the financial performance of Jet Lite is given in this Annual Report. The Company will make available copies of the Annual Accounts of Jet Lite and the related detailed information, free of cost to Members, on request. The same are also available for inspection at the Registered Office between 10 a.m. and 12 noon on any working day of the Company.

6. Consolidated Financial Statements

The audited Consolidated Accounts and 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 and the provisions of the Listing Agreement(s) entered into with the Stock Exchanges

7. Conservation of energy, technology absorption and foreign exchange earnings and outgo

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 conservation of energy, technology absorption and foreign exchange earnings and outgo, to the extent applicable to the Company, are given below:

Conservation of energy

The Company has embraced the best operational, technological and maintenance practices and recommendations to reduce fuel burn. The Company continues to modernize its fleet. The older aircraft are regularly retired and replaced with the latest fuel efficient aircraft thereby improving the overall fuel efficiency and mitigating unit emissions. The Company continuously monitors the weight of various catering, cabin and galley items. The weight reduction program contributes to significant savings in fuel burn.

Through in-house subject matter expertise, the Company has developed Integrated Emissions Management System (IEMS) for monitoring and optimizing the use of Aviation Turbine Fuel.

The Company has commenced assessment of the carbon footprint of its activities for both direct and indirect emissions. The carbon foot printing is being done as per the internationally accepted Greenhouse Gas Protocol Standard developed jointly by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). The footprint mapping and reporting exercise is in line with the ISO 14064 guidelines.

Directors' Report (contd.)

Technology absorption

Training of Pilots

Jet Airways Flight Operations Training School ('the School') is approved by the Directorate General of Civil Aviation to function as Type Rating Training Organization. It provides Pilots' Training, Cabin Crew Training as well as Security Training all under one roof.

It has introduced e-learning for pilots and flight despatchers resulting in cost saving and value addition. It has also conducted special operational courses for Non-scheduled Airline Operators, thereby generating revenue.

Information Technology and e-Commerce initiatives

The Company makes strategic use of the latest technology to interact with passengers at a global level. Its significant presence on social media platforms like Facebook, Twitter, LinkedIn, YouTube, Flickr and Foursquare ensures increase in awareness and reach of the Company's brand. The Company's growth on the social media networking platform has been noteworthy registering an exponential increase in the number of followers and fans on Twitter and Facebook.

In the coming year, the Company aims to introduce state-of-the-art mobile applications for Android, iPhone, BlackBerry and Windows mobile phones. These applications will provide passengers with a convenient and seamless option to book tickets, check-in, access their JetPrivilege account etc. using their mobile phones.

Additionally, the Company intends to commence the use of 2D Mobile Bar-coded boarding passes for guests who have checked-in for their flights, thus providing a paperless travel experience.

Foreign Exchange earnings and outgo

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

8. Environment, Health and Safety (EHS)

The Company consciously strives to keep up the good environment, health and safety performance delivered in earlier years. There has been tremendous progress in the areas of process safety and the Safety Management System (SMS) implementation is well underway.

To ensure continued focus of EHS activities, various improvement plans for better pollution control, provision of medical facilities, conducting mock drills for increased safety awareness and preparedness for any eventuality, were implemented during the year under review.

9. Fixed Deposits

The Company has not accepted any Fixed Deposits from the public during the financial year ended 31st March, 2012.

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 mandatory requirements. The non-mandatory requirements have been complied with to the extent practical and applicable.

A separate section on Corporate Governance and a certificate from the Auditors confirming compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges, form part of this Annual Report.

The Chief Executive Officer's declaration regarding compliance with the Code of Business Conduct and Ethics forms part of the Report on Corporate Governance.

11. Corporate Social Responsibility

Since 1997, the Company has been running an in-flight collection programme called 'Magic Box' on its domestic flights. The collections help finance the numerous projects run by Save The Children India which include pre-schools for the urban slum children and a special care centre for the mentally challenged and hearing impaired.

As every year, on the occasion of Children's day, the Company organised "Flights of Fantasy" for approximately 100 underprivileged children giving them a chance to experience the world of aviation, which is both an informative and educational experience.

Directors' Report (contd.)

To support Non Government Organisations working primarily for the up-liftment and empowerment of underprivileged women, the Company organized an in-flight fund raising drive on the occasion of International Women's Day.

The Company celebrated the Joy Of Giving Week 2011 by inviting 180 underprivileged tribal children for an educational trip to its hangar.

12. Employees

Your Directors particularly acknowledge the selfless untiring efforts, whole-hearted support and co-operation of the employees at all levels. Our industrial relations continue to be cordial.

The total number of permanent employees of the Company as on 31st March, 2012, was 12,849 (as on 31st March, 2011: 12,811).

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 Members of the Company, excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Members may inspect the said Statement at the Registered Office of the Company between 10 a.m. and 12 noon on any working day of the Company.

13. 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;
- 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 31st March, 2012 and of the loss of the Company for the year ended on that date;
- 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;
- the Annual Accounts have been prepared on a going concern basis.

14. Directors

Mr. Saroj K. Datta ceased to be a Director of the Company with effect from 30th September, 2011, consequent to the completion of his tenure as the Executive Director of the Company. Mr. Datta was the Executive Director of the Company since March 1993. As such, he was instrumental in spearheading the Company's emergence as one of the country's foremost global service brands and a premier international airline to emerge from India. The Board of Directors places on record its gratitude to Mr. Datta for his loyal and dedicated contribution to the Company.

The Board of Directors appointed Mr. Gaurang Shetty as an Additional Director with effect from 24th May, 2012. As per the provisions of Section 260 of the Companies Act, 1956, he holds office up to the date of the forthcoming Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, from a Member proposing the appointment of Mr. Shetty as a Director of the Company.

Subject to the approval of the Members, the Board of Directors also appointed Mr. Shetty as the Manager for a period of three years with effect from 24th May, 2012.

Mr. Ali Ghandour and Mr. Yash Raj Chopra retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

The appointment of Mr. Shetty and the re-appointments of Mr. Ghandour and Mr. Chopra form part of the Notice of the forthcoming Annual General Meeting and the Resolutions are recommended for your approval. The profiles of these Directors, as required by Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges, are given along with the said Notice.

Directors' Report (contd.)

15. Auditors

The Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, and Chaturvedi & Shah, Chartered Accountants, retire at the forthcoming 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 2012-13, forms part of the Notice of the said Annual General Meeting and the Resolution is recommended for your approval.

16. Acknowledgements

Your Directors place on record their appreciation of the Company's General Sales Agents' and other members of the travel trade for their efforts in furthering the interest of the Company.

Your Directors also take this opportunity to thank the Ministry of Civil Aviation, Government of India, the Directorate General of Civil Aviation, Airports Authority of India, 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 co-operation. Your Directors are also grateful to the Ministry of Finance, Reserve Bank of India, National Stock Exchange of India Limited, BSE Limited, US Exim Bank, Financial Institutions and Banks, Boeing Company, Avion de Transport Regionale, Airbus Industrie, General Electric, CFM and Pratt and Whitney and the lessors of our aircraft and engines for their understanding and look forward to their continued support.

On behalf of the Board of Directors

Mumbai
24^{th} May, 2012

Naresh Goyal
Chairman

Management's Discussion and Analysis

1. Industry Structure and Development

1.1 The aviation industry in India has gone through another very difficult year of operation and continued to show substantial losses for Fiscal 2012. This was mainly due to extremely high costs of operations as well as excess capacity in the industry. In the second half of the fiscal year, some of this capacity started getting out of the market because of cancellations by a major player in the industry.

1.2 Crude oil prices continued to be very high especially in the latter half of the year and this diluted any major impact of capacity reduction. In addition, the Rate of Exchange of the Indian Rupee to the US Dollar continued to be negative for the industry players. Since many of the carriers have more US Dollar costs than US Dollar revenues, this put significant pressure on the cost line.

1.3 The difficult financial environment in Europe, USA and other countries also resulted in the airlines' inability to increase yields into and out of these markets. This put significant pressure on the financials of airlines. Added to this pressure, was the issue of Banks and other partners taking a negative stance on aviation companies in India which precluded airlines from getting any kind of financial support in the short term.

1.4 Towards the end of the year, because of some demand – supply imbalance being reduced, airlines were able to make some fare increases, the impact of which will be seen in Fiscal 2013.

2. Analysis of Operational Performance Fiscal 2012 Compared to Fiscal 2011

Revenues

2.1 Total operating revenues of ₹ 1,481,591 lakhs in Fiscal 2012 compared to ₹ 1,273,676 lakhs in Fiscal 2011 shows an increase of 16%. The higher revenues are on account of increase in the level of operations resulting in increase in Passenger & Cargo revenues.

Passenger Revenues

2.2 In Fiscal 2012 passenger revenues were at ₹ 1,258,205 lakhs as compared to ₹ 1,057,081 lakhs in Fiscal 2011. The growth of 19% is mainly due to increase in number of passengers carried compared to the previous year.

Revenues from Excess Baggage

2.3 Revenues from excess baggage revenue increased by 63% to ₹ 9,139 lakhs in Fiscal 2012 from ₹ 5,596 lakhs in Fiscal 2011.

Revenues from Cargo

2.4 Revenues from carriage of cargo increased by 13% to ₹ 130,841 lakhs in Fiscal 2012 from ₹ 115,995 lakhs in Fiscal 2011. This was mainly on account of increase in the cargo yield over the last year along with the rise in cargo tons carried.

Other Revenues

2.5 Other revenues decreased to ₹ 83,406 lakhs in Fiscal 2012 from ₹ 95,004 lakhs in Fiscal 2011. The reduction can be mainly attributed to reduced leasing income from ₹ 51,724 lakhs in Fiscal 2011 to ₹ 45,212 lakhs in Fiscal 2012.

Non-Operating Revenues

2.6 Non-operating Revenues increased to ₹ 35,717 lakhs in Fiscal 2012, up by 83% from ₹ 19,551 lakhs in Fiscal 2011. The increase was mainly on account of profit on sale of engines and sale of development rights of BKC Land.

Expenses

2.7 Our total expenses amounting to ₹ 1,650,160 lakhs in Fiscal 2012 increased by 26% from ₹ 1,307,492 lakhs in Fiscal 2011.

Aircraft Fuel

2.8 Fuel costs increased by 52% to ₹ 663,067 lakhs for Fiscal 2012 from ₹ 436,670 lakhs in Fiscal 2011. This increase was mainly due to:

- Increase in Aviation Turbine Fuel (ATF) rates on account of increase in crude oil prices. The average rate per litre of fuel for domestic operations in Fiscal 2012 was ₹ 60.20 vs ₹ 45.01 for Fiscal 2011. The rates for International operations were ₹ 43.36 in Fiscal 2012 vs ₹ 30.29 in Fiscal 2011.
- There was also an increase in block hours flown from 350,161 hours in Fiscal 2011 to 400,060 hours in Fiscal 2012, as a result of increase in the level of operations.

Management's Discussion and Analysis (contd.)

Other Operating Expenses

2.9 Other Operating Expenses increased by 27% to ₹ 409,266 lakhs for Fiscal 2012 from ₹ 323,212 lakhs in Fiscal 2011 as summarized below:

(₹ lakhs)

Other Operating Expenses head	Year ended 31st March		Increase/ (Decrease) (%)
	2012	2011	
Maintenance and repairs	134,612	100,245	34%
Landing, navigation and other airport charges	122,812	105,740	16%
Insurance	7,471	6,771	10%
General and administrative	144,371	110,456	31%
Total	**409,266**	**323,212**	27%

The increase in maintenance and repair costs in 2012 was essentially due to:

- Increase in block hours from 350,161 hours in Fiscal 2011 to 400,060 hours in Fiscal 2012.
- The landing & navigation charges were high because of increase in number of flights operated over previous year; additionally some of the International routes were upgraded to wide body aircraft.
- The increase in general and administrative expenses in Fiscal 2012 over Fiscal 2011 is attributable to:
  - ➡ Increase in Food and Cabin expenses by 13% from ₹ 53,069 lakhs to ₹ 60,095 lakhs is primarily due to the change in the mix of full service and JAK operations over the last year along with the level of operations going up.
  - ➡ The increase in expenses relating to crew accommodation, transportation and allowances by 27% from ₹ 17,854 lakhs in Fiscal 2011 to ₹ 22,639 lakhs in Fiscal 2012 was due to the expansion of services in the Domestic market along with the addition of frequencies on International routes.
  - ➡ Loss on foreign exchange fluctuation amounting to ₹ 17,257 lakhs which is included in general and administrative charges.

Employee Remuneration and Benefits

2.10 Expenses with regard to employee remuneration and benefits increased by 19% to ₹ 159,949 lakhs in Fiscal 2012 from ₹ 133,969 lakhs in Fiscal 2011 due to increase in the personnel employed to support the increase in the flights operated i.e. number of departures increased by around 19% over the last year.

As on 31st March, 2012, the Company had 12,849 permanent employees as against 12,811 permanent employees on 31st March, 2011.

Selling and Distribution Costs

2.11 Selling and distribution costs increased by 8% to ₹ 136,167 lakhs for Fiscal 2012 from ₹ 126,172 lakhs for Fiscal 2011. Commission costs, which forms a part of selling and distribution costs, did not go up in the same proportion as increase in the revenues. This was due to decrease in the performance linked incentives and commission paid to agents / general selling agents. Hence, increase in the selling and distribution cost was restricted to only 8%.

Lease Rentals

2.12 Aircraft rentals increased by 7% to ₹ 90,600 lakhs in Fiscal 2012 from ₹ 84,436 lakhs in Fiscal 2011 mainly on account of

- The induction of 4 Boeing 737-800 aircrafts & 1 Boeing 737-900ER
- Impact of exchange rate difference of Rupee moving from 44.595 to 50.875 to a Dollar.

Depreciation

2.13 Depreciation increased by 3% to ₹ 93,988 lakhs in Fiscal 2012 from ₹ 91,062 lakhs in Fiscal 2011 mainly on account of depreciation of Rupee against the Dollar in the current year.

Management's Discussion and Analysis (contd.)

Interest Expense

2.14 Interest expenses decreased by 13% to ₹ 97,123 lakhs in Fiscal 2012 from ₹ 111,971 lakhs in Fiscal 2011 on account of:

- Conversion of working capital loans from Rupees to Forex denominated from the middle of last year.
- Due to repayment of loan on year-on-year basis.

Exceptional Items

2.15 Revenue from exceptional items decreased by 61% from ₹ 18,919 lakhs in Fiscal 2011 to ₹7,319 lakhs in Fiscal 2012 mainly on account of depreciation of the Rupee against the Dollar in the current year

Profit/ (Loss) before Taxation

2.16 Loss before taxation is ₹ 125,533 lakhs in Fiscal 2012 compared to profit of ₹ 4,654 lakhs in Fiscal 2011.

Profit/ (Loss) after Taxation

2.17 Loss after taxation was ₹ 123,610 lakhs in Fiscal 2012 compared to profit of ₹ 969 lakhs in Fiscal 2011.

3. Initiatives

3.1 Jet Airways continues to look at ways and means to improve the customer experience both on ground and in the air. To this extent, your Company has introduced new menus on our JetKonnect flights in addition to introducing changes in menus, cutlery and crockery on our international and domestic flights.

3.2 Over the past year, the Company has focused on increasing its online footprint globally with new and enhanced features on its website, www.jetairways.com, including addition of country and multilingual websites for Italy, France, Netherlands, Indonesia and Vietnam.

3.3 For seamless guest experience, we launched online purchase of JetCafe meals on our website to enable guests' to pre-book their preferred meals.

3.4 Our growth on the social media networking platform has been noteworthy. As on 31st March, 2012, the company recorded 568,324 fans on Facebook and 12,650 followers on Twitter. This significant growth in fans and followers over the last year indicates our commitment towards engaging our guests at a global level through strategic use of the latest technology. Our presence on other social media platforms like LinkedIn, YouTube, Flickr and Foursquare ensures increase in awareness and reach of the brand.

3.5 In the coming year, the Company aims to introduce state of the art Mobile applications on the Android, iPhone, BlackBerry and Windows platform. These applications will provide guests with a convenient and seamless option to book tickets, check-in, access their JetPrivilege account etc. using their mobile phones.

4. Outlook

4.1 With significant capacity reduction in the industry in the second half of Fiscal 2012, your Company has been able to improve yields toward the end of the Fiscal. The full impact of this will be seen in Fiscal 2013.

4.2 The industry capacity addition seems to have slowed down significantly and for Fiscal 2013, the industry capacity is expected to be flat year over year.

4.3 The Company has consolidated its low fare service products under the 'JetKonnect' brand to simplify the group's service in low-fare category. We believe that the JetKonnect re-branding initiative will help the Company to enhance revenues because of improved perception of the brand in the minds of the consumers which will help in improvement of yields.

4.4 The operating cost environment continues to be difficult with the airport charges in New Delhi other airports undergoing significant increase in Fiscal 2012. Also, the union budget announcement on service tax increase will impact the fares in the hands of the customer.

4.5 All of these cost increases are being passed through to the customer and this will preclude airlines from taking further fare increases, lest the same becomes unaffordable in the hands of the customer.

4.6 The crude oil prices, over the last few weeks, have been on the slide and this should help us to keep costs lower since fuel costs represent close to 50% of our costs. But the recent weakening of the Indian Rupee vis-a-vis the US Dollar will pose cost challenges since our outflows in foreign currency are higher than foreign currency inflows.

4.7 The Company has identified loss making routes and the same are being monitored on a rigorous basis and we have accordingly announced a pull out from these routes. This will mean releasing excess aircraft as well as not replacing for staff attrition. These surplus aircraft will be phased out of the fleet by not renewing aircraft leases which expire in the current Fiscal.

Management's Discussion and Analysis (contd.)

4.8 Other initiatives such as enhancing ancillary revenues, restructuring of commissions and cost of sales, renegotiation of contracts as well as a tight control on administrative overheads and capital expenditure will help the Company in maximizing profitability in the medium to long term.

5. Internal Control Systems

5.1 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.

5.2 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 annual internal audit plan and approved by the Audit Committee of the Board.

5.3 The Company's Audit Committee comprises five Non-executive Directors; Mr. Aman Mehta (Chairman), Mr. Victoriano P. Dungca, Mr. Ali Ghandour, Mr. Javed Akhtar and Mr. Yash Raj Chopra. The Audit Committee reviews reports submitted by the Internal Audit Department and monitors follow-up and corrective action taken.

5.4 The Company has a corporate compliance procedure to ensure that all laws, rules and regulations applicable to it are complied with. Based on confirmations from departmental heads; the Chief Executive Officer places before the Board every quarter, a Corporate Compliance Certificate.

5.5 The Company Secretary is the designated Compliance Officer to ensure compliance with SEBI regulations and the Listing Agreement(s) entered into with National Stock Exchange of India Limited and BSE Limited.

5.6 Mr. M. Shivkumar, Senior Vice President - Finance 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'.

5.7 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.

5.8 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 areas of the Company's operations and management have been identified and are monitored.

6. Opportunities, Risks, Concerns and Threats

6.1 The current slow down in economies around the world due to the financial crisis is a source of concern in the short term for airline companies across the world and your Company is no exception to this.

6.2 Having said that, the Indian economy continues to grow at a healthy pace relative to other markets across the world and is expected to post growth rates of 6 to 7% per annum for the next few years.

6.3 This means that the aviation industry in India will see growth rates of over 12% for the medium to long term.

6.4 But, there is expected to be short term challenges like pressure on the Indian Rupee vis-a-vis other foreign currencies as well as high crude oil prices which is likely to put strain on our profitability for the next few quarters.

6.5 The Company's fleet strategy will be that of moderate to no-growth in this difficult environment wherein, we will look to consolidate our position on existing routes, discontinue non strategic routes which are loss making and selectively add new capacity in markets which will increase and improve our network revenues and performance.

6.6 The re-branding of JetLite into JetKonnect presents us with a big opportunity to play effectively in the low fare / no frills space and consolidate our brand offerings and strengthen our hold in the market. We have seen increased yields as well as improved customer perception since we carried out the re-branding earlier this year.

6.7 This, along with a string of other initiatives in cost reduction, sale of surplus aircraft capacity and resultant debt reduction, ancillary revenues improvement will help your Company to improve its performance in the coming few quarters. The Indian aviation market is highly under penetrated. The potential for sustained growth in Indian passenger traffic is very high in the medium to long term.

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, fuel prices and other factors.

Report on Corporate Governance

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

1. Company's philosophy on Corporate Governance

Your Company strives for continued excellence by adopting best-in-class governance and disclosure practices. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. Success, we believe, requires the highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact.

The Board of Directors ("Board") of your Company is responsible for and committed to, practising sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how Management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in the following governance practices, through which we strive to maintain an effective, informed and independent Board:

- Board accountability to the Company and stakeholders,
- Safeguarding of minority interests and rights,
- Transparency, accessibility and timely disclosure of information about the Company and its operations, and
- Providing full information to the Board about:-
    - all material developments in the Company,
    - business and operational risks,
    - the rationale for Management's decisions and recommendations so that the Board can effectively discharge its responsibilities to the stakeholders.

Corporate Governance Voluntary Guidelines

The Company has implemented the **"Corporate Governance Voluntary Guidelines"** issued by the Ministry of Corporate Affairs, to the extent applicable. Though recommendatory in nature, being aware of its significance and importance, the Company will continue to adopt and implement the relevant provisions of these Guidelines.

The Company has complied with the requirements as laid down in Clause 49 of the Listing Agreement(s) entered into with Stock Exchange(s) ("Lisiting Agreement'') and the detailed report on implementation thereof, is set out below.

2. Board of Directors (Board)

I. Composition

The Company has eight Directors on its Board which is headed by a Non-executive Promoter Chairman. Out of the eight Directors, one is a Whole-time Director and seven are Non-executive Directors. More than one-half of the Board, i.e. five Directors are Independent. Thus, the Company is in compliance with the requirements of Clause 49 of the Listing Agreement pertaining to composition of the Board.

All the Directors, except the Chairman, are liable to retire by rotation. To obviate unfettered decision making power being vested with a single individual and to ensure an even balance of power, the roles and offices of the Chairman and the Chief Executive Officer are segregated.

There is no relationship between the Directors inter-se.

None of the Directors is a Member of more than ten committees or Chairman of more than five committees across all public companies in which they are Directors. Necessary disclosures regarding committee positions in other public companies as on 31st March, 2012, have been made by the Directors.

Report on Corporate Governance (contd.)

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

Name	Position / Category	Other Directorships[1]	Other Committee Positions[2]	
			Chairman	Member
Mr. Naresh Goyal	Chairman Non-executive Promoter Director	1	None	None
Mr. Javed Akhtar	Non-executive Independent Director	None	None	None
Mr. Ali Ghandour	Non-executive Independent Director	None	None	None
Mr. Victoriano P. Dungca	Non-executive Director	None	None	None
Mr. I. M. Kadri	Non-executive Independent Director	None	None	None
Mr. Aman Mehta	Non-executive Independent Director	5	2	3
Mr. Yash Raj Chopra	Non-executive Independent Director	None	None	None
Mr. Gaurang Shetty[3]	Whole-time Director and Manager	1	None	1
Mr. Saroj K. Datta[4]	Executive Director	None	None	None

Notes:

Based on the disclosures made by the Directors:

1. Excludes directorships in private companies, foreign companies and alternate directorships.
2. Includes only Audit Committee and Investors Grievance Committee of other Indian public limited companies.
3. Mr. Shetty was appointed with effect from 24th May, 2012.
4. Mr. Datta ceased to be a Director of the Company with effect from 30th September, 2011.

II. Attendance record of Directors at Board Meetings and the Annual General Meeting of the Company held during the financial year 2011-12

Five Board Meetings were held during the financial year 2011-12. The gap between any two Board Meetings did not exceed four months. The Board Meetings were held on the following dates:

19th May, 2011, 22nd July, 2011, 17th August, 2011, 11th November, 2011 and 20th January, 2012.

The annual calendar of Board Meetings is tentatively agreed upon at the beginning of each year. Additionally, Board Meetings are convened to transact special business, as and when necessary.

Report on Corporate Governance (contd.)

The details of the attendance of Directors at the Board Meetings and the Annual General Meeting held during the financial year 2011-12 are as follows:

Name	Attendance at	
	Board Meetings	19th Annual General Meeting held on 17th August, 2011
Mr. Naresh Goyal	3	Yes
Mr. Javed Akhtar	3	No
Mr. Ali Ghandour	3	Yes
Mr. Victoriano P. Dungca	5	Yes
Mr. I. M. Kadri	4	Yes
Mr. Aman Mehta	5	Yes
Mr. Yash Raj Chopra	4	Yes
Mr. Gaurang Shetty[1]	Not Applicable	Not Applicable
Mr. Saroj K. Datta[2]	3	Yes

1. Mr. Shetty was appointed with effect from 24th May, 2012.
2. Mr. Datta ceased to be a Director of the Company with effect from 30th September, 2011.

The Directors endeavour to attend all the Meetings of the Board. However, if for any unavoidable reason, they are unable to attend any Meeting, all relevant information is provided to them and their views are sought thus ensuring that the Company is, nevertheless, able to avail the benefit of their expert advice.

In addition to the information as enumerated in Annexure IA to Clause 49 of the Listing Agreement, the Directors are presented with information on various matters related to the operations of the Company in a manner appropriate to enable them to effectively discharge their duties, especially those requiring deliberation at the highest level. Where it is not practicable to provide the relevant information as a part of the Agenda Papers, the same is tabled at the Meeting. Presentations are also made to the Board by functional heads on various issues concerning the Company. The Directors also have independent access to the Senior Management at all times.

3. Committees of Directors

To focus effectively on specific issues, the Board has constituted the following Committees with detailed Charters laying down specific Terms of Reference:

a. Audit Committee of the Board

b. Remuneration and Compensation Committee

c. Investors Grievance and Share Transfer Committee

The Company Secretary acts as the Secretary to all these Committees.

The Minutes of the Meetings of the above Committees are placed before the Board for discussions / noting.

a. Audit Committee of the Board (Audit Committee)

The Audit Committee oversees the existence of an effective internal control environment that ensures:

- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

Report on Corporate Governance (contd.)

The Audit Committee also acts as a link between the Statutory and Internal Auditors and the Board.

I. Terms of reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions.

The Terms of Reference of the Audit Committee are briefly enumerated below:

a. Oversight of the Company's financial reporting process and disclosure of financial information.

b. 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.

c. Review with management the annual and quarterly financial statements before submission to the Board.

d. Review with management, performance of Statutory and Internal Auditors and the adequacy of internal control systems.

e. Review the adequacy of internal audit function.

f. The appointment, removal and remuneration of the Chief Internal Auditor.

g. Discussions with Internal Auditors of any significant findings and follow-ups thereon.

h. Review the findings of any internal investigations by the Internal Auditors.

i. Discussion with Statutory Auditors before the commencement of audit, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.

j. 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.

k. Review the functioning of the Whistle Blower mechanism.

l. Review the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses;
- Disclosure of contigent liabilities;
- 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.

During the year under review, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas. Management personnel presented the risk mitigation plan to the Committee.

Report on Corporate Governance (contd.)

II. Composition

The Audit Committee comprises five Directors all of whom possess financial / accounting expertise. The Chairman of the Audit Committee is an Independent Director. The composition of the Audit Committee is in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement as given below:

Name	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

The Executive Director / Manager, 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.

III. Meetings and attendance during the financial year 2011-12

The Audit Committee met four times during the financial year 2011-12 on 19th May, 2011, 22nd July, 2011, 11th November, 2011 and 20th January, 2012 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:

Name	Number of Meetings attended
Mr. Aman Mehta	4
Mr. Victoriano P. Dungca	4
Mr. Javed Akhtar	3
Mr. Yash Raj Chopra	3
Mr. Ali Ghandour	2

The Company Secretary attended all the above Meetings.

The Chairman of the Audit Committee, Mr. Aman Mehta, was present at the Nineteenth Annual General Meeting held on 17th August, 2011.

b. Remuneration and Compensation Committee

I. Terms of Reference

The Remuneration and Compensation Committee reviews and recommends the remuneration packages of the Managerial Personnel including that of the Senior Management and formulates broad policy framework for managerial remuneration.

II. Composition

The Remuneration and Compensation Committee comprises five Non-executive Directors as follows:

Name	Designation	Category
Mr. Aman Mehta	Chairman	Independent Director
Mr. Victoriano P. Dungca	Member	Non-executive Director
Mr. Javed Akhtar	Member	Independent Director
Mr. Ali Ghandour	Member	Independent Director
Mr. I. M. Kadri	Member	Independent Director

Report on Corporate Governance (contd.)

III. Meetings and attendance during the financial year 2011-12

During the financial year 2011-12, the Remuneration and Compensation Committee met once on 20th January, 2012. All the Committee Members and the Company Secretary attended the Meeting.

The Chairman of the Remuneration and Compensation Committee, Mr. Aman Mehta, was present at the Nineteenth Annual General Meeting held on 17th August, 2011.

IV. Remuneration Policy

1. For Non-executive Directors

The Non-executive Directors are uniformly paid a fixed remuneration in the form of Sitting Fees for attending Meetings of the Board and Committees; as well as Commission on the profits, if any, made by the Company. No stock options have been granted to the Non-executive Directors by the Company.

Sitting Fees

The Non-executive Directors are paid Sitting Fees of ₹ 20,000 for each Board and Committee Meeting attended by them. The aforesaid Sitting Fees is within the limits prescribed under the Companies Act, 1956.

Commission

In any year that the Company makes adequate profit, a fixed sum is payable as Commission to the Non-executive Directors, with the prior approval of the Members.

Due to the losses made by the Company for the year ended 31st March, 2012, no Commission is payable to the Non-executive Directors for the financial year 2011-12.

Details of remuneration paid to Non-executive Directors for the financial year 2011-12 are as follows:

(₹)

Name	Sitting Fees paid	Commission payable	Total
Mr. Naresh Goyal	60,000	Nil	60,000
Mr. Ali Ghandour	1,20,000	Nil	1,20,000
Mr. Victoriano P. Dungca	2,00,000	Nil	2,00,000
Mr. Javed Akhtar	1,60,000	Nil	1,60,000
Mr. I. M. Kadri	1,40,000	Nil	1,40,000
Mr. Aman Mehta	2,20,000	Nil	2,20,000
Mr. Yash Raj Chopra	1,40,000	Nil	1,40,000

Please refer to the disclosure on Related Party Transactions in the Notes to Accounts for details of transactions in which Mr. Naresh Goyal is concerned or interested.

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

Shareholding of the Non-executive Directors in the Company

Name	Number of Shares of ₹ 10 each held in the Company	% of Total Paid-up Equity Capital
Mr. Naresh Goyal	9,995 (as a Nominee of Tail Winds Limited)	0.01
Mr. Javed Akhtar	5,990	Negligible
Mr. Ali Ghandour	Nil	Nil
Mr. Victoriano P. Dungca	Nil	Nil
Mr. I. M. Kadri	Nil	Nil
Mr. Aman Mehta	Nil	Nil
Mr. Yash Raj Chopra	355	Negligible

Report on Corporate Governance (contd.)

2. For the Executive Director

The remuneration of the Executive Director is recommended by the Remuneration and Compensation Committee after taking into account the experience, qualifications, duties and responsibilities and prevailing industry practices.

Thereafter, the Board approves the remuneration of the Executive Director, subject to the approval of the Members and if required, of the Central Government.

At the Sixteenth Annual General Meeting held on 29th September, 2008, the Members had, subject to the approval of the Central Government, approved the re-appointment of Mr. Saroj K. Datta for a period of three years with effect from 30th September, 2008, on a revised remuneration. The approval of the Central Government was duly obtained.

Mr. Datta's contract as Executive Director expired with effect from 30th September, 2011. Consequently, he stepped down from the Directorship of the Company with effect from 30th September, 2011.

The remuneration paid to the Executive Director comprises Salary and Allowances, Perquisites and Retirement Benefits. Details of the remuneration paid to Mr. Datta for the period from 1st April, 2011 to 29th September, 2011 are as follows:

		₹ in lakhs
Salary and Allowances#	:	112
Perquisites	:	10
Retirement Benefits	:	89
Total	:	211

Includes compensated absences

c. Investors Grievance and Share Transfer Committee

The Company has constituted an Investors Grievance and Share Transfer Committee to specifically focus on the redressal of the Shareholders' / Investors' complaints and grievances and to note the transfers etc. of shares.

I. Terms of Reference

The brief terms of reference of the Investors Grievance and Share Transfer Committee are as follows:

- To receive the report of the Registrar and Share Transfer Agent about investors' complaints and grievances and follow up for necessary action taken for redressal thereof.
- To review the existing "Investor Redressal System" and suggest measures for improvement in investor relations.
- To note the transfer / transmission / transposition / rematerialisation / dematerialization of shares and consolidation / spliting of folios as approved by the persons duly authorized by the Board of Directors in this regard and the issue of share certificates in exchange for sub-divided, consolidated, defaced, torn, etc.
- To review the Shareholding Pattern of the Company and the changes therein.
- To appoint and remove Registrars and Share Transfer Agent, decide the terms and conditions, remuneration, service charge / fees and review their performance.
- To decide the frequency of audit of the Registrar and Share Transfer Agent and to consider the Auditor's Report thereon.
- To consider and take on record the certificate from the practicing Company Secretary under Clause 47(c) of the Listing Agreement.
- To carry out any other activity as may be mandated by the Statutory Regulations
- Such other matters as may be referred or delegated to it, from time to time, by the Company's Board of Directors

Report on Corporate Governance (contd.)

II. Composition

The Members of the Investors Grievance and Share Transfer Committee are as under:

Name	Designation	Category
Mr. I. M. Kadri	Chairman	Independent Director
Mr. Saroj K. Datta[1]	Member	Executive Director
Mr. Javed Ahktar	Member	Independent Director
Mr. Aman Mehta[2]	Member	Independent Director
Mr. Gaurang Shetty[3]	Member	Whole-time Director

1. Mr. Datta ceased to be a Member with effect from 30th September, 2011.
2. Mr. Mehta was appointed as a Member with effect from 20th January, 2012 and ceased to be a Member with effect from 24th May, 2012.
3. Mr. Shetty was appointed as a Member with effect from 24th May, 2012.

III. Meetings and attendance during the financial year 2011-12

The Investors Grievance and Share Transfer Committee met twice during the financial year. The dates of the Meetings and presence thereat are as follows:

Name	Dates of the Meetings and presence of Members thereat	
	19th May, 2011	**20th January, 2012**
Mr. I. M. Kadri	Yes	Yes
Mr. Javed Akhtar	No	Yes
Mr. Saroj K. Datta[1]	Yes	Not Applicable
Mr. Aman Mehta[2]	Not Applicable	Yes
Mr. Gaurang Shetty[3]	Not Applicable	Not Applicable

1. Mr. Datta ceased to be a Member with effect from 30th September, 2011.
2. Mr. Mehta was appointed as a Member with effect from 20th January, 2012 and ceased to be a Member with effect from 24th May, 2012.
3. Mr. Shetty was appointed as a Member with effect from 24th May, 2012.

The Company Secretary attended all the above Meetings.

IV. Name and designation of Compliance Officer

Ms. Monica Chopra, Company Secretary and Associate Legal Counsel, has been appointed the Compliance Officer under Clause 47 of the Listing Agreement.

V. Details of Shareholders' complaints / queries

The details of Shareholders' complaints during the financial year 2011-12 are as follows:

Status of Complaints	Number of Complaints
Pending as of 1st April, 2011	Nil
Received during the financial year 2011-12	40
Disposed of during the financial year 2011-12	40
Pending as of 31st March, 2012	Nil

Report on Corporate Governance (contd.)

Investors complaints are given top priority by the Company and are promptly addressed by the Registrar and Share Transfer Agent, Karvy Computershare Private Limited, who strive to attend to all investor complaints within 48 hours of receipt. All investors' grievances / correspondences received during the financial year 2011-12 have been attended to.

The Company has a separate email ID investors@jetairways.com to which investors may address their grievances. They may contact the Investor Relations Officer, Mr. C. P. Varghese, at the Registered Office of the Company or on Telephone : +91 22 6121 1066.

4. General Body Meetings

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

Financial Year	Venue	Date and Time
2008-09	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018	17th August, 2009 at 3:30 p.m.
2009-10		26th August, 2010 at 3:30 p.m.
2010-11		17th August, 2011 at 3:30 p.m.

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

Annual General Meeting held on	Subject
17th August, 2009	• None
26th August, 2010	• Appointment of Mrs. Anita Goyal as Executive Vice President – Revenue Management & Network Planning • Raising of Capital • Investment in MAS GMR Aerospace Engineering Company Limited • Appointment of Ms. Namrata Goyal as a Management Trainee
17th August, 2011	• Raising of Capital • Appointment of Mr. Nivaan Goyal to an office or place of profit. • Re-appointment of Ms Namrata Goyal to an office or place of profit.

A Special Resolution to approve raising of further capital pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, was passed at the Extraordinary General Meeting held on 24th September, 2009.

iii. Special Resolutions passed through Postal Ballot:

No Special Resolution was passed through Postal Ballot during the financial year 2011-12. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot. Resolutions, if required, shall be passed by Postal Ballot during the year ending on 31st March, 2013, in accordance with the prescribed procedure.

5. Disclosures

a. Details of related party transactions as per requirement of Accounting Standard 18 are disclosed in Note No. 40 to the audited accounts. A statement of these transactions was also placed before the Audit Committee and the Board, from time to time. None of the transactions with any of the related parties was in conflict with the interests of the Company. All transactions with related parties are negotiated on an arms' length basis and are intended to further the interests of the Company's business.

Report on Corporate Governance (contd.)

b. The Company has not entered into any materially significant transaction 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. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its noting / approval.

c. With regard to matters related to capital markets, there have been no instances of non-compliance by the Company, penalties or strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

d. The Board is responsible for ensuring that the rules are in place to avoid conflicts of interest by the Board Members. The Company has adopted the Code of Business Conduct and Ethics for the Members of the Board and Senior Management ('Code') as required under Clause 49 of the Listing Agreement.

If such an interest exists, the Members are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest.

The Code is posted on the Company's website www.jetairways.com. All the Members of the Board and the Senior Management personnel have affirmed their compliance with the said Code. A declaration to this effect, signed by the Chief Executive Officer, is given below:

In accordance with Clause 49(I)(D) of the Listing Agreement entered into with the Stock Exchanges, I hereby confirm that:

All the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics for the Members of the Board and the Senior Management, as applicable to them, in respect of the Financial Year 2011-12.

Mumbai — *Nikos Kardassis*
24th May, 2012 — *Chief Executive Officer*

e. CEO / CFO Certification

A Certificate from the Chief Executive Officer and the Senior Vice President – Finance (in his capacity as Head - Finance) on the financial reporting and the internal controls over financial reporting for the financial year ended 31st March, 2012, was placed before the Board. In addition, as required by Clause 41 of the Listing Agreement, Certificates from the Chief Executive Officer and the Senior Vice President – Finance (in his capacity as Head - Finance) on the quarterly financial results were placed before the Board.

f. Risk Management

The Company has laid down procedures to inform the Board about the Risk Assessment and Minimization Procedure, which are periodically reviewed by the Audit Committee and the Board.

g. Disclosure of Accounting Treatment

Your Company has followed all applicable Accounting Standards while preparing the financial statements.

h. Policy for reporting illegal or unethical behaviour (Whistle Blower Policy)

Directors and employees are encouraged to report evidence of illegal or unethical behaviour in a responsible and confidential manner to the Chairman of the Board or the Chairman of the Audit Committee or alternatively may report to their superiors or Head - Human Resources. 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.

Report on Corporate Governance (contd.)

Under the Company's, '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 or the Board any questions, concerns or complaints they may have regarding accounting, internal accounting controls or auditing matters.

i. Code of Conduct for Prevention of Insider Trading

The Company has adopted the Code of Conduct for Prevention of Insider Trading, as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 1992. The Compliance Officer, along with the Company Secretary, is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code under the overall supervision of the Board. All Directors and employees in the Vice President grade and above and other Designated Employees who are privy to unpublished price sensitive information of the Company are governed by this Code.

Mr. M. Shivkumar, Senior Vice President - Finance, is the Compliance Officer. The Company has also adopted a Code of Corporate Disclosure Practices for Prevention of Insider Trading to ensure timely and adequte disclsoure of price sensitive information.

6. Means of Communication

- Newspapers: The Company publishes the statement of financial results (quarterly / half yearly / annual) in prominent newspapers as follows :

Newspaper	Lanaguage	Place of Publication / Edition
Economic Times	English	Ahmedabad, Bangalore, Mumbai, Hyderabad, Chennai, Pune
Economic Times	Gujarati	Ahmedabad & Mumbai
Economic Times	Hindi	New Delhi
Maharashtra Times	Marathi	Mumbai
Free Press Journal	English	Mumbai
Navshakti	Marathi	Mumbai

- Press Releases: The Company issues press releases highlighting significant performance and operational milestones. The press releases are sent to, and are displayed by, the Stock Exchanges where the Shares of the Company are listed.
- Analysts and Investors meet / call: The Company regularly conducts meets / calls with Analysts and Investors to brief them of the financial and operational performance.
- Website: The financial results are also simultaneously posted on the Company's website at www.jetairways.com. All press releases issued by the Company are also available on the website of the Company. The Shareholding Pattern and other communication of investors' interest, including the transcript of Investors / Analysts meets / calls, are uploaded on the website.

  The Company's website is a comprehensive reference to the Management's mission and policies. The section on "Investor Relations" serves to inform investors by giving them complete infomation on the financials, Shareholding Pattern, Committees of the Board, information relating to stock exchanges, Registrar and Share Transfer Agent, etc.

  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.

  The Company has designated the following e-mail id exclusively for investor services: companysecretary@jetairways.com

Report on Corporate Governance (contd.)

7. General Shareholder Information

i. Annual General Meeting

Date, time and venue : Friday, 3rd August, 2012 at 3.30 p.m. at Bhaidas Maganlal Sabhagriha, Juhu Vile Parle Development Scheme, Bhaktivendanta Swami Marg, Vile Parle (West), Mumbai - 400 056

ii. Financial Year : 1st April, 2011 to 31st March, 2012

Financial Calendar (tentative)

The Company expects to announce the results for the financial year 2012-13, as per the following schedule:

First quarter ending 30th June, 2012	: On or before 14th August, 2012
Second quarter ending 30th September, 2012	: On or before 14th November, 2012
Third quarter ending 31st December, 2012	: On or before 14th February, 2013
Fourth quarter and audited financial year ending 31st March, 2013	: On or before 31st May, 2013
Twenty First Annual General Meeting	: On or before 30th September, 2013

iii. Dates of Book Closure : Thursday, 19th July, 2012 to Friday, 3rd August, 2012 (both days inclusive) for the purpose of the Twentieth Annual General Meeting.

iv. Dividend Payment Date : Not applicable as the Board of Directors has not recommended any dividend for the financial year 2011-12.

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 (NSE)	**BSE Limited (BSE)**
"Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	P. J. Towers, Dalal Street, Fort Mumbai – 400 001

The Company's Equity Shares form part of "B" Group and BSE 200 Index of BSE.

The Listing Fee for the financial year 2012-13 has been paid to both the above Stock Exchanges.

vi. Stock Code

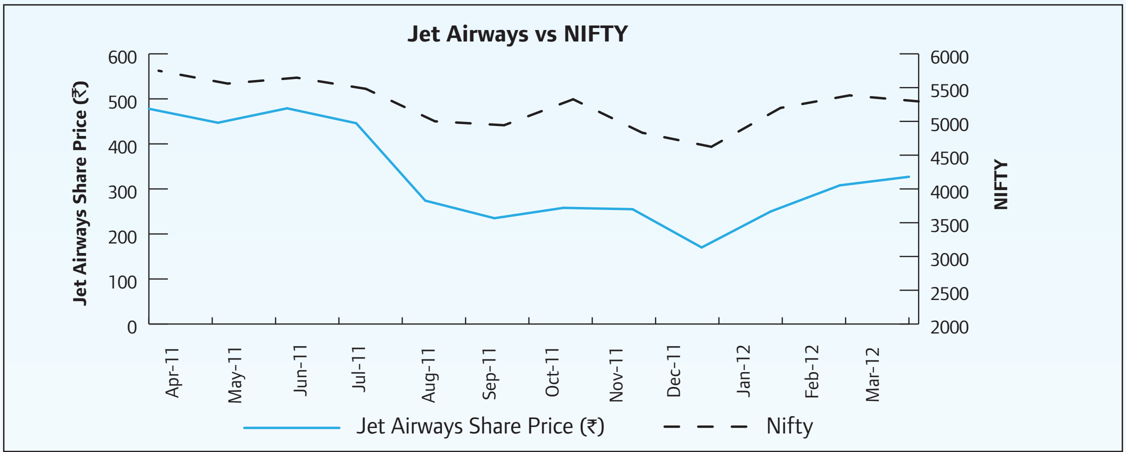
Name	Code	Reuters	Bloomberg
National Stock Exchange of India Limited	JETAIRWAYS-EQ	JET.NS	JETIN:IN
BSE Limited	532617	JET.BO	
International Securities Identification Number (ISIN)	INE802G01018		

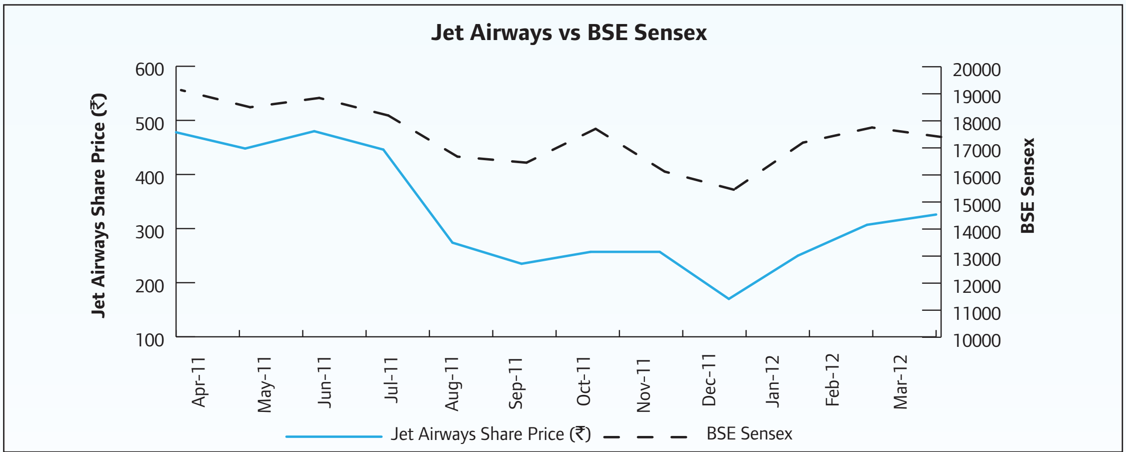
Report on Corporate Governance (contd.)

vii. Market price data (high, low during each month in the financial year 2011-12)

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Numbers)	High (₹)	Low (₹)	Volume (Numbers)
April 2011	504.90	443.10	14,760,040	505.00	438.00	3,531,056
May 2011	499.00	431.50	18,967,877	499.00	432.55	5,012,303
June 2011	504.90	405.10	19,019,449	504.80	407.05	5,008,533
July 2011	517.50	441.65	17,762,203	517.50	442.00	4,002,731
August 2011	451.00	250.15	31,074,921	451.00	250.90	6,967,098
September 2011	308.50	233.35	25,765,761	308.40	233.00	6,093,148
October 2011	260.00	221.90	19,369,716	259.80	221.70	4,829,364
November 2011	299.70	226.65	36,531,397	284.45	227.00	8,973,192
December 2011	274.80	166.70	30,800,956	269.50	167.00	6,623,612
January 2012	268.90	169.30	47,399,402	264.40	169.30	11,167,231
February 2012	358.45	254.00	73,640,663	358.40	253.50	18,824,577
March 2012	355.00	267.00	42,013,559	354.85	267.80	9,330,082

viii. Performance of Share Price in comparison to the NSE and BSE Indices





Report on Corporate Governance (contd.)

ix. Registrar and Share Transfer Agent

Share transfers, dividend payment and all other investor related matters are attended to and processed by the Registrar and Share Transfer Agent, Karvy Computershare Private Limited at the following address:

Head Office (Hyderabad)
17 - 24, Vittal Rao Nagar
Madhapur, Hyderabad - 500 081
Tel: +91 40 4465 5000
Fax: +91 40 2342 0814
Email: einward.ris@karvy.com
Contact Person: Mr. T. P. Raju, General Manager

x. Share Transfer System

99.99% of the Equity Shares of the Company are held in the dematerialized form. Transfers of these Shares take place electronically through the depositories with no involvement of the Company or the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited (RTA).

All requests for dematerialization of securities are processed and confirmation is given to the depositories within 15 days.

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

Transfers of Shares in physical form are approved by the Authorised Officials of the Company and the 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 were no transfers of Shares in physical form during the financial year 2011-12.

xi. Transfer of unclaimed amounts to Investor Education and Protection Fund

Pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, on 27th March, 2012, the Company has credited to the Investor Education and Protection Fund (IEPF), an amount of ₹ 222,950 being the share application money in respect of the Initial Public Offer by the Company in 2005, lying unclaimed for a period of seven years.

The unclaimed dividends for the financial years 2004-05, 2005-06 and 2006-07 are still lying in the respective unpaid dividend accounts of the Company. Unpaid dividend remaining unclaimed for a period of seven years from the date of declaration is required to be transferred to the IEPF.

Accordingly, the due dates for transfer of the unclaimed dividend to IEPF are as follows:

Financial Year	Due Date for transfer
2004-05	26th September 2012
2005-06	19th September 2013
2006-07	26th September 2014

Please note that no claim shall lie against the Company or the Central Government, once the amounts are transferred to the IEPF. Members who have not yet encashed their dividend warrant(s) for the aforesaid financial years are requested to contact the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, at the earliest.

Report on Corporate Governance (contd.)

xii. Shareholding Pattern as on 31st March, 2012

Sr. No.	Category	Number of Shares held	% of Shares
A.	**Shareholding of Promoter and Promoter Group**		
1.	**Indian**		
	Individuals / Hindu Undivided Family	10,995	0.01
	Sub Total	**10,995**	**0.01**
2.	**Foreign**		
	Bodies Corporate	69,057,210	79.99
	Sub Total	**69,057,210**	79.99
	Total shareholding of Promoter and Promoter Group (A)	**69,068,205**	**80.00**
B.	**Public Shareholding**		
1.	**Institutions**		
	Mutual Funds / UTI	3,257,495	3.77
	Financial Institutions / Banks	302,729	0.35
	Insurance Companies	2,430,864	2.82
	Foreign Institutional Investors	5,788,000	6.70
	Sub Total	**11,779,088**	**13.64**
2.	**Non-Institutional**		
	Bodies Corporate	1,014,441	1.18
	Individuals:		
	Individual shareholders holding nominal share capital up to ₹ 1 lakh	3,889,168	4.50
	Individual shareholder holding nominal share capital in excess of ₹ 1 lakh	196,885	0.23
	Others:		
	Non Resident Indians	217,304	0.25
	Trusts	658	0.00
	Clearing Members	168,262	0.19
	Sub Total	**5,486,718**	**6.36**
	Total Public Shareholding (B)	**17,265,806**	**20.00**
	Total (A) + (B)	**86,334,011**	**100.00**
C.	**Shares held by Custodians and against which Depository Receipts have been issued**	—	—
	Total (A) + (B) + (C)	**86,334,011**	**100.00**

Report on Corporate Governance (contd.)

xiii. Distribution of Shareholding as on 31st March, 2012:

Sr. No.	Category From – To	Shares Number	Shares % of Total	Shareholders Number	Shareholders % of Total
1	1-500	3,171,052	3.67	108,405	98.91
2	501-1,000	487,148	0.56	640	0.58
3	1,001-1,500	192,355	0.22	152	0.14
4	1,501-2,000	173,255	0.20	94	0.09
5	2,001-2,500	107,615	0.12	47	0.04
6	2,501-3,000	87,121	0.10	30	0.03
7	3,001-3,500	82,380	0.10	25	0.02
8	3,501-4,000	92,560	0.11	24	0.02
9	4,001-4,500	81,028	0.09	19	0.02
10	4,501-5,000	87,705	0.10	18	0.02
11	5,001-10,000	442,636	0.51	62	0.06
12	10,001-20,000	450,603	0.52	31	0.03
13	20,001-30,000	328,775	0.38	13	0.01
14	30,001-40,000	136,682	0.16	4	0.00
15	40,001-50,000	130,925	0.15	3	0.00
16	50,001-1,00,000	795,445	0.92	11	0.01
17	1,00,001 & above	79,486,726	92.07	18	0.02
	Total :	86,334,011	100.00	109,596	100.00

xiv. Top Ten Shareholders as on 31st March, 2012

Sr. No.	Name of the Shareholder	Number of Shares	% of Holding	Category
1	Tail Winds Limited (including 9,995 Shares held by Mr. Naresh Goyal as nominee of Tail Winds Limited)	69,068,205	80.00	Promoter Foreign Body Corporate
2	Life Insurance Corporation of India	2,355,864	2.73	Insurance Company
3	Platinum Investment Management Limited A/C Platinum Asia Fund	1,247,872	1.45	Foreign Institutional Investor
4	HDFC Trustee Company Limited - HDFC Top 200 Fund	1,073,000	1.24	Mutual Fund
5	BNP Paribas Asset Management A/C Fortis L Fund	965,000	1.12	Foreign Institutional Investor
6	Platinum Investment Management Limited A/C Platinum International Brands Fund	610,876	0.71	Foreign Institutional Investor
7	IDFC Sterling Equity Fund	600,000	0.69	Mutual Fund
8	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Tax Relief 96	555,600	0.64	Mutual Fund
9	Shinhan BNP Paribas Asset Management Co., Ltd. A/C Shinhan BNPP Bonjour India Equity Investment Trust - Master Investment Trust	481,000	0.56	Foreign Institutional Investor
10	Deutsche Securities Mauritius Limited	403,865	0.47	Foreign Institutional Investor

Report on Corporate Governance (contd.)

xv. Dematerialization of Shares and Liquidity

As per the directions of 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 dematerialised form. 99.99% of the Company's Equity Shares are held in dematerialised form.

The details of Equity Shares held in dematerialised and in physical form as on 31st March, 2012, are given hereunder:

Particulars of Equity Shares	Equity Shares of ₹ 10 each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialized form				
NSDL	8,49,05,279	98.35	85,916	78.41
CDSL	14,28,357	1.65	23,658	21.59
Sub-total	**8,63,33,636**	**100.00**	**1,09,574**	**100.00**
Physical form	375	0.00	22	0.00
Total	**8,63,34,011**	**100**	**1,09,596**	**100.00**

The Shares of the Company are frequently traded on the Stock Exchanges.

The Annual Custodial Fee has been paid for the financial year 2012-13 to both the depositories.

xvi. Shares in the Suspense Account

At the time of the Company's Initial Public Offer (IPO) in 2005, there were instances where the Shares allotted could not be credited to the demat accounts of the allottees due to various reasons, for e.g. invalid demat account, incorrect DP ID / Client ID, etc. Consequently, the said Shares were transferred to an Escrow Account.

As required by Clause 5A of the Listing Agreement, a demat account for holding these unclaimed Shares has been opened with Karvy Stock Broking Limited in the name and style of "Jet Airways (India) Limited – Unclaimed Shares Demat Suspense Account". The details of the Shares held in the aforesaid demat account are as follows:

Type of Security	As on 1st April, 2011		Shareholders who approached the Registrar and Shares transferred in their favour during the year		Balance as on 31st March, 2012	
	Number of		Number of		Number of	
	Cases	Shares	Cases	Shares	Cases	Shares
Equity Shares	56	613	0	0	56	613

The voting rights on these Shares shall remain frozen till the rightful owner of such Shares claims them.

xvii. Reconciliation of Share Capital Audit

M/s. T. M. Khumri & Co., Company Secretaries, conduct a Reconciliation of Share Capital Audit every quarter to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital of the Company. The Audit Reports for all the quarters of the financial year ended 31st March, 2012, confirm that the total Issued / Paid-up Capital of the Company is in agreement with the total number of Equity Shares in physical form and the total number of Equity Shares in dematerialised form held with NSDL and CDSL.

xviii. Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments, till date.

Report on Corporate Governance (contd.)

xix. Plant locations

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

xx. Address for correspondence

Postal address	E-Mail ID and Website	Telephone	Fax
Jet Airways (India) Limited Siroya Centre, Sahar Airport Road Andheri (East), Mumbai - 400 099 Attn.: Mr. C. P. Varghese Investor Relations Officer	companysecretary@jetairways.com investors@jetairways.com Website: www.jetairways.com	+91 22 6121 1066	+91 22 6121 1950

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

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company has complied with the following non-mandatory requirements:

I. Remuneration and Compensation Committee: The Company has constituted a Remuneration and Compensation Committee of Directors comprising Non-executive Directors. The details of the Committee have been mentioned earlier in this Report.

II. Whistle Blower Policy: The details with regard to functioning of the Policy have been mentioned earlier in this Report.

III. Shareholder Rights: The quarterly, half-yearly and annual statement of financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's website. Significant events and milestones are also posted on the Company's website.

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

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 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with 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. 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
Registration No.117366W

R. D. KAMAT
Partner
Membership No. 36822

FOR CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS
Registration No. 101720W

RAJESH D. CHATURVEDI
Partner
Membership No. 45882

Mumbai
24th May 2012

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 31^{st} March , 2012, and the Statement of Profit and Loss and the Cash Flow Statement of the Company 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 the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principle used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, we invite attention to the following notes:

   i) Note no. 32 (b) (viii) regarding the continuing litigation with erstwhile shareholders of Jet Lite (India) Limited. During the year, the Honorable High Court of Bombay had disposed off the Execution application in terms of which the Company paid ₹ 11,643 lakhs as interest @ 9% p.a. The counterparty contested this judgment and sought increased compensation and interest @18% p.a. instead of 9% p.a. while the Company challenged the levy of interest in toto. Consequent to the dismissal of this matter by the Honorable High Court of Bombay, both the parties filed a Special Leave Petition which is pending before the Honorable Supreme Court of India. The management has, based on legal advice and pending final determination, not recognized the amount paid as aforesaid as interest in the accounts.

   ii) Note no. 35 regarding investments in and advances given to its subsidiary aggregating to ₹ 292,739 lakhs (Previous year ₹ 317,451 lakhs). The accumulated losses have fully eroded the net worth of the subsidiary and its negative net worth as at the year-end is Rs 141,826 lakhs (Previous year ₹ 123,533 lakhs). An external valuation report obtained by the management covers the carrying value of such investment / advance and accordingly no provision for diminution/recoverability is considered necessary by the management. In view of the prevailing situation in the aviation sector, the valuation as aforesaid is dependent on the achievement of the projections as regards operating performance by the subsidiary.

   iii) Note no. 1 A (c) regarding preparation of financial statements of the Company on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance / generate cash flows in the near future to meet its obligations.

4. As required by the Companies (Auditor's Report) Order, 2003 (CARO), 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.

5. Further, to our comments in paragraphs 3 (i) to (iii) above and the Annexure referred to in paragraph 4 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

Auditors' Report (contd.)

(d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

ii) in the case of the Statement of Profit and Loss, of the loss of the company for the year ended on that date; and

iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. On the basis of written representations received from Directors, as on 31st March, 2012 taken on record by the Board of Directors, we further report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

FOR DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
Registration No.117366W

R. D. KAMAT
Partner
M. No. 36822
Mumbai
24th May 2012

FOR CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS
Registration No. 101720W

RAJESH D. CHATURVEDI
Partner
M. No. 45882

Annexure to the Auditors' Report

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF JET AIRWAYS (INDIA) LIMITED

(Referred to in paragraph 4 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 except inventory lying with third parties. In our opinion, the frequency of verification is reasonable.

   b) In our opinion and based on the information and explanations given to us, the procedures of physical verification followed by the management of stock lying with it 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. In respect of items lying with other entities we have relied on the confirmations obtained by the management from such entities.

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 ₹ 164,110 lakhs and the year-end balance was ₹ 128,239 lakhs.

   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 after 8 years (financial year 2019-20) by way of a bullet payment.

   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. Sale of goods is not a significant part of the Company's activity. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such 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 lakhs 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.

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.

Annexure to the Auditors' Report (contd.)

7) The Company has an internal audit system comprising of its own internal team and involvement of a reputed external firm of Chartered accountants for specific areas on a rotational basis. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its 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 :

   a) 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, as applicable, have been generally regularly deposited with the appropriate authorities during the year though there are delays in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2012 for a period more than six months from the date they became payable.

   b) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, custom duty, wealth tax and cess which have not been deposited on account of any dispute other than the following:

Name of statute	**Nature of the dues**	**Amount (₹ in lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
IATT Rules, 1989 Customs	IATT Interest & Penalty	321	2003-04	Commissioner of (Appeals), New Delhi
Customs Act, 1962	Custom Duty	143	2007-2008	Commissioner of Customs (Appeals)-Mumbai
Finance Act, 1994	Service Tax	2,374	2001-02 to 2009-2010	CESTAT
Finance Act, 1994	Service Tax	138,985	2001-02 to 2010-11	Commissioner of Central Excise
Income Tax Act,1961	Income Tax	8,334	2005-2006 to 2007-2008 and 2009-2010	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	233	2006-2007	Income Tax Appellate Tribunal (ITAT)
Income Tax Act,1961	Income Tax	24,529	2006-07 to 2010-2011	Commissioner of Income Tax

10) The accumulated losses of the Company at the end of the financial year are more than fifty per cent of its net worth. The Company has incurred cash loss during the current financial year 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.

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.

13) In our opinion and according to the information and explanation 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.

Annexure to the Auditors' Report (contd.)

14) The Company has not dealt (other than in Mutual Fund Units) or traded in shares, securities, debentures or other investments during the year. For dealings in units of Mutual Funds, 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 its wholly owned Subsidiary Company from banks/financial institution. Based on 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 ₹ 37 lakhs, which we are informed are being pursued, no fraud by the Company and no material fraud on the Company was noticed or reported during the year.

FOR DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
Registration No.117366W

R. D. KAMAT
Partner
M. No. 36822

Mumbai
24th May 2012

FOR CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS
Registration No.101720W

RAJESH D. CHATURVEDI
Partner
M. No. 45882

Balance Sheet as at 31st March, 2012

₹ in lakhs

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**8,633**	8,633
Reserves and Surplus	3	**123,547**	251,801
		132,180	260,434
Non-Current Liabilities			
Long Term Borrowings	4	**877,358**	904,795
Deferred Tax Liability (Net)	5	**-**	3,363
Other Long Term Liabilities	6	**42,239**	3,041
Long Term Provisions	7	**9,871**	9,606
		929,468	920,805
Current Liabilities			
Short Term Borrowings	8	**209,417**	245,274
Trade Payables	9	**318,518**	209,004
Other Current Liabilities	10	**504,433**	424,138
Short Term Provisions	11	**7,994**	9,083
		1,040,362	887,499
TOTAL		**2,102,010**	2,068,738
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	**1,359,513**	1,344,457
Intangible Assets	13	**18,732**	17,124
Capital Work-In-Progress	12	**207**	3,198
		1,378,452	1,364,779
Non-Current Investments	14	**164,596**	164,509
Long Term Loans and Advances	15	**210,850**	223,135
Other Non-Current Asset	16	**7,060**	-
		382,506	387,644
Current Assets			
Current Investments	17	**-**	8,000
Inventories	18	**77,835**	71,118
Trade Receivables	19	**126,644**	96,577
Cash and Bank Balances	20	**49,788**	58,771
Short Term Loans and Advances	21	**79,751**	81,849
Other Current Asset	22	**7,034**	-
		341,052	316,315
TOTAL		**2,102,010**	2,068,738
Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements	1		

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Statement of Profit and Loss for the Year Ended 31st March, 2012

₹ in lakhs

Particulars	Note No.	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Income			
Revenue from Operations	23	**1,481,591**	1,273,676
Other Income	24	**35,717**	19,551
Total Revenue		**1,517,308**	1,293,227
Expenses			
Aircraft Fuel Expenses		**663,067**	436,670
Employee Benefit Expenses	25	**159,949**	133,969
Selling and Distribution Expenses	26	**136,167**	126,172
Aircraft Lease Rentals		**90,600**	84,436
Depreciation and Amortization	27	**93,988**	91,062
Finance Cost	28	**97,123**	111,971
Other Expenses	29	**409,266**	323,212
Total Expenses		**1,650,160**	1,307,492
(Loss) Before Exceptional Items and Tax		**(132,852)**	(14,265)
Exceptional Items (Net)	30	**7,319**	18,919
(Loss) / Profit Before Tax		**(125,533)**	4,654
Tax Expense			
- Current Tax		**-**	2,062
- Deferred Tax		**(3,363)**	3,363
- MAT Credit Reversal / (Entitlement)		**2,062**	(2,062)
- (Excess) / Short Tax Provisions (net) for Earlier Years		**(622)**	322
(Loss) / Profit for the Year from Continuing Operations		**(123,610)**	969
Earnings Per Equity Share : (Face Value ₹ 10 per share)			
Basic and Diluted (in ₹)	31	**(143.18)**	1.12
Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements	1		

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
} Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Cash Flow Statement for the Year Ended 31st March, 2012

₹ in lakhs

Particulars	Note No.	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Cash flow from Operating Activities :			
Net (Loss) / Profit Before Tax		**(125,533)**	4,654
Adjustments for :			
Depreciation and Amortization	27	**93,988**	91,062
Excess Depreciation Reversal in respect of Earlier Years		**-**	(12,225)
Marked to Market – Derivatives		**(1,384)**	(4,817)
Contribution Receivable from Lessors		**(11,866)**	-
Provision for Stock Obsolescence		**4,906**	5,381
(Loss) / Profit on Sale of Fixed Assets (Net)		**(7,101)**	1,188
Profit on Sale of Investments / Dividend on Current Investments		**(16)**	(82)
Finance Cost	28	**97,123**	111,971
Interest on Income Tax Refund		**(513)**	(268)
Interest on Bank and Other Deposits		**(3,610)**	(3,571)
Excess Provision No Longer Required		**(4,036)**	(14,698)
Provision for Doubtful Debts No Longer Required Written Back		**(113)**	(403)
Provision for Compensated Absences and Gratuity		**1,860**	1,639
Exchange Difference on Translation (Net)		**5,931**	(1,877)
Provision for Doubtful Debts		**1,157**	587
Bad Debts Written Off		**78**	33
Inventory Scrapped During the Year		**2,494**	1,869
Operating Profit Before Working Capital Changes		**53,365**	180,443
Adjustments for :			
Inventories		**(14,117)**	(19,889)
Trade Receivables		**(30,527)**	(15,600)
Loans and Advances (Refer note 4 below)		**18,216**	(110,521)
Trade Payables		**200,195**	97,435
Cash Generated from Operations		**227,132**	131,868
Direct Taxes Paid (Net of Refund)		**(3,071)**	(4)
Net Cash from Operating Activities		**224,061**	131,864
Cash Flow from Investing Activities :			
Purchase of Fixed Assets (including Capital Work-in-Progress) [Refer note 4 below]		**(6,594)**	(12,524)
Proceeds from Sale of Fixed Assets		**22,948**	-
Purchase of Current Investments		**(19,000)**	(244,446)
Sale of Current Investments		**27,018**	246,518
Deferred Payment Liability towards Investment in Wholly Owned Subsidiary Company		**-**	(13,750)
Changes in Fixed Deposits with Banks (Refer note 2 below)		**1,699**	20,470
Interest Received on Bank and Other Deposits		**3,272**	5,114

Cash Flow Statement for the Year Ended 31st March, 2012 (contd.)

₹ in lakhs

Particulars	Note No.	For the Year Ended 31st March, 2012	For the Period Ended 31st March, 2011
Dividend on Current Investment		-	1
Net Cash Flow from Investing Activities		**29,343**	1,383
Cash Flow from Financing Activities :			
Net Increase / (Decrease) in Short Term Loans (Refer note 3 below)		**4,143**	(30,692)
Proceeds from Long Term Loans during the year (Refer note 3 below)		**50,000**	194,000
Repayment of Long Term Loans during the year (Refer note 3 below)		**(219,179)**	(180,207)
Finance Cost		**(95,990)**	(112,847)
Net Cash used for Financing Activities		**(261,026)**	(129,746)
Net (Decrease) / Increase in Cash and Cash Equivalents		**(7,622)**	3,501
Cash and Cash Equivalents at the beginning of the year (Refer note 1 below)	20	**14,561**	11,060
Cash and Cash Equivalents at end of the year (Refer note 1 below)	20	**6,939**	14,561
Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements	1		

Notes :

1) Cash and Cash Equivalents for the year ended 31st March, 2012 includes unrealized Gain (Net) of ₹ 2,244 lakhs (Previous year ₹ 1,194 lakhs) on account of translation of Foreign Currency Bank Balances.

2) Fixed Deposits with banks having a maturity period of more than three months and Fixed Deposits under lien amounting to ₹ 41,886 lakhs (Previous year ₹ 43,585 lakhs) are not included in Cash and Cash Equivalents.

3) During the year, Long Term Loans amounting to ₹ 40,000 lakhs (Previous year ₹ 92,000 lakhs) were converted from Rupee to Dollar denominated loans. However, the same has not been considered as movement in Financing Activities as it did not involve physical movement of cash.

4) ₹ 3,385 lakhs is not considered in the movement of Capital Work-in-Progress as it relates to non-cash adjustment of a capital advance as a loan repayment by Subsidiary Company.

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Notes forming part of the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

a) 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) Financial Statements for the year ended 31st March, 2012 have been prepared based on revised Schedule VI of the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles of individual items within this Financial Statements. However, it has significant impact on presentation and disclosures made in the Financial Statements. The Company has accordingly reclassified the previous year's figures to meet the requirements applicable for the current year.

c) The Airline Industry has been adversely affected by the general economic slowdown. This coupled with high fuel cost significantly impacted the performance and cash flows of the Company and its Subsidiary resulting in substantial erosion of the net worth. The Management has been constantly implementing initiatives to improve the operating cash flows through cost control measures, route rationalization, leasing out Aircraft etc. During the F.Y. 2011-12 although the passenger traffic improved, the impact of significant increase in the crude oil prices and weakening of rupee not matched by corresponding increase in fares resulted in the Company not being able to sustain its profitable performance. The fuel prices have subsided now and going forward, the Company expects to perform better. The Company is also exploring options of raising finances to meet its various operational and financial obligations including financial support to its Subsidiary – Jet Lite (India) Limited. These measures are expected to result in sustainable cash flows and accordingly these Financial Statements continue to be presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

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 recognized in the period in which the results are known / materialized.

C. REVENUE RECOGNITION :

a) Passenger and Cargo income is recognized on flown basis, i.e. when the services are rendered.

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

c) 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.

d) Lease income including Variable rentals on the Aircraft given on operating lease is recognized in the Statement of Profit and Loss 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 recognized 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 Statement of Profit and Loss.

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 recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent of benefits are vested, otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

Notes forming part of the Financial Statements (contd.)

The employee benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized 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 recognized undiscounted during the period employee renders services.

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 capitalized.

The cost of improvements to Leased Properties as well as customs duty / modification cost incurred on Aircraft taken on operating lease have been capitalized 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 amortization and accumulated impairment losses, if any.

c) Assets Taken on Lease :

i. **Operating Lease :** Rentals are expensed with reference to the Lease Term and other considerations.

ii. **Finance Lease / Hire Purchase :** The lower of the fair value of the assets and the present value of the minimum lease rentals is capitalized 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 Statement of Profit and Loss.

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 Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

I. DEPRECIATION / AMORTIZATION :

a) Depreciation on tangible fixed assets has been provided on the `Straight Line Method' in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 and in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. Expenditure incurred on improvements of assets acquired on operating lease is written off evenly over the balance period of the lease. Premium on leasehold land is amortized over the period of lease.

b) On amounts added on revaluation, depreciation is charged over the residual life and the additional charge of depreciation is withdrawn from the Revaluation Reserve.

c) Intangible assets are amortized on straight line basis as follows :

i. Landing Rights acquired are amortized over a period not exceeding 20 years. Amortization period exceeding 10 years is applied considering industry experience and expected asset usage.

ii. Trademarks are amortized over 10 years.

iii. Computer Software is amortized over a period not exceeding 36 months.

J. INVESTMENTS :

Current Investments are carried at lower of cost or 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.

K. BORROWING COSTS :

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized 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 recognized as an expense in the period in which they are incurred.

L. FOREIGN CURRENCY TRANSACTIONS / TRANSLATION :

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

Notes forming part of the Financial Statements (contd.)

b) Non-monetary foreign currency items are not restated at the period-end rates.

c) Exchange differences relating to long term foreign currency monetary items are accounted as under :

(i) to the extent they relate to financing the acquisition of fixed assets and not regarded as interest, are added to or subtracted from the cost of such fixed assets and depreciated over the balance useful life of the asset;

(ii) in other cases, such differences are accumulated in `Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) and amortized in the Statement of Profit and Loss over the balance term of the long term monetary item. As at the year-end, current portion and non-current portion of the FCMITDA is disclosed as `Other Current Asset' and `Other Non-Current Asset', respectively.

d) 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 period end rate is recognized in the Statement of Profit and Loss. 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 amortized 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 AND REPAIRS COST :

Aircraft Maintenance, Auxiliary Power Unit (APU) and Engine Maintenance and Repair Costs are expensed on incurrence as incurred except with respect to Engines / APU which are covered by third party maintenance agreement and these are accounted in accordance with the relevant terms.

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 recognized and carried forward only to the extent that there is a reasonable / virtual certainty, as the case may be, that the asset will be realized in future.

P. SHARE ISSUE EXPENSES :

Issue Expenses are adjusted against the Securities Premium Account.

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, entered into by the Company for hedging the risks of foreign currency exposure (including interest rate risk) are marked to market and losses, if any, is 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 recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes forming part of the Financial Statements (contd.)

2. SHARE CAPITAL

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Authorised		
180,000,000 Equity Shares of ₹ 10/- each (Previous year 180,000,000 Equity Shares of ₹ 10/- each)	**18,000**	18,000
20,000,000 Preference Shares of ₹ 10/- each (Previous year 20,000,000 Preference Shares of ₹ 10/- each)	**2,000**	2,000
	20,000	20,000
Issued, Subscribed And Paid Up :		
86,334,011 Equity Shares : Face value of ₹ 10/- each fully paid up (Previous year 86,334,011 Equity Shares of ₹ 10/- each fully paid up)	**8,633**	8,633
TOTAL	**8,633**	8,633

a. Reconciliation of Number of Shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	**₹ in lakhs**	Number of shares	₹ in lakhs
Equity Shares : Face value of ₹ 10/- each				
As at the beginning of the year	**86,334,011**	**8,633**	86,334,011	8,633
As at the end of the year	**86,334,011**	**8,633**	86,334,011	8,633

b. Shareholders holding more than 5% of equity share capital and shares held by Holding / Ultimate Holding Company

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	**Percentage of holding**	Number of shares	Percentage of holding
Tail Winds Limited (Holding Company) and its nominee	**69,067,205**	**80.00%**	69,067,205	80.00%

c. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Notes forming part of the Financial Statements (contd.)

3. RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Capital Reserve (Refer note 14)		
As per last Balance Sheet	*	*
Add : Depository Certificates / Shares received free of cost * ₹ 15,593 (Previous year ₹ 9,824)	**89**	*
	89	*
Capital Redemption Reserve		
As per last Balance Sheet	**5,558**	5,558
Securities Premium Account		
As per last Balance Sheet	**141,418**	141,418
Revaluation Reserve		
As per last Balance Sheet	**176,764**	181,497
Less : Depreciation for the year on amount added on Revaluation transferred to Statement of Profit and Loss	**(4,733)**	(4,733)
	172,031	176,764
(Deficit) in Statement of Profit and Loss		
As per last Balance Sheet	**(71,939)**	(72,908)
Add : (Loss) / Profit for the year	**(123,610)**	969
	(195,549)	(71,939)
TOTAL	**123,547**	251,801

4. LONG TERM BORROWINGS

₹ in lakhs

Particulars	As at 31st March, 2012		2011	
	Current	**Non-Current**	Current	Non-Current
Secured Loans / Borrowings :				
Term Loans				
From Banks				
Rupee Term Loan (Refer note a below)	**20,004**	**24,993**	15,003	44,997
Foreign Currency Term Loans (Refer note a to c below)	**68,004**	**93,010**	43,164	98,901
From Others				
Rupee Term Loan (Refer note d below)	**21,667**	**10,833**	-	32,500
Foreign Currency Term Loan (Refer note e below)	**-**	**38,382**	36,180	-
Unsecured Loans :				
Long Term Maturities of Finance Lease Obligations (Refer note f below)	**115,411**	**710,140**	103,624	728,397
TOTAL	**225,086**	**877,358**	197,971	904,795

Notes forming part of the Financial Statements (contd.)

Security and Salient Terms :

a. Rupee Term Loan of ₹ 44,997 lakhs (Previous year ₹ 60,000 lakhs) and Foreign Currency Term Loan ₹ 34,458 lakhs (Previous year ₹ 40,273 lakhs) are secured by way of a pari-passu charge on all the current and future domestic credit card realizations received into the Trust and Retention Account including interest earned thereon.

Interest rate is linked to respective Banks' Prime Lending Rate / Base Rate / LIBOR plus Margin and are repayable in instalments starting from July, 2011 and ending in June, 2014.

b. Foreign Currency Term Loans of ₹ 81,577 lakhs (Previous year ₹ 101,792 lakhs) are secured by way of a pari-passu charge on all the current and future international credit card realizations received into the Trust and Retention Account, together with First mortgage and charge on the four flight simulators and on the land located at Vadgaon, Pune.

Interest rates are linked to LIBOR plus Margin and are repayable in instalments starting from September, 2010 and ending in April, 2014.

c. Foreign Currency Term Loan of ₹ 44,979 lakhs (Previous year ₹ Nil) is hypothecated by way of a pari-passu charge on domestic credit card realizations.

Interest rate is linked to LIBOR plus margin and is repayable in instalments starting from July, 2011 and ending in May, 2015.

d. Rupee Term Loan from a Financial Institution of ₹ 32,500 lakhs (Previous year ₹ 32,500 lakhs) is secured by way of a pledge of 100% of Equity Share Capital of Jet Lite (India) Limited held by the Company. Further, in the event of default in payment of interest or repayment of any two consecutive instalments of the loan by the Company, the Institution reserves a conversion option to convert either the whole or part of the defaulted amount into fully paid Equity Shares of the Company at par.

Interest rate is linked to Institutions Benchmark Rate plus Margin and is repayable in six quarterly instalments starting from June, 2012.

e. (i) Term Loan from a financial institution of ₹ Nil (Previous year ₹ 36,180 lakhs) was secured by mortgage on leasehold land situated at Bandra Kurla Complex, Mumbai and construction thereon, present and future.

Interest rate was LIBOR plus Margin and was repaid in December, 2011 ahead of repayment scheduled in March, 2012.

(ii) Term Loan from a financial institution of ₹ 38,382 lakhs (Previous year ₹ Nil) is secured by pari-passu charge on leasehold land situated at Bandra Kurla Complex, Mumbai along with construction thereon, present and future and First charge on Company's entitlement under the development agreement for the aforesaid plot of land entered into with Godrej Buildcon Private Limited.

Interest rate is LIBOR plus Margin and is repayable in six half yearly instalments from July, 2014.

f. (i) Finance Lease obligation for six Aircraft are secured by Corporate Guarantee given by the Subsidiary Company.

(ii) Repayable in quarterly instalments over period of twelve years from the date of disbursement of respective loan. Interest rate is linked with LIBOR plus margin.

5. DEFERRED TAX LIABILITY (Net)

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Deferred Tax Liability		
Related to Fixed Assets	**104,978**	95,087
Related to Marked to Market - Derivatives	**4,298**	3,849
Deferred Tax Asset		
Other Disallowances under Income Tax Act, 1961	**4,386**	4,811
Unabsorbed Depreciation / Business Loss (Refer note below)	**104,890**	90,762
Net Deferred Tax Liability at the end of the year	**-**	3,363

Note : During the financial year, in the absence of virtual certainty, Deferred Tax Asset on account of unabsorbed depreciation and business loss has been recognized to the extent it can be realized against reversal of deferred tax liability.

Notes forming part of the Financial Statements (contd.)

6. OTHER LONG TERM LIABILITIES

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Deposit / Advance from Customers / Developer (Refer note below)	**42,239**	3,041
TOTAL	**42,239**	3,041

Note : During the year, the Company finalized an agreement with Godrej Buildcon Private Limited, Mumbai (GBPL) for the development of its plot of land situated at Bandra Kurla Complex, Mumbai. This land has been taken on long term lease from MMRDA. Consequent to the said agreement, the Company has received a sum of ₹ 50,000 lakhs which includes an advance of ₹ 36,500 lakhs disclosed as 'Other Long Term Liabilities' above and the balance towards :

(a) Reimbursement of ₹ 10,282 lakhs which were charged to the Statement Profit and Loss in the earlier years. The same has been credited to Statement of Profit and Loss during the year, included in 'Other Non-Operating Income' under 'Other Income' (Refer note 24).

(b) Reimbursement of certain costs incurred on such land retained as Capital Work-in-Progress amounting to ₹ 3,218 lakhs.

7. LONG TERM PROVISIONS

₹ in lakhs

Particulars	As at 31st March,			
	2012		2011	
	Current	**Non Current**	Current	Non Current
a) Provision for Employee Benefits (Refer note 36)				
Provision for Gratuity	**405**	**5,118**	434	4,724
Provision for Compensated Absences	**655**	**2,286**	694	1,801
b) Other Provisions				
Redelivery of Aircraft	**2,003**	**2,467**	118	3,081
TOTAL	**3,063**	**9,871**	1,246	9,606

Redelivery of Aircraft :

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, given below is the movement in provision for Redelivery of Aircraft.

The Company has in its fleet certain Aircraft on operating lease. As per the terms of the lease agreements, the Aircraft have to be redelivered to the lessors at the end of the lease term in certain stipulated technical conditions. 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 in the lease agreements.

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

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Opening Balance	**3,199**	2,593
Add : Additional provisions during the year *	**1,271**	643
Less : Amounts used during the year	**-**	-
Less : Unused amounts reversed during the year	**-**	(37)
Closing Balance	**4,470**	3,199

Notes forming part of the Financial Statements (contd.)

* Additions include adjustment of ₹ 423 lakhs (Previous year ₹ (28) lakhs) on account of exchange fluctuation loss / (gain) 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	2012		2011	
	No. of Aircraft	Amount (₹ in lakhs)	No. of Aircraft	Amount (₹ in lakhs)
2011-12	-	-	1	118
2012-13	**17**	**2,003**	18	1,677
2013-14	**3**	**311**	2	130
2014-15	**4**	**372**	3	164
2015-16	**15**	**1,190**	15	826
2016-17	**1**	**132**	1	103
2017-18	**3**	**131**	3	66
2018-19	**1**	**46**	1	27
2019-20	**2**	**74**	2	39
2020-21	**12**	**186**	11	49
2021-22	**4**	**25**	-	-
Total	**62**	**4,470**	**57**	3,199

8. SHORT TERM BORROWINGS

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Secured :		
Loans Repayable on Demand		
From Banks		
Rupee Loans (Refer note a and d below)	**94,617**	113,500
Foreign Currency Loans (Refer note a and d below)	**56,284**	66,801
From Others		
Rupee Loans (Refer note b and d below)	**25,000**	-
Buyers Credit (Refer note c and d below)	**9,770**	-
Unsecured :		
Loans Repayable on Demand		
From Banks		
Rupee Loans (Refer note d below)	**9,944**	12,070
Foreign Currency Loans (Refer note d below)	**13,802**	12,903
From Others		
Rupee Loans (Refer note d below)	**-**	40,000
TOTAL	**209,417**	**245,274**

Security and Salient Terms :

a. Loans aggregating to ₹ 150,901 lakhs (Previous year ₹ 180,301 lakhs) are secured by way of hypothecation of Inventories (excluding Aircraft fuel), Debtors (excluding credit card receivables), Ground Support Vehicles / Equipments (excluding trucks, jeeps and other motor vehicles), Spares (including engines) and Data Processing Equipments.

b. Loan of ₹ 25,000 lakhs (Previous year ₹ Nil) is secured by an undertaking from the Company to remit the balance sale proceeds from sale and lease back of four (4) Aircraft.

c. Buyer's credit of ₹ 9,770 lakhs (Previous year ₹ Nil) is secured by exclusive charge over two New CFM Engines and Quick Engine Change kits.

d. The rates of interest for the above said loans ranges from 200 base points to 850 base points over LIBOR plus Margin for Foreign Currency Loans and 12 % to 15 % for Rupee Loans.

Significant Accounting Policies and Notes to Accounts (contd.)

9. TRADE PAYABLES

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Trade Payables		
Total outstanding dues to Micro and Small Enterprises	**116**	87
Others for Goods and Services	**318,402**	208,917
TOTAL	**318,518**	**209,004**

Disclosures relating to amounts payable as at the year end together with interest paid / payable to Micro and Small 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 :

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
A. Principal amount remaining unpaid as on 31st March	**116**	87
B. Interest due thereon as on 31st March	**-**	-
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	**-**	-
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 31st March	**-**	-
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	**-**	-

Significant Accounting Policies and Notes to Accounts (contd.)

10. OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Current Maturities of Long Term Secured Loans (Refer note 4)	**109,675**	94,347
Current Maturities of Finance Lease Obligation (Refer note 38)	**115,411**	103,624
Deposit from Related Parties	**-**	16
Interest Accrued but Not Due on Loans / Borrowings	**3,887**	2,754
Forward Sales (Net) [Passenger / Cargo]	**195,783**	127,492
Income Received in Advance from Sub Lease	**2,155**	1,987
Unclaimed Dividend *	**12**	12
Unclaimed Share Application Money *	**-**	2
Balance with Banks - Overdrawn as per Books	**2,183**	1,055
Statutory Dues Payable	**9,425**	12,753
Payable to Erstwhile Share Holders of SICCL	**-**	8,708
Airport Dues Payable	**5,577**	4,686
Employee Benefits Payable	**9,285**	8,740
Provision for Expenses	**46,678**	52,059
Deposit / Advance From Customer / Vendors	**3,810**	5,568
Other Payables	**552**	335
TOTAL	**504,433**	424,138

* **Note :** These figures do not include any amounts due and outstanding to be credited to the Investor Education and Protection Fund. During the year ended 31st March, 2012 Company had deposited ₹ 2 lakhs to the Investor Education and Protection Fund towards Unclaimed Share Application Money.

11. SHORT TERM PROVISIONS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Provision for Employee Benefits (Refer note 36)		
Gratuity	**405**	434
Compensated Absences	**655**	694
b) Others		
Wealth Tax (Net of advance payment of tax)	**14**	12
Income Tax (Net of advance payment of tax)	**267**	2,587
Redelivery of Aircraft (Refer note 7)	**2,003**	118
Frequent Flyer Programme	**4,564**	5,081
Provision for Aircraft Maintenance	**86**	157
TOTAL	**7,994**	9,083

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, given below are movements in provision for Frequent Flyer Programme and Aircraft Maintenance 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.

Notes forming part of the Financial Statements (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 :

₹ in lakhs

Particulars	For the Year Ended 31st	
	2012	**2011**
Opening Balance	**5,081**	3,221
Add : Additional Provision during the year	**669**	2,077
Less : Amounts used during the year	**(753)**	(177)
Less : Unused Amounts reversed during the year	**(433)**	(40)
Closing Balance	**4,564**	5,081

b) 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 :

₹ in lakhs

Particulars	For the Year Ended 31st	
	2012	**2011**
Opening Balance	**157**	1,769
Add / (Less) : Adjustments during the year *	**19**	157
Less : Amounts used during the year	**(90)**	(792)
Less : Unused Amounts reversed during the year	**-**	(977)
Closing Balance	**86**	157

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

Notes forming part of the Financial Statements (contd.)

12. TANGIBLE ASSETS

₹ in lakhs

Nature of Asset	Gross Block (At Cost / Valuation)				Depreciation				Net Block	
	As at 1st April, 2011	Additions / Adjustments during the year	Deductions / Adjustments during the year	**As at 31st March, 2012**	As at 1st April, 2011	For the year	Deductions / Adjustments during the year	**As at 31st March, 2012**	**As at 31st March, 2012**	As at 31st March, 2011
Owned Tangible Asset										
Freehold Land	11	-	-	**11**	-	-	-	**-**	**11**	11
Plant and Machinery	765	1	-	**766**	170	36	-	**206**	**560**	595
Furniture and Fixtures	3,804	327	457	**3,674**	1,767	242	291	**1,718**	**1,956**	2,037
Electrical Fittings	2,749	328	406	**2,671**	876	126	175	**827**	**1,844**	1,873
Data Processing Equipments	8,617	424	239	**8,802**	6,790	672	236	**7,226**	**1,576**	1,827
Office Equipments	4,916	169	239	**4,846**	1,744	234	100	**1,878**	**2,968**	3,172
Ground Support Equipments	6,651	618	36	**7,233**	2,576	330	22	**2,884**	**4,349**	4,075
Vehicles	1,133	9	389	**753**	529	89	229	**389**	**364**	604
Ground Support Vehicles	7,390	734	638	**7,486**	4,430	649	636	**4,443**	**3,043**	2,960
Simulators	22,187	-	-	**22,187**	6,452	1,244	-	**7,696**	**14,491**	15,735
Leased Assets										
Leasehold Land	186,166	6,835	-	**193,001**	7,854	2,402	-	**10,256**	**182,745**	178,312
Aircraft and Spare Engine (Narrow Body)	505,423	30,779	19,725	**516,477**	176,064	29,703	4,593	**201,174**	**315,303**	329,359
Aircraft and Spare Engine (Wide Body)	991,460	87,321	-	**1,078,781**	194,090	58,701	-	**252,791**	**825,990**	797,370
Improvement On Leased Aircraft	17,431	-	-	**17,431**	11,255	2,154	-	**13,409**	**4,022**	6,176
Improvement On Leased Property	4,468	253	-	**4,721**	4,117	313	-	**4,430**	**291**	351
TOTAL	**1,763,171**	**127,798**	**22,129**	**1,868,840**	**418,714**	**96,895**	**6,282**	**509,327**	**1,359,513**	1,344,457
Previous year	1,762,473	3,274	2,576	1,763,171	338,388	93,939	13,613	418,714	1,344,457	-
Capital Work in progress									**207**	3,198

1) All the Aircraft (except one) 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 during the year include ₹ 110,567 lakhs [Net loss] {Previous year ₹ (4,246) lakhs [Net gain]} on account of Exchange Loss / (Gain) (Refer note 33).

3) Details of Revaluation :

   i. Leasehold Land was revalued on 31st March, 2008 with reference to the then current market prices; amount added on revaluation was ₹ 148,119 lakhs; the revalued amount substituted for historical cost on 31st March, 2008 was ₹ 184,500 lakhs.

   ii. Narrow Body Aircraft were revalued on 31st March, 2008 with reference to the then current market prices; amount added on revaluation was ₹ 118,133 lakhs; the revalued amount substituted for book value on 31st March, 2008 was ₹ 346,396 lakhs.

Notes forming part of the Financial Statements (contd.)

13. INTANGIBLE ASSETS

₹ in lakhs

Nature of Asset	Gross Block				Amortization				Net Block	
	As at 1st April, 2011	Additions / Adjustments during the year	Deductions / Adjustments during the year	As at 31st March, 2012	As at 1st April, 2011	For the year	Deductions / Adjustments during the year	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Software	5,297	3,434	-	**8,731**	4,631	642	-	**5,273**	**3,458**	666
Landing Rights	22,432	-	-	**22,432**	7,335	869	-	**8,204**	**14,228**	15,097
Trademarks	3,146	-	-	**3,146**	1,785	315	-	**2,100**	**1,046**	1,361
TOTAL	**30,875**	**3,434**	**-**	**34,309**	**13,751**	**1,826**	**-**	**15,577**	**18,732**	17,124
Previous year	30,802	73	-	30,875	11,895	1,856	-	13,751	17,124	-

Notes forming part of the Financial Statements (contd.)

14. NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Long Term Investments		
Trade Investments (Unquoted and at cost)		
5,133 Shares (Previous year 5,759 Shares) of THB 100 each of Aeronautical Radio of Thailand, a State Enterprise under the Ministry of Transport. The transfer of this investment is restricted to Airline Members flying in Thailand	**7**	9
48 Shares (Previous year 31 Shares) in Societe Internationale de Telecommunications Aeronautiques SC (SITA) of Euro 5 each #	*	*
145,276 (Previous year Nil) Depository Certificates in SITA Group foundation of USD 1.20 each #	**89**	-
Other Investments (Unquoted and at cost)		
Investment in Fully Paid Equity Shares of Subsidiary		
- 506,115,409 Shares (Previous year 506,115,409 Shares) of Jet Lite (India) Limited of ₹ 10 each [including 6 Shares held by its nominees (Previous year 6 Shares)]	**135,500**	135,500
[Of the above, 506,115,409 Shares (Previous year 506,115,409 Shares) have been pledged with IDFC Ltd. as security for Term Loan of ₹ 32,500 lakhs (Previous year ₹ 32,500 lakhs) granted by them]		
Investment in Fully Paid Preference Shares of Subsidiary (unquoted)		
- 290,000,000 Compulsory fully convertible non-cumulative Preference Shares (Previous year 290,000,000 Shares) of Jet Lite (India) Limited of ₹ 10 each	**29,000**	29,000
TOTAL	**164,596**	164,509

* ₹ 15,593 (Previous year ₹ 9,824)

These investments have been received free of cost from S.I.T.A S.C and S.I.T.A. Group Foundation for participation in their Computer Reservation System. The credit for these investments have been made to Capital Reserve to the extent of nominal value of the investments.

Transfer of these investments are restricted to other Depository Certificate / Share holders e.g. Air Transport members, etc.

15. LONG TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured and Considered Good unless otherwise stated		
Capital Advances	**23,998**	31,693
Loans and Advances / Deposits to Related Parties	**130,599**	155,758
Security Deposits with Airport Authorities and Others	**13,355**	8,747
Advance Tax and Tax Deducted at Source (Net of Provisions for tax)	**10,360**	8,472
MAT Credit Entitlement	**-**	2,062
Contribution Receivable from Lessors	**32,519**	16,384
Balances with Customs Authorities	**19**	19
TOTAL	**210,850**	223,135

Note : Deposits and Advances include ₹ 2,360 lakhs (Previous year ₹ 2,807 lakhs) amount placed with private limited companies in which the Company's Director is a Director / Member.

Notes forming part of the Financial Statements (contd.)

16. OTHER NON-CURRENT ASSET

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Foreign Currency Monetary Item Translation Difference Account (Refer note 33)	**7,060**	-
TOTAL	**7,060**	**-**

17. CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Investments (at cost or market value, whichever is less)		
Investments in Mutual Funds – (Debt schemes)	-	8,000

Liquid plan - SBI – Magnum Insta Cash Fund – Cash option	As at 31st March, 2012	As at 31st March, 2011	Face Value / Unit
No. of Units	-	36,747,649	₹ 10
Market Value (₹ in lakhs)	-	8,000	

Note : The market price is based on the repurchase price declared by the respective fund

Particulars	2012	2011
TOTAL	-	8,000

18. INVENTORIES (at lower of cost or net realizable value)

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Rotables, Consumable Stores and Tools	**96,981**	88,121
Less : Provision for Obsolescence / Slow and Non–Moving Items (Refer note 1(m))	**(24,351)**	(20,640)
	72,630	67,481
b) Fuel	**499**	460
c) Other Stores Item	**4,739**	3,210
Less : Provision for Slow and Non-Moving items (Refer note 1(m))	**(33)**	(33)
	4,706	3,177
TOTAL	**77,835**	71,118

Notes forming part of the Financial Statements (contd.)

19. TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured		
a) Outstanding for a period exceeding six months from the date they are due for payment :		
Considered Good	**6,100**	5,696
Considered Doubtful	**2,879**	2,418
Less : Provision for Doubtful Debts	**(2,879)**	(2,418)
	6,100	5,696
b) Others Considered Good	**120,544**	90,881
TOTAL	**126,644**	96,577

Note : Debtors include ₹ 8,199 lakhs (Previous year ₹ 8,611 lakhs) due from Private Company in which the Company's Director is a Director / Member.

20. CASH AND BANK BALANCES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cash and Cash Equivalents		
Balances with Banks :		
i) In Current Accounts	**4,640**	14,013
ii) In Fixed Deposit Accounts (maturities less than three months)	**2,166**	453
Cash on Hand (including Cheques on Hand ₹ Nil (Previous year ₹ 55 lakhs)	**133**	95
	6,939	14,561
Other Bank Balances :		
Unpaid Dividend	**12**	12
Margin Deposits * [including Interest accrued ₹ 951 lakhs (Previous year ₹ 613 lakhs)]	**42,837**	44,198
TOTAL	**49,788**	58,771

* Margin Deposits include a sum of ₹ 2,963 lakhs (Previous year ₹ 5,444 lakhs) having a maturity of more than 12 months.

Notes forming part of the Financial Statements (contd.)

21. SHORT TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured and Considered Good unless otherwise stated		
Security Deposits with Lessors / Vendors		
- Considered Good	**12,369**	8,451
- Considered Doubtful	**1,126**	1,000
Less : Provision for Doubtful Deposits	**(1,126)**	(1,000)
	12,369	8,451
Contribution Receivable from Lessors	**12,918**	5,019
Claims Receivable from Lessors / Insurers	**3,594**	16,543
CENVAT Credit and SFIS Receivable	**4,753**	17,914
Deposit with Service Tax Department	**1**	1
Payment to SICCL as per Court Order (Refer note 32)	**11,643**	-
Advance and Other Receivable from Suppliers	**21,601**	22,868
Prepaid Expenses	**9,772**	8,458
Others	**3,100**	2,595
TOTAL	**79,751**	81,849

22. OTHER CURRENT ASSET

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Foreign Currency Monetary Item Translation Difference Account (Refer note 33)	**7,034**	-
TOTAL	**7,034**	**-**

23. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Sale of Services		
Passenger	**1,300,286**	1,074,714
Less : Service Tax	**(42,081)**	(17,633)
	1,258,205	1,057,081
Cargo	**133,786**	118,039
Less : Service Tax	**(2,945)**	(2,044)
	130,841	115,995
Excess Baggage	**9,139**	5,596
Other Operating Revenues		
Cancellation Charges	**25,565**	20,374
Export Incentives	**4,000**	-
Revenue Leasing Operations	**45,212**	51,724
Provision No Longer Required Written Back	**4,149**	15,101
Other Revenue	**4,480**	7,805
TOTAL	**1,481,591**	1,273,676

Notes forming part of the Financial Statements (contd.)

24. OTHER INCOME

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Interest Income on Fixed Deposit	**3,610**	3,571
Interest Income on Income Tax Refund	**513**	268
Dividend Income	**-**	1
Profit on Sale and Lease Back of Engines	**7,609**	-
Net Gain on Sale of Current Investments	**16**	81
Net Gain on Foreign Currency Transaction and Translation	**-**	2,130
Other Non-Operating Income (Refer note 6)	**23,969**	13,500
TOTAL	**35,717**	19,551

25. EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Salaries, Wages, Bonus and Allowances	**147,677**	121,768
Contribution to Provident Fund, ESIC and Other Funds	**3,528**	3,224
Provision for Gratuity	**786**	1,041
Provision for Compensated Absences	**1,074**	598
Staff Welfare Expenses	**6,884**	7,338
TOTAL	**159,949**	133,969

26. SELLING AND DISTRIBUTION EXPENSES

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Computerized Reservation System Cost	**48,670**	38,086
Commission	**79,427**	79,703
Others	**8,070**	8,383
TOTAL	**136,167**	126,172

27. DEPRECIATION AND AMORTIZATION

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Depreciation and Amortization		
- On Tangible Assets (Refer note 12)	**96,895**	93,939
Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve	**(4,733)**	(4,733)
- On Intangible Assets (Refer note 13)	**1,826**	1,856
TOTAL	**93,988**	91,062

Notes forming part of the Financial Statements (contd.)

28. FINANCE COST

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Interest Expense	**88,309**	102,836
Other Borrowing Cost	**8,814**	9,135
TOTAL	**97,123**	111,971

29. OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Aircraft Variable Rentals (Refer note 38)	**26,215**	17,438
Aircraft Insurance and Other Insurance	**7,471**	6,771
Landing, Navigation and Other Airport Charges	**122,812**	105,740
Aircraft Maintenance (including Customs Duty and Freight, where applicable) :		
- Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul (Net)	**76,291**	54,551
- Lease of Aircraft Spares including Engine	**9,794**	5,980
- Consumption of Stores and Spares (Net)	**13,401**	12,864
- Provision for Spares Obsolescence	**4,906**	5,381
	104,392	78,776
Inflight and Other Pax Amenities	**60,095**	53,069
Communication Cost	**5,050**	3,830
Travelling and Subsistence	**22,639**	17,854
Rent	**9,448**	8,685
Rates and Taxes	**242**	288
Repairs and Maintenance :		
- Leased Premises	**189**	206
- Others	**3,816**	3,825
	4,005	4,031
Electricity	**1,774**	1,868
Director's Sitting Fees	**10**	15
Provision for Bad and Doubtful Debts	**1,157**	587
Bad Debts Written off	**78**	33
Net loss on Foreign Currency Transaction and Translation	**17,257**	-
Loss on Scrapping of Aircraft Parts	**-**	1,083
Loss on Scrapping Fixed Assets other than Aircraft Parts	**317**	105
Loss on Sale of Fixed Assets other than Aircraft (Net)	**191**	-
Miscellaneous Expenses (including Professional Fees, Audit Fees, Printing and Stationery, Cargo Handling and Bank Charges etc.)	**26,113**	23,039
TOTAL	**409,266**	323,212

Notes forming part of the Financial Statements (contd.)

Auditors' Remuneration (Net of Service Tax Input Credit)

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	2011
(a) **As Audit Fees**		
- Statutory audit fees	**115**	110
- Tax audit fees	**5**	5
(b) **As Advisors or in any other capacity in respect of**		
- Taxation Matters	**55**	55
(c) **In any other manner**		
- For other services such as quarterly limited reviews, certificates, etc.	**61**	80
(d) **For Reimbursement of Expenses**	**1**	-
TOTAL	**237**	250

30. EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	2011
Excess Depreciation Reversal in respect of Earlier Years (Refer Note a below)	**-**	12,225
Marked to Market - Derivatives (Refer note 34)	**1,384**	4,817
Unrealized Exchange (Loss) / Gain (Refer note b below and note 33)	**(5,931)**	1,877
Contribution Receivable from Lessors (Refer note 37)	**11,866**	-
TOTAL	**7,319**	18,919

Note :

a) Depreciation on all owned tangible assets (including Simulators) other than Aircraft was before previous year provided on Written Down Value method. During the previous year, in order to reflect a more appropriate preparation / presentation of financial statements, the Company had changed the method of Depreciation on all owned tangible assets (including Simulators) other than Aircraft from Written Down Value Method to Straight Line Method w.e.f. 1st April, 2010 and the surplus amount of ₹ 12,225 lakhs arising from retrospective computation has been accounted and disclosed under Exceptional Items for the year ended 31st March, 2011.

b) Due to unusual and steep depreciation in the value of the Rupee over the last nine months, the unrealized exchange loss (net) has been considered by the Company to be exceptional in nature. The unrealized exchange Gain / (Loss) refers to the Notional Gain / (Loss) arising out of the restatement of the unhedged portion of foreign currency monetary assets and liabilities (other than asset backed borrowings).

31. EARNINGS PER SHARE (EPS)

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	2011
(Loss) / Profit After Tax for the Year	**(123,610)**	969
(Loss) / Profit Attributable to Equity Share Holders **(A)**	**(123,610)**	969
Weighted Average Number of Equity Shares for Basic and Diluted EPS [Nos.] **(B)**	**86,334,011**	86,334,011
Nominal Value of Equity Shares (₹)	**10**	10
Basic and Diluted EPS ₹ **(A / B)**	**(143.18)**	1.12

Notes forming part of the Financial Statements (contd.)

32. CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)

A. Contingent Liabilities

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
(a) Guarantees :		
i. Letters of Credit Outstanding	**132,530**	139,345
ii. Bank Guarantees Outstanding	**113,112**	64,767
iii. Corporate Guarantee given to Banks and Financial Institution against credit facilities, and to Lessors against financial obligations extended to Subsidiary Company :		
- Amount of Guarantee	**53,598**	42,166
- Outstanding Amounts against the Guarantee	**53,074**	42,166
(b) Claims against the Company not acknowledged as debt (Refer note below) **:**		
i. Service Tax Demands in Appeals	**141,359**	127,714
ii. Fringe Benefit Tax Demands in Appeals	**8,945**	8,513
iii. Pending Civil and Consumer Suits	**4,180**	4,883
iv. Inland Air Travel Tax Demands under Appeal	**426**	426
Amount deposited with the Authorities for the above Demands	**105**	105
v. Octroi	**Nil**	2,899
vi. Customs	**143**	-
vii. Income Tax Demands in Appeals	**29,937**	29,173

viii. The Company had acquired 100% of the shareholding of Sahara Airlines Limited (SAL) (now known as Jet Lite (India) Limited) in April, 2007. As per the Share Purchase Agreement (SPA) as amended by the subsequent Consent Award, the mutually agreed sale consideration was to be paid to the Selling Shareholders (SICCL) in four equal interest free instalments by 30th March, 2011. As a result of certain disputes that arose between the parties, both the parties had filed petitions in the Hon'ble Bombay High Court for breach of SPA as amended by the subsequent Consent Award. The Hon'ble Bombay High Court delivered its Judgment on 4th May, 2011 whereby SICCL's demand for restoration of the original price of ₹ 200,000 lakhs was denied and the Purchase Consideration was sealed at the revised amount of ₹ 145,000 lakhs. However, in its judgment, the Hon'ble Bombay High Court has awarded interest at 9% p.a. on the delayed payments made to SICCL largely on account of ongoing legal dispute. In view of this Order, a sum of ₹ 11,643 lakhs became payable as interest which has been duly discharged by the Company. As a result of this discharge, the undertaking given by the Company in April 2009 for not creating any encumbrance or alienation of its moveable or immoveable assets and properties in any manner other than in the normal course of the business, stands released.

Though the Company had complied with the order of the Hon'ble Bombay High Court, based on legal advice, it filed an appeal with the Division Bench of the Hon'ble Bombay High Court contesting the levy of interest. SICCL also filed an appeal with the Division Bench of the Hon'ble Bombay High Court for restoration of the purchase consideration to ₹ 200,000 lakhs and for interest to be awarded at 18% p.a. as against the 9% p.a. awarded by the Hon'ble Bombay High Court.

The Division Bench of the Hon'ble Bombay High Court heard the matter and vide its order dt.17th October, 2011 dismissed both the appeals as being not maintainable in view of jurisdictional issue. The Company has since filed Special Leave Petitions (SLP) before the Hon'ble Supreme Court challenging both the orders of 4th May, 2011 and 17th October, 2011. SICCL had earlier filed a SLP before the Hon'ble Supreme Court for increased compensation and interest.

Both the SLPs, filed by Jet Airways as well as SICCL, came up for hearing before the Supreme Court. The Supreme Court directed the parties to file the Counter and Rejoinder which has since been filed. The Supreme Court also recorded that the statement made by Jet Airways, as recorded in the order dated 6th May, 2011 passed by the Hon'ble Bombay High Court, would continue till further orders.

Pending adjudication of the matter by the Hon'ble Supreme Court, the interest payment of ₹ 11,643 lakhs effected by the Company on 5th May, 2011 has not been recognized in the Statement of Profit and Loss.

Note : 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 impact on its financial conditions, results of operation or cash flows. Further, claims by parties, in respect of which the Management has been advised that the same are frivolous and not tenable, have not been considered as contingent liability as the possibility of an outflow of resources embodying economic benefits is highly remote.

Notes forming part of the Financial Statements (contd.)

B. Commitments

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Estimated amount of Contracts remaining to be executed on capital account (net of advances), not provided for	**1,407,182**	1,180,072
TOTAL	**1,407,182**	1,180,072

33. FOREIGN EXCHANGE DIFFERENCES

Hitherto, the Company was following the option offered by notification of the Ministry of Corporate Affairs (MCA) dated 31st March, 2009 under the Companies (Accounting Standards) Amendment Rules, 2006 which amended Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" by introducing Para 46 and based on further extension up to 31st March, 2012, the Company continued to exercise the same up to 30th September, 2011. In December 2011, the MCA issued a further notification dated 29th December, 2011 extending the said option under Para 46 and providing additional option under Para 46A amending AS 11. The Company opted to apply provisions under Para 46A of AS 11 with effect from 1st April, 2011. In line with the said notification, the Company has amortized the exchange difference as detailed in the Accounting Policy L in Note 1. The unamortized portion of ₹ 14,094 lakhs (Previous year ₹ Nil) accumulated in FCMITDA as on 31st March, 2012 has been bifurcated and disclosed as Other Current Asset (₹ 7,034 lakhs (Previous year ₹ Nil)) and as Other Non-Current Asset (₹ 7,060 lakhs (Previous year ₹ Nil)). Further, the amount of exchange difference adjusted to the tangible asset during the year is ₹ 110,567 lakhs (net loss) [Previous year ₹ 4,246 lakhs (net gain)] and the unamortized balance (carried as part of tangible asset), as at the year end, aggregates to ₹ 201,216 lakhs (Previous year ₹ 90,649 lakhs).

34. DISCLOSURE ON DERIVATIVES

In the past, the Company had entered into derivative contracts i.e. interest rate swaps (IRS) in order to hedge and manage its foreign currency exposures towards foreign currency borrowings. Such derivative contracts, were in the nature of firm commitments and were entered into by the Company for hedging purposes only and not for any trading or speculation purposes.

Nominal amounts of IRS entered into by the Company in the past and the amount outstanding as on 31st March are as under :

₹ in lakhs

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Contracts	Amount	No. of Contracts	Amount
Interest Rate Swaps (Refer note below)	**2**	**106,838**	2	93,650

The Company continues to account for the above said IRS in line with the pronouncement of The Institute of Chartered Accountants of India for "Accounting for Derivatives" along with principles of prudence as enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Polices".

On that basis, the changes in the fair value of the derivative instruments as at 31st March, 2012 of ₹ 1,384 lakhs (Previous year ₹ 4,817 lakhs) has been credited (net gain)] to the extent of reversal of net loss charged to the Statement of Profit and Loss in earlier years and disclosed as an exceptional item. The credit on account of derivative gains has been computed on the basis of MTM values based on the confirmations received from the counter parties and the cumulative net notional loss up till the balance sheet date is ₹ 3,772 lakhs (Previous year ₹ 5,156 lakhs).

Notes forming part of the Financial Statements (contd.)

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31st March, 2012 are as follows :

Particulars	INR Equivalent (₹ in lakhs)		USD Equivalent (USD in lakhs)	
	As at 31st March,		As at 31st March,	
	2012	**2011**	**2012**	**2011**
Current Assets	**131,020**	54,851	**2,575**	1,230
Current Liabilities	**196,827**	111,603	**3,869**	2,503
Interest Accrued but not due on Loans	**3,450**	2,510	**68**	56
Long Term Loans for purchase of Aircraft*	**779,826**	765,946	**15,328**	17,176
Other Loans Payable	**279,252**	257,984	**5,489**	5,784

*includes Loans Payable after 5 years – ₹ 293,822 lakhs (Previous year ₹ 338,810 lakhs).

35. The Company has Equity and Preference investments aggregating to ₹ 164,500 lakhs (Previous year ₹ 164,500 lakhs) in Jet Lite (India) Limited, a wholly owned Subsidiary, and has advanced an amount of ₹ 128,239 lakhs (Previous year ₹ 152,951 lakhs) as interest free loan outstanding as on 31st March, 2012. The said Subsidiary has improved its operating revenue over previous year but due to uncontrollable rise in fuel cost and a steep decline in the value of Rupee during the year, the results finally turned out to be negative and the Subsidiary Company continues to show a negative net-worth of ₹ 141,826 lakhs as on 31st March, 2012 (Previous year ₹ 123,533 lakhs). The Company appointed a reputed valuer to reassess its exposure in the said Subsidiary as on 31st March, 2012 and the valuer, based on revised business plans as approved by the Board of Subsidiary Company, has concluded that no impairment is necessary at this stage. Such assessment considered in future softening of fuel price and no further devaluation of rupee against USD. The Company continues to provide financial support to the Subsidiary's operations and expects improved performance in the near future. Accordingly, the financial statements of the Subsidiary Company continue to be prepared on "Going Concern" basis and no provision is considered necessary at this stage in respect of the Company's investments in and the loans outstanding from the said Subsidiary.

36. EMPLOYEES BENEFITS

A. Defined contribution plans :

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF) for qualifying employees. The Company recognized ₹ 3,528 lakhs (Previous year ₹ 3,224 lakhs) for provident fund contributions in the Statement of Profit and Loss.

B. Defined benefit plan :

The Company provides the annual contributions as a non-funded defined benefit plan for qualifying employees. The 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 continuous 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 was carried out at 31st March, 2012 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 recognized in the Company's financial statements as at 31st March, 2012.

Notes forming part of the Financial Statements (contd.)

₹ in lakhs

Particulars	Gratuity (Non-Funded) as at 31st March,	
	2012	**2011**
Reconciliation in Present Value of Obligations (PVO) – Defined Benefit Obligation		
PVO at the beginning of the year	**5,158**	4,474
Current Service Cost	**321**	619
Interest Cost	**426**	358
Actuarial Loss / (Gain)	**39**	64
Benefits Paid	**(421)**	(357)
Closing Balance	**5,523**	5,158
Net Cost for the Year ended 31st March,		
Current Service Cost	**321**	619
Interest Cost	**426**	358
Actuarial Loss / (Gain)	**39**	64
Net Cost	**786**	1,041
Fair Value of Plan Assets	**Nil**	Nil
Experience Adjustment		
Plan Liability Loss / (Gain)	**494**	245
Plan Assets Loss / (Gains)	**Nil**	Nil
Actuarial Assumptions		
Discount Rate (%)	**8.75**	8.25
Salary Escalation Rate (%)	**5.00**	5.00

i. The present value of defined benefit obligation was for :

₹ in lakhs

Financial Year	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Amount	4,474	4,367	4,723	3,603

ii. The fair value of planned assets was for :

₹ in lakhs

Financial Year	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Amount	Nil	Nil	Nil	Nil

The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS-15 (Revised) on "Employee Benefits" of previous financial years :

₹ in lakhs

Financial Year	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Plan Liabilities Loss / (Gain)	(412)	*	*	*
Plan Assets Loss / (Gain)	Nil	*	*	*

* Not available in the valuation report for the financial year 2006-07, 2007-08, 2008-09 and hence, are not furnished.

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.

Notes forming part of the Financial Statements (contd.)

C. Other Long Term Employee Benefit

The obligation of Compensated Absences (non-funded) for the year ended 31st March, 2012 amounting to ₹ 1,074 lakhs (Previous year ₹ 598 lakhs) has been recognized in the Statement of Profit and Loss, based on actuarial valuation carried out using the Projected Unit Credit Method.

37. During the financial year 2009-10, the Company entered into a "Power by the Hour" (PBTH) Engine Maintenance agreement with a Service provider for its Next Generation Boeing 737 Aircraft fleet future engine shop visits. Subsequent to such arrangement, the Company continues to expense out the monthly cost of PBTH at the rate specified in the contract with the service provider to the Statement of Profit and Loss and treat the variable rental payable to the Lessors as receivables to the extent considered good of recovery for set off against future claims reimbursable by the Lessors on each engine shop visit. The Company has recognized such expected refunds of variable rentals from lessors towards future engine repairs based on joint validation of the Company's maintenance plan with the service provider. Accordingly, the variable rent of ₹ 45,437 lakhs (Previous year ₹ 21,403 lakhs) up to balance sheet date has been grouped under "Contribution Receivable from Lessors" which is further bifurcated into current and non-current based on expected engine shop visits in next 12 months and beyond 12 months. The above amount also includes ₹ 11,866 lakhs recognized by the Company during the year for the expected refunds of variable rentals of past years towards engines accrued up till 31st March, 2009 and is disclosed as an exceptional item in the Statement of Profit and Loss.

38. LEASES

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 (Aircraft)

₹ in lakhs

Particulars	Future Lease Payments		Present Value of Minimum Future Minimum Lease Payments		Finance Charges	
As at 31st March,	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Not later than one year	**141,984**	131,182	**115,411**	103,624	**26,573**	27,558
Later than one year and not later than five years	**478,838**	456,405	**416,318**	389,587	**62,520**	66,818
Later than five years	**307,180**	358,470	**293,822**	338,810	**13,358**	19,660
TOTAL	**928,002**	946,057	**825,551**	832,021	**102,451**	114,036

The salient features of a Finance Lease / Hire Purchase 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 payment of a nominal option price at the end of the term.

B. Operating Leases

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

The future minimum lease payments in respect of non-cancellable period, as at 31st March, 2012 are as follows :

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Commercial Premises and Amenities		
Not later than one year	**2,825**	236
Later than one year and not later than five years	**3,365**	352
Later than five years	**-**	-
TOTAL	**6,190**	588

Notes forming part of the Financial Statements (contd.)

b) The Company has taken on operating lease Aircraft and spare engines. The future minimum lease payments in respect of which, as at 31st March, 2012 are as follows :

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Aircraft and Spare Engines		
Not later than one year	**98,169**	86,850
Later than one year and not later than five years	**257,888**	228,304
Later than five years	**133,972**	106,554
TOTAL	**490,029**	421,708

The Salient features of an Operating Lease agreement are :

- Monthly rentals paid in the form of fixed and variable rentals. Variable Lease Rentals are payable at a pre determined rate based on actual flying hours. Further, these predetermined rates of Variable Rentals are subject to annual escalation as stipulated in the respective lease agreements.
- The Lessee neither has an option to buyback nor has an option to renew the leases.
- In case of delayed payments, penal charges are payable as applicable.
- In case of default, in addition to repossession of the Aircraft, damages including liquidated damages 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.

c) Details of future minimum lease income in respect of five (5) Aircraft [Previous Year seven (7)] given on non-cancellable Dry Lease, as at 31st March, 2012 is as follows :

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Aircraft		
Total Lease Income		
Not later than one year	**34,432**	28,133
Later than one year and not later than five years	**9,811**	20,397
Later than five years	**-**	-
TOTAL	**44,243**	48,530

The Salient features of Dry Lease agreements are :

- Aircraft are leased without insurance and crew.
- Monthly rentals paid are in the form of fixed and variable rentals. Variable Lease Rentals are payable at a predetermined rate based on actual flying hours. Further, these predetermined rates of Variable Rentals are subject to annual escalation as stipulated in respective lease agreements.
- The Lessee neither has an option to buyback nor has an option to renew the leases.
- These dry leases are non-cancellable.

Details of owned Aircraft given on non-cancellable Dry lease are as under :

₹ in lakhs

Details of Leased Assets (Aircraft)	**2012**	**2011**
Cost of Acquisition	**367,671**	476,077
Accumulated Depreciation	**89,133**	98,178
Depreciation Debited to Statement of Profit and Loss during the year on the above Leased Assets	**19,907**	26,920
Variable Lease Rental income recognized during the year on the Leased Assets	**8,843**	10,961

d) The lease rental expense of ₹ 136,437 lakhs (Previous year ₹ 116,973 lakhs) is recognized during the year.

Notes forming part of the Financial Statements (contd.)

39. SEGMENT INFORMATION

a) Primary Segment : Geographical Segment

The Company, considering its level of international operations and 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)

Leasing operations are classified into (i) or (ii) above based on the domicile of the lessee being within or 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 and distribution expenses, other operating expenses, Aircraft lease rentals, depreciation / amortization and finance cost, 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.

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Segment Revenue (Primarily Passenger, Cargo, Excess Baggage and Leasing of Aircraft)		
Domestic	**620,222**	538,119
International	**861,369**	735,557
Total	**1,481,591**	1,273,676
Segment result		
Domestic	**287,789**	298,876
International	**340,633**	361,107
Total	**628,422**	659,983
Less : Finance Cost	**97,123**	111,971
Less : Depreciation and Amortization	**93,988**	91,062
Less : Un-Allocable Expenses	**605,880**	490,766
Add : Un-Allocable Revenue	**35,717**	19,551
Add : Exceptional Items (Net)	**7,319**	18,919
(Loss) / Profit Before Tax	**(125,533)**	4,654
Less : Tax (Benefits) / Expenses	**(1,923)**	3,685
(Loss) / Profit After Tax	**(123,610)**	969

Notes forming part of the Financial Statements (contd.)

b) Secondary Segment : Business Segment

The Company operates into two business segments viz. Air Transportation and Leasing of Aircraft and identified the same as secondary segment to be reported considering the requirement of Accounting Standard 17 on "Segment Reporting" is disclosed as under :

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
i) Segment Revenue from External Customers		
Air Transportation	**1,398,185**	1,178,672
Leasing of Aircraft	**45,212**	51,724
Total	**1,443,397**	1,230,396
ii) Total carrying amount of Segment Assets		
Air Transportation	**1,823,472**	1,688,200
Leasing of Aircraft	**278,538**	380,538
Total	**2,102,010**	2,068,738
iii) Total cost incurred during the period to acquire Segment Assets that are expected to be used for more than one period *		
Air Transportation	**20,665**	7,593
Leasing of Aircraft	**-**	-
Total	**20,665**	7,593
* Excludes Exchange Gain / (Loss).		

40. RELATED PARTY TRANSACTIONS

As per Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, 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	Wholly Owned Subsidiary Company (Control exists)
3.	Naresh Goyal	Controlling Shareholder of Holding Company
4.	Anita Goyal	Relative of controlling shareholder of Holding Company
5.	Nivaan Goyal	
6.	Namrata Goyal	
7.	Saroj K Datta (upto 29th September, 2011)	Key Managerial Personnel
8.	Jetair Private Limited	Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence directly or indirectly
9.	Jet Airways LLC	
10.	Trans Continental e Services Private Limited	
11.	Jet Enterprises Private Limited	
12.	Jet Airways of India Inc.	
13.	India Jetairways Pty Limited	
14.	Jet Airways Europe Services N.V.	
15.	Jetair Tours Private Limited	
16.	Global Travel Solutions Private Limited	

Note : Above mentioned related parties are identified by the Management and relied upon by the Auditor

Notes forming part of the Financial Statements (contd.)

ii. Transactions during the year ended 31st March, 2012 and balances with related parties :

₹ in lakhs

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 under significant influence	Total
Transactions During the Year :								
A.	Remuneration				**132** (187)	**211** (169)		**343** (356)
B.	Sitting Fees			**1** (1)				**1** (1)
C.	Agency Commission						**16,965** (16,450)	**16,965** (16,450)
D.	Rent paid						**252** (233)	**252** (233)
E.	Expenses Reimbursed (Staff Costs, Communication Costs, Rent)						**4,829** (6,543)	**4,829** (6,543)
F.	Other Selling and Distribution Cost						**2,061** (2,209)	**2,061** (2,209)
G.	Deposit Recovered						**(-)216** (Nil)	**(-)216** (Nil)
H.	Other Hire Charges		**(-)708** ((-)497)					**(-)708** ((-)497)
I.	Rent received						**(-)16** ((-)16)	**(-)16** ((-)16)
J.	Corporate Guarantee given by Company on behalf of Subsidiary		**11,432** (7,166)					**11,432** (7,166)
K.	Deposit Repaid / Received						**16** ((-)16)	**16** ((-)16)
L.	Interline Billing		**92,101** (56,237)					**92,101** (56,237)
M.	Software Purchase						**3,050** Nil	**3,050** Nil
N.	Expenses Reimbursement Received						**(-)5** Nil	**(-)5** Nil
Closing Balance as on 31st March, 2012								
A.	Investments in Equity and Preference Shares		**164,500** (164,500)					**164,500** (164,500)
B.	Deposits and Advance (given)						**160** (607)	**160** (607)
C.	Deposits (Received)						**Nil** ((-)16)	Nil ((-)16)
D.	Deposit for Leased Premises						**2,200** (2,200)	**2,200** (2,200)
E.	Loans		**128,239** (152,951)					**128,239** (152,951)
F.	Sundry Creditors						**(-)30,603** ((-)16,805)	**(-)30,603** ((-)16,805)
G.	Sundry Debtors						**8,199** (8,611)	**8,199** (8,611)

Notes forming part of the Financial Statements (contd.)

₹ in lakhs

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 under significant influence	Total
H.	Share Capital	**6,907*** (6,907)*			**0.10** (0.10)	**-** (0.05)		**6,907** (6,907)
I.	Corporate Guarantee given by Company on behalf of Subsidiary Company		**53,074** (42,166)					**53,074** (42,166)
J.	Corporate Guarantee given by Subsidiary Company on behalf of the Company		**(-)362,429** ((-)317,690)					**(-)362,429** ((-)317,690)

(Figures in brackets are for the year ended 31st March, 2011)
* includes ₹ 1 lakh (Previous year ₹ 1 lakh) of nominee holding.

iii. Statement of Material Transactions during the year and balances with related parties :

(a) Subsidiary Company

₹ in lakhs

Jet Lite (India) Limited	For the Year ended 31st March, 2012	2011
Transactions during the year :		
- Other Hire Charges received	**(708)**	(497)
- Corporate Guarantee given by the Company on behalf of the Subsidiary Company	**11,432**	7,166
- Interline Billing (Net)	**92,101**	56,237
Closing Balance as on 31st March,		
- Interest free Loan (including adjustment on account of Capital Advances)	**128,239**	152,951
- Investments in Equity and Preference Shares	**164,500**	164,500
- Corporate Guarantee by Company on behalf of Subsidiary Company *	**53,074**	42,166
- Corporate Guarantee given by Subsidiary Company on behalf of the Company	**(362,429)**	(317,690)

* Closing Balance of Corporate Guarantee given by Jet Airways (India) Limited represents utilized amount against total guarantee amount of ₹ 53,598 lakhs (Previous year ₹ 42,166 lakhs).

(b) Remuneration includes remuneration to :

₹ in lakhs

Particulars	For the Year ended 31st March, 2012	2011
(a) Relatives of controlling shareholder of Holding Company		
Anita Goyal	**118**	181
Namrata Goyal	**8**	4
Nivaan Goyal	**6**	2
(b) Director		
Saroj K. Datta #	**211**	169

Ceased to be a Director w.e.f. 30th September, 2011.

Notes forming part of the Financial Statements (contd.)

(c) Enterprise over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence

₹ in lakhs

Particulars	2012	2011
Jetair Private Limited		
Transactions during the Year		
- Agency Commission (including Service Tax)	**2,978**	4,215
- Rent Paid (including Service Tax)	**186**	167
- Expenses Reimbursed		
(Staff Costs, Communication Costs etc.)	**3,122**	2,593
- Rent Received	**(16)**	(16)
- Other Expense Recovery	**(5)**	-
- Deposit Repaid / Received	**16**	(16)
- Deposit Recovered (Given Earlier)	**(216)**	-
Closing Balance as on 31st March,		
- Deposits and Advances (Given)	**160**	376
- Deposits Received	**Nil**	(16)
- Sundry Debtors	**8,198**	8,610
- Sundry Creditors	**603**	650
Jet Airways LLC		
Transactions During the Year :		
- Agency Commission	**11,645**	9,877
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	**553**	606
Closing Balance as on 31st March,		
- Sundry Creditors	**22,233**	12,422
Trans Continental e Services Private Limited		
Transactions During the Year :		
- Other Selling and Distribution Cost	**2,061**	2,209
Closing Balance as on 31st March,		
- Sundry Creditors	**132**	-
Jet Enterprises Private Limited		
Transactions During the Year :		
- Rent Paid	**66**	66
Closing Balance as on 31st March,		
- Deposits for Leased Premises	**2,200**	2,200
Jet Airways of India Inc.		
Transactions During the Year :		
- Agency Commission	**2,342**	2,358
- Reimbursement of Expenses (Staff Costs, Insurance Rent etc.)	**1,141**	1,080
Closing Balance as on 31st March,		
- Advances	**-**	231
- Sundry Creditors	**4,828**	3,674
India Jetairways Pty Limited		
Transactions During the Year :		
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	**13**	2,264
Closing Balance as on 31st March,		
- Sundry Creditors	**3**	-

Notes forming part of the Financial Statements (contd.)

₹ in lakhs

Particulars	For the Year ended 31st March,	
	2012	**2011**
Jetair Tours Private Limited		
Transactions During the Year :		
- Reimbursement of Expenses [* ₹.32,770]	**-**	-*
Closing Balance as on 31st March,		
- Sundry Creditors [*₹ 8,250]	**-**	-*
- Sundry Debtors	**1**	1
Global Travel Solutions Private Limited		
Transactions During the Year:		
- Software Purchased	**3,050**	-
Closing Balance as on 31st March,		
- Sundry Creditors	**2,745**	-
Jet Airways Europe Services N.V.		
Closing Balance as on 31st March,		
- Sundry Creditors	**59**	59

41. ADDITIONAL DISCLOSURES

A. C.I.F. value of Imports, Earning and Expenditure in Foreign Currency

₹ in lakhs

Particulars	For the Year ended 31st March,	
	2012	**2011**
C.I.F. Value of Imports :		
Components and Spares	**35,252**	36,188
Capital Goods	**15,685**	6,438
TOTAL	**50,937**	42,626
Earnings in Foreign Currency :		
Passenger and Cargo Revenue *	**628,440**	513,375
Interest on Bank Account	**34**	23
Other Income	**1,615**	4,483
Leasing Operations	**45,212**	51,724
TOTAL	**675,301**	569,605
*Including Fuel Surcharge of ₹ 157,795 lakhs (Previous year ₹ 107,001 lakhs)		
Expenditure in Foreign Currency :		
Employee Remuneration and Benefits	**10,790**	9,855
Aircraft Fuel Expenses	**220,024**	149,560
Selling and Distribution Expenses	**97,477**	83,839
Other Operating Expenses	**223,441**	176,484
Aircraft Lease Rentals	**90,600**	84,436
Finance Cost	**47,407**	38,911
TOTAL	**689,739**	543,085

Notes forming part of the Financial Statements (contd.)

B. Value of Components and Spare Parts Consumed

₹ in lakhs

Particulars	For the Year ended 31st March,			
	2012		2011	
- Imported	**11,451**	**85.45**	11,961	92.98
- Indigenous	**1,950**	**14.55**	903	7.02
TOTAL	**13,401**	**100.00**	12,864	100.00

42. PREVIOUS YEARS FIGURES

The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements (Refer note 1)

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to Subsidiary Company for the year ended 31st March, 2012

	Name of the Subsidiary Company	Jet Lite (India) Limited
1	Financial year of the Subsidiary Company ended on	**31st March, 2012**
2	Holding Company's Interest:	
	a) number of Equity Shares of Rs.10/- each fully paid-up	506,115,409
	b) extent of holding	100%
	c) number of Preference Shares	290,000,000
3	Net aggregate amount of Loss of the Subsidiary, so far as they concern members of the Jet Airways (India) Ltd.	Amount (₹ in Lakhs)
	i) for the financial year of the Subsidiary	
	a) dealt with in the accounts of the Holding Company	(18,403)
	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 accounts of the Holding Company	(107,382)
	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.	-

Financial Information of Subsidiary Company for the year ended 31st March, 2012, pursuant to the approval under section 212 (8) of the Companies Act, 1956 :

₹ in lakhs

Sr. No	Name of Subsidiary Company	Wholly Owned Subsidiary Jet Lite (India) Limited
		31st March, 2012
1.	Paid up Share Capital	**79,612**
2.	Reserves	**(221,438)**
3.	Total Asset	**72,502**
4.	Total Liabilities	**72,502**
5.	Investment included in Total Assets	**110**
6.	Turnover	**188,731**
7.	(Loss) / Profit before Tax	**(18,459)**
8.	Provision for tax	**(56)**
9.	(Loss) / Profit after tax	**(18,403)**
10.	Proposed Dividend	**-**

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 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding component. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. 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 management, as well as evaluating overall the financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, attention is invited to the following notes :

   a) Note no. 32 (b) (ix) regarding the continuing litigation with erstwhile shareholders of Jet Lite (India) Limited. During the year, the Honorable High Court of Bombay had disposed off the Execution application in terms of which the Company paid ₹ 11,643 lakhs as interest @ 9% p.a. The counterparty contested this judgment and sought increased compensation and interest @18% p.a. instead of 9% p.a. while the Company challenged the levy of interest in toto. Consequent to the dismissal of this matter by the Honorable High Court of Bombay, both the parties filed a Special Leave Petition which is pending before the Honorable Supreme Court of India. The management has, based on legal advice and pending final determination, not recognized the amount paid as aforesaid as interest in the accounts.

   b) Note no. 35 regarding no impairment required for Goodwill on Consolidation for the reasons stated therein;

   c) Note no. 1 A (c) regarding preparation of consolidated financial statements of the Company on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance/generate cash flows in the near future to meet its obligations.

4. The Financial statements of the subsidiary company, which reflects total assets of ₹ 72,502 lakhs as on 31st March, 2012 and total revenue of ₹ 190,386 lakhs and net cash outflow of ₹ 283 lakhs for the year ended on that date are audited by M/s. Chaturvedi & Shah, Chartered Accountants, one of the joint auditors of the Company.

5. 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.

Auditors' Report on Consolidated Financial Statements (contd.)

6. Further to our comments referred to in 3 (a) to (c) above and 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 31st March, 2012;

   b) in the case of Consolidated Statement of Profit and Loss, 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
Registration No.117366W

R. D. KAMAT
Partner
M. No. 36822

FOR CHATURVEDI & SHAH
CHARTERED ACCOUNTANTS
Registration No. 101720W

RAJESH D. CHATURVEDI
Partner
M. No. 45882

Mumbai
24th May 2012

Consolidated Balance Sheet as at 31st March, 2012

₹ in lakhs

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**8,633**	8,633
Reserves and Surplus	3	**4,459**	151,006
		13,092	159,639
Non-Current Liabilities			
Long Term Borrowings	4	**877,358**	904,795
Deferred Tax Liability (Net)	5	**-**	3,363
Other Long Term Liabilities	6	**42,239**	3,041
Long Term Provisions	7	**12,208**	12,275
		931,805	923,474
Current Liabilities			
Short Term Borrowings	8	**225,715**	265,274
Trade Payables	9	**366,688**	241,254
Other Current Liabilities	10	**522,300**	440,044
Short Term Provisions	11	**9,411**	9,785
		1,124,114	956,357
TOTAL		**2,069,011**	2,039,470
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	**1,361,154**	1,346,460
Intangible Assets	13	**18,732**	17,262
Capital Work-In-Progress	12	**207**	3,198
		1,380,093	1,366,920
Goodwill on Consolidation		**187,239**	187,239
Non-Current Investments	14	**206**	9
Long Term Loans and Advances	15	**108,766**	115,669
Other Non-Current Assets	16	**7,060**	-
		116,032	115,678
Current Assets			
Current Investments	17	**-**	8,000
Inventories	18	**85,842**	82,519
Trade Receivables	19	**135,770**	102,542
Cash and Bank Balances	20	**57,429**	67,722
Short Term Loans and Advances	21	**99,572**	108,850
Other Current Assets	22	**7,034**	-
		385,647	369,633
TOTAL		**2,069,011**	2,039,470
Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements	1		

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
} Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2012

₹ in lakhs

Particulars	Note No.	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Income			
Revenue from Operations	23	**1,670,322**	1,448,822
Other Income	24	**36,382**	21,784
Total Revenue		**1,706,704**	1,470,606
Expenses			
Aircraft Fuel Expenses		**777,634**	516,734
Employee Benefit Expenses	25	**177,457**	150,780
Selling and Distribution Expenses	26	**149,620**	137,141
Aircraft Lease Rentals		**120,499**	114,515
Depreciation and Amortization	27	**94,462**	91,857
Finance Cost	28	**100,579**	118,415
Other Expenses	29	**447,761**	366,345
Total Expenses		**1,868,012**	1,495,787
(Loss) before Exceptional Items and Tax		**(161,308)**	(25,181)
Exceptional Items (Net)	30	**17,316**	20,328
(Loss) Before Tax		**(143,992)**	(4,853)
Tax Expense			
- Current Tax		**-**	2,062
- Deferred Tax		**(3,363)**	3,363
- MAT Credit Reversal / (Entitlement)		**2,062**	(2,062)
- (Excess) / Short Tax Provisions (net) for Earlier Years		**(678)**	368
(Loss) for the year from Continuing Operations		**(142,013)**	(8,584)
Earnings Per Equity Share : (Face Value ₹ 10 per share) Basic and Diluted (in ₹)	31	**(164.49)**	(9.94)
Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements	1		

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Consolidated Cash Flow Statement for the Year Ended 31st March, 2012

₹ in lakhs

Particulars	Note No.	For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
Cash flow from Operating Activities :			
Net (Loss) Before Tax		**(143,992)**	(4,853)
Adjustments for :			
Depreciation and Amortization	27	**94,462**	91,857
Excess Depreciation Reversal in respect of Earlier Years		**-**	(13,419)
Marked to Market - Derivatives		**(1,384)**	(4,817)
Contribution Receivable From Lessors		**(20,323)**	-
Provision for Stock Obsolescence		**6,580**	6,114
(Loss) / Profit on Sale of Fixed Assets (Net)		**(7,086)**	1,979
Profit on Sale of Investments / Dividend on Current Investments		**(16)**	(82)
Finance Cost	28	**100,579**	118,415
Interest on Income Tax Refund		**(829)**	(2,665)
Interest on Bank and Other Deposits		**(4,190)**	(3,955)
Excess Provision No Longer Required		**(5,849)**	(16,285)
Provision for Doubtful Debts No Longer Required Written Back		**(113)**	(403)
Provision for Compensated Absences and Gratuity		**2,049**	1,907
Exchange Difference on Translation (Net)		**4,391**	(2,092)
Provision for Doubtful Debts		**1,219**	804
Bad Debts Written Off		**111**	36
Inventory Scrapped During the Year		**2,822**	2,435
Operating Profit Before Working Capital Changes		**28,431**	174,976
Adjustments for :			
Inventories		**(12,725)**	(21,316)
Trade Receivables		**(33,743)**	(14,896)
Loans and Advances		**4,810**	(33,745)
Trade Payables		**219,454**	69,413
Cash Generated from Operations		**206,227**	174,432
Direct Taxes Refund / (Paid) (Net)		**23,091**	(1,531)
Net Cash from Operating Activities		**229,318**	172,901
Cash Flow from Investing Activities :			
Purchase of Fixed Assets (including Capital Work in Progress)		**(6,607)**	(12,548)
Proceeds from Sale of Fixed Assets		**22,972**	21
Purchase of Current Investments		**(19,000)**	(244,446)
Sale of Current Investments		**27,018**	246,518
Deferred Payment Liability towards Investment in Wholly Owned Subsidiary Company		**-**	(13,750)
Changes in Fixed Deposits with Banks (Refer note 2 below)		**2,866**	17,068
Interest Received on Bank and Other Deposits		**3,712**	5,475
Dividend on Current Investment		**-**	1
Net Cash Flow from / (Used in) Investing Activities		**30,961**	(1,661)

Consolidated Cash Flow Statement for the Year Ended 31st March, 2012 (contd.)

₹ in lakhs

Particulars	Note No.	**For the Year Ended 31st March, 2012**	For the Year Ended 31st March, 2011
Cash Flow from Financing Activities :			
Net Increase / (Decrease) in Short Term Loans (Refer Note 3 below)		**441**	(30,692)
Proceeds from Long Term Loans during the year (Refer Note 3 below)		**50,000**	194,000
Repayment of Long Term Loans during the year (Refer Note 3 below)		**(219,179)**	(212,086)
Finance Cost		**(99,446)**	(118,792)
Net Cash used for Financing Activities		**(268,184)**	(167,570)
Net (Decrease) / Increase in Cash and Cash Equivalents		**(7,905)**	3,670
Cash and Cash Equivalents as at the beginning of the year (Refer note 1 below)	20	**15,056**	11,386
Cash and Cash Equivalents as at end of the year (Refer note 1 below)	20	**7,151**	15,056
Significant Accounting Policies and Notes to Accounts forming an integral part of the Financial Statements	1		

Note :

1) Cash and Cash Equivalents for the year ended 31st March, 2012 includes unreaslized Gain (Net) of ₹ 2,244 lakhs (Previous year ₹ 1,194 lakhs) on account of translation of Foreign Currency Bank Balances.

2) Fixed Deposits with banks having a maturity period of more than three months and Fixed Deposits under lien amounting to ₹ 48,986 lakhs (Previous year ₹ 51,852 lakhs) are not included in Cash and Cash Equivalents.

3) During the year, Long Term Loans amounting to ₹ 40,000 lakhs (Previous year ₹ 92,000 lakhs) were converted from Rupee to Dollar denominated loans. However, the same has not been considered as movement in Financing Activities as it did not involve physical movement of cash.

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

Notes forming part of the Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

a) 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. 31st March, 2012.

b) 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, 2012	Extent of Holding as on 31st March, 2011
Jet Lite (India) Limited	India	**100%**	100%

c) The Airline Industry has been adversely affected by the general economic slowdown. This coupled with high fuel cost significantly impacted the performance and cash flows of the Company and its Subsidiary resulting in substantial erosion of the net worth. The Management has been constantly implementing initiatives to improve the operating cash flows through cost control measures, route rationalization, leasing out Aircraft etc. During the F.Y. 2011-12, although the passenger traffic improved the impact of significant increase in the crude oil prices and weakening of rupee not matched by corresponding increase in fares resulted in the Company not being able to sustain its profitable performance. The fuel prices have subsided now and going forward, the Company expects to perform better. The Holding Company is also exploring options of raising finances to meet its various operational and financial obligations including financial support to its Subsidiary – Jet Lite (India) Limited. These measures are expected to result in sustainable cash flows and accordingly these financial statements continue to be presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

B. PRINCIPLES OF CONSOLIDATION :

a) 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 unrealized profits / losses.

b) 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.

c) 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 recognized in the period in which the results are known / materialized.

D. REVENUE RECOGNITION :

a) Passenger and Cargo income are recognized on flown basis, i.e. when the services are rendered.

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

c) 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.

d) Lease income including Variable rentals on the Aircraft given on operating lease is recognized in the Statement of Profit and Loss 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.

Notes forming part of the Consolidated Financial Statements (contd.)

F. COMMISSION :

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

G. EMPLOYEE BENEFITS :

a) Defined Contribution plan :

Company's contribution paid / payable for the year to defined contribution schemes are charged to Statement of Profit and Loss.

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 recognized in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent the benefits are vested, otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The employee benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized 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 recognized 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 up to the time the assets get ready for their intended use are capitalized.

The cost of improvements to Leased Properties as well as customs duty / modification cost incurred on Aircraft taken on operating lease have been capitalized 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 amortization and accumulated impairment losses, if any.

c) Assets Taken on Lease :

i. Operating Lease : Rentals are expensed with reference to the Lease Term and other considerations.

ii. Finance Lease / Hire Purchase : The lower of the fair value of the assets and the present value of the minimum lease rentals is capitalized 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 Statement of Profit and Loss.

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 Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

J. DEPRECIATION / AMORTIZATION :

a) Depreciation on tangible fixed assets has been provided on the 'Straight Line Method' in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 and in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956. Expenditure incurred on improvements of assets acquired on operating lease is written off evenly over the balance period of the lease. Premium on leasehold land is amortized over the period of lease.

b) On amounts added on revaluation, depreciation is charged over the residual life and the additional charge of depreciation is withdrawn from the Revaluation Reserve.

c) Intangible assets are amortized on straight line basis as follows :

i. Landing Rights acquired are amortized over a period not exceeding 20 years. Amortization period exceeding 10 years is applied considering industry experience and expected asset usage.

ii. Trademarks are amortized over 10 years.

iii. Computer Software is amortized over a period not exceeding 36 months.

K. INVESTMENTS :

Current Investments are carried at lower of cost or 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.

Notes forming part of the Consolidated Financial Statements (contd.)

L. BORROWING COST :

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized 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 recognized as an expense in the period in which they are incurred.

M. FOREIGN CURRENCY TRANSACTIONS / TRANSLATION :

a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are restated at the period-end rates and Non-monetary foreign currency items are not restated at the period-end rates.

b) In case of the Holding Company, the exchange difference between the rate prevailing on the date of transaction and on settlement / restatement (other than those relating to long term foreign currency monetary items) is recognized as income or expense, as the case may be :

The exchange difference relating to long term foreign currency monetary items are accounted as under :

(i) to the extent they relate to financing the acquisition of fixed assets and not regarded as interest, are added to or subtracted from the cost of such fixed assets and depreciated over the balance useful life of the asset;

(ii) in other cases such differences are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA) and amortized in the Statement of Profit and Loss over the balance term of the long term monetary item. As at the year-end, current portion and non-current portion of the FCMITDA is disclosed as 'Other Current Asset' and 'Other Non-Current Asset', respectively.

c) 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 is recognized as income or expense, as the case may be.

d) 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 period end rate is recognized in the Statement of Profit and Loss. 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 amortized 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.

O. AIRCRAFT MAINTENANCE AND REPAIR COSTS :

Aircraft Maintenance, Auxiliary Power Unit (APU) and Engine Maintenance and Repair costs are expensed on incurrence as incurred except with respect to Engines / APU which are covered by third party maintenance agreement and these are accounted in accordance with the relevant terms.

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 recognized and carried forward only to the extent that there is a reasonable / virtual certainty, as the case may be, that the asset will be realized in future.

Q. SHARE ISSUE EXPENSES :

Issue Expenses are adjusted against the Securities 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, entered into by the Company for hedging the risks of foreign currency exposure (including interest rate risk) are marked to market and losses, if any, is 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 recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes forming part of the Consolidated Financial Statements (contd.)

2. SHARE CAPITAL

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Authorized :		
180,000,000 Equity Shares of ₹ 10/- each		
(Previous year 180,000,000 Equity Shares of ₹ 10/- each)	**18,000**	18,000
20,000,000 Preference Shares of ₹ 10/- each		
(Previous year 20,000,000 Preference Shares of ₹ 10/- each)	**2,000**	2,000
	20,000	20,000
Issued, Subscribed and Paid Up :		
86,334,011 Equity Shares : Face value of ₹ 10/- each fully paid up		
(Previous year 86,334,011 Equity Shares of ₹ 10/- each fully paid up)	**8,633**	8,633
TOTAL	**8,633**	8,633

a. Reconciliation of Number of Shares

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	**₹ in lakhs**	Number of shares	₹ in lakhs
Equity Shares : Face value of ₹ 10/- each				
As at the beginning of the year	**86,334,011**	**8,633**	86,334,011	8,633
As at the end of the year	**86,334,011**	**8,633**	86,334,011	8,633

b. Shareholders holding more than 5% of equity share capital and shares held by Holding / Ultimate Holding Company

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	**Percentage of holding**	Number of shares	Percentage of holding
Tail Winds Limited (Holding Company) and its nominee	**69,067,205**	**80.00%**	69,067,205	80.00%

c. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Notes forming part of the Consolidated Financial Statements (contd.)

3. RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Capital Reserve (Refer note 14)		
As per last Balance Sheet	*	*
Add : Depository Certificates / Shares received free of cost		
* ₹ 17,924 (Previous year ₹ 10,458)	**199**	*
	199	*
Capital Redemption Reserve		
As per last Balance Sheet	**5,558**	5,558
Securities Premium Account		
As per last Balance Sheet	**141,418**	141,418
Revaluation Reserve		
As per last Balance Sheet	**176,764**	181,497
Less : Depreciation for the year on amount added on Revaluation transferred to Statement of Profit and Loss	**(4,733)**	(4,733)
	172,031	176,764
(Deficit) in Statement of Profit and Loss		
As per last Balance Sheet	**(172,734)**	(164,150)
Add : (Loss) for the year	**(142,013)**	(8,584)
	(314,747)	(172,734)
TOTAL	**4,459**	151,006

4. LONG TERM BORROWINGS

₹ in lakhs

Particulars	As at 31st March, 2012		2011	
	Current	**Non-Current**	Current	Non-Current
Secured Loans / Borrowings :				
Term Loans				
From Banks				
Rupee Term Loan (Refer note a below)	**20,004**	**24,993**	15,003	44,997
Foreign Currency Term Loans (Refer note a to c below)	**68,004**	**93,010**	43,164	98,901
From Others				
Rupee Term Loan (Refer note d below)	**21,667**	**10,833**	-	32,500
Foreign Currency Term Loan (Refer note e below)	**-**	**38,382**	36,180	-
Unsecured Loans				
Long Term Maturities of Finance Lease Obligations (Refer note f below)	**115,411**	**710,140**	103,624	728,397
TOTAL	**225,086**	**877,358**	197,971	904,795

Notes forming part of the Consolidated Financial Statements (contd.)

Security and Salient Terms :

a. Rupee Term Loan of ₹ 44,997 lakhs (Previous year ₹ 60,000 lakhs) and Foreign Currency Term Loan ₹ 34,458 lakhs (Previous year ₹ 40,273 lakhs) are secured by way of a pari-passu charge on all the current and future domestic credit card realizations received into the Trust and Retention Account including interest earned thereon. Interest rate is linked to respective Banks' Prime Lending Rate/ Base Rate / LIBOR plus Margin and are repayable in installments starting from July, 2011 and ending in June, 2014.

b. Foreign Currency Term Loans of ₹ 81,577 lakhs (Previous year ₹ 101,792 lakhs) are secured by way of a pari-passu charge on all the current and future international credit card realizations received into the Trust and Retention Account, together with First mortgage and charge on the four flight simulators and on the land located at Vadgaon, Pune. Interest rates are linked to LIBOR plus Margin and are repayable in instalments starting from September, 2010 and ending in April, 2014.

c. Foreign Currency Term Loan of ₹ 44,979 lakhs (Previous year ₹ Nil) is hypothecated by way of a pari-passu charge on domestic credit card realizations. Interest rate is linked to LIBOR plus margin and is repayable in instalments starting from July, 2011 and ending in May, 2015.

d. Rupee Term Loan from a Financial Institution of ₹ 32,500 lakhs (Previous year ₹ 32,500 lakhs) is secured by way of a pledge of 100% of Equity Share Capital of Jet Lite (India) Limited held by the Holding Company. Further, in the event of default in payment of interest or repayment of any two consecutive instalments of the loan by the Holding Company, the Institution reserves a conversion option to convert either the whole or part of the defaulted amount into fully paid Equity Shares of the Company at par. Interest rate is linked to Institutions Benchmark Rate plus Margin and is repayable in six quarterly instalments starting from June, 2012.

e. (i) Term Loan from a financial institution of ₹ Nil (Previous year ₹ 36,180 lakhs) was secured by mortgage on leasehold land situated at Bandra Kurla Complex, Mumbai and construction thereon, present and future. Interest rate was LIBOR plus Margin and was repaid in December, 2011 ahead of repayment scheduled in March, 2012.

(ii) Term Loan from a financial institution of ₹ 38,382 lakhs (Previous year ₹ Nil) is secured by pari-passu charge on leasehold land situated at Bandra Kurla Complex, Mumbai along with construction thereon, present and future and First charge on Company's entitlement under the development agreement for the aforesaid plot of land entered into with Godrej Buildcon Private Limited.Interest rate is LIBOR plus Margin and is repayable in six half yearly instalments from July, 2014.

f. (i) Finance Lease obligation for six Aircraft are secured by Corporate Guarantee given by the Subsidiary Company.

(ii) Repayable in quarterly instalments over period of twelve years from the date of disbursement of respective loan. Interest rate is linked with LIBOR plus margin.

5. DEFERRED TAX LIABILITY (net)

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liability		
Related to Fixed Assets	**104,978**	95,118
Related to Marked to Market - Derivatives	**4,298**	3,849
Deferred Tax Asset		
Other Disallowances under Income Tax Act, 1961	**4,386**	4,842
Unabsorbed Depreciation / Business Loss (Refer note below)	**104,890**	90,762
Net Deferred Tax Liability at the end of the year	**-**	3,363

Note : During the financial year, in the absence of virtual certainty, Deferred Tax Asset on account of unabsorbed depreciation and business loss has been recognized to the extent it can be realized against reversal of deferred tax liability.

Notes forming part of the Consolidated Financial Statements (contd.)

6. OTHER LONG TERM LIABILITIES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deposit / Advance from Customers / Developer (Refer note below)	**42,239**	3,041
TOTAL	**42,239**	3,041

Note : During the year, the Company finalized an agreement with Godrej Buildcon Private Limited, Mumbai (GBPL) for the development of its plot of land situated at Bandra Kurla Complex, Mumbai. This land has been taken on long term lease from MMRDA. Consequent to the said agreement, the Company has received a sum of ₹ 50,000 lakhs which includes an advance of ₹ 36,500 lakhs, disclosed as ''Other by Term Liabilities and the balance towards :

a) Reimbursement of ₹ 10,282 lakhs which was charged to the Statement of Profit and Loss in the earlier years. The same has been credited to Statement of Profit and Loss during the year included in 'Other Non-Operating Income' under 'Other Income' (Refer note 24).

b) Reimbursement of certain cost incurred on such land retained as Capital Work-in-Progress amounting to ₹ 3,218 lakhs.

7. LONG TERM PROVISIONS

₹ in lakhs

Particulars	As at 31st March,			
	2012		2011	
	Current	**Non Current**	Current	Non Current
a) Provision for Employee Benefits (Refer note 36)				
Provision for Gratuity	**504**	**5,634**	513	5,194
Provision for Compensated Absences	**701**	**2,469**	741	1,975
b) Other Provisions				
Redelivery of Aircraft	**3,275**	**4,105**	694	5,106
TOTAL	**4,480**	**12,208**	1,948	12,275

Redelivery of Aircraft :

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, given below is the movement in provision for Redelivery of Aircraft.

The Company has in its fleet certain Aircraft on operating lease. As per the terms of the lease agreements, the Aircraft have to be redelivered to the lessors at the end of the lease term in certain 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 in the lease agreements.

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

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening Balance	**5,800**	6,277
Add : Additional Provisions during the year *	**2,166**	1,084
Less : Amounts used during the year	**-**	-
Less : Unused Amounts reversed during the year	**(586)**	(1,561)
Closing Balance	**7,380**	5,800

Notes forming part of the Consolidated Financial Statements (contd.)

* Additions include adjustment of ₹ 738 lakhs (Previous year ₹ (88) lakhs) on account of exchange fluctuation loss / (gain) 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	2012		2011	
	No. of Aircraft	Amount (₹ in lakhs)	No. of Aircraft	Amount (₹ in lakhs)
2011-12	-	-	4	694
2012-13	23	3,275	24	2,578
2013-14	5	679	4	400
2014-15	6	576	4	262
2015-16	20	1,909	20	1,344
2016-17	3	462	3	341
2017-18	3	131	3	66
2018-19	1	46	1	27
2019-20	2	74	2	39
2020-21	14	203	11	49
2021-22	4	25	-	-
Total	81	7,380	76	5,800

8. SHORT TERM BORROWINGS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Secured :		
Loans Repayable on Demand		
From Banks		
Rupee Loans (Refer note a and d below)	105,915	128,500
Foreign Currency Loans (Refer note a and d below)	56,284	66,801
From Others		
Rupee Loans (Refer note b and d below)	25,000	-
Buyers Credit (Refer note c and d below)	9,770	-
Unsecured :		
Loans Repayable on Demand		
From Banks		
Rupee Loans (Refer note d below)	14,944	17,070
Foreign Currency Loans (Refer note d below)	13,802	12,903
From Others		
Rupee Loans (Refer note d below)	-	40,000
TOTAL	225,715	265,274

Security and Salient Terms :

a. (i) Loans aggregating to ₹ 150,901 lakhs (Previous year ₹ 180,301 lakhs) are secured by way of hypothecation of Inventories (excluding Aircraft fuel), Debtors (excluding credit card receivables), Ground Support Vehicles / Equipments (excluding trucks, jeeps and other motor vehicles), Spares (including engines) and Data Processing Equipments.

(ii) Rupee loan from banks amounting to ₹ 11,298 (Previous year ₹ 15,000) are secured by hypothecation of Spares, Book Debts, Receivables, collateral of Ground Support Vehicles (excluding trucks, jeeps, Aircraft etc.) and Corporate Guarantee of Jet Airways (India) Limited, the Holding Company.

b. Loan of ₹ 25,000 lakhs (Previous year ₹ Nil) is secured by an undertaking from the Company to remit the balance sale proceeds from sale and lease back of four (4) of its Aircraft.

c. Buyer's credit of ₹ 9,770 lakhs (Previous year ₹ Nil) is secured by exclusive charge over two New CFM Engines and Quick Engine Change kits.

d. The rates of interest for the above said loans ranges from 200 base points to 850 base points over LIBOR plus Margin for Foreign Currency Loans and 12 % to 15 % for Rupee Loans.

Notes forming part of the Consolidated Financial Statements (contd.)

9. TRADE PAYABLES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade Payables		
Total outstanding dues to Micro and Small Enterprises	**123**	90
Others for Goods and Services	**366,565**	241,164
TOTAL	**366,688**	241,254

Disclosures relating to amounts payable as at the year end together with interest paid / payable to Micro and Small 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 :

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
A. Principal amount remaining unpaid as on 31st March	**123**	90
B. Interest due thereon as on 31st March	**-**	-
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	**-**	-
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 31st March	**-**	-
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	**-**	-

Notes forming part of the Consolidated Financial Statements (contd.)

10. OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Current Maturities of Long Term Secured Loans (Refer note 4)	**109,675**	94,347
Current Maturities of Finance Lease Obligation (Refer note 38)	**115,411**	103,624
Deposit from Related Parties	**-**	16
Interest Accrued but Not Due on Loans / Borrowings	**3,887**	2,754
Forward Sales (Net) [Passenger / Cargo] and Sub Lease	**204,910**	130,920
Income received in Advance from Sub Lease	**2,155**	1,987
Unclaimed Dividend *	**12**	12
Unclaimed Share Application Money *	**-**	2
Balance with Banks - Overdrawn as per Books	**2,501**	1,872
Statutory Dues Payable	**10,690**	14,277
Payable to Erstwhile Share Holders of SICCL	**-**	8,708
Airport Dues Payable	**6,540**	5,709
Employee Benefits Payable	**10,275**	9,681
Provision for Expenses	**51,577**	59,977
Deposit / Advance From Customer / Vendors	**3,981**	5,646
Other Payables	**686**	512
TOTAL	**522,300**	440,044

*** Note :** These figures do not include any amounts due and outstanding to be credited to the Investor Education and Protection Fund. During the year ended 31st March, 2012 Company had deposited ₹ 2 lakhs to the Investor Education and Protection Fund towards Unclaimed Share Application Money.

11. SHORT TERM PROVISIONS

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
a) Provision for Employee Benefits (Refer note 36)		
Gratuity	**504**	513
Compensated Absences	**701**	741
b) Others		
Wealth Tax (net of advance payment of tax)	**14**	12
Income Tax (net of advance payment of tax)	**267**	2,587
Redelivery of Aircraft (Refer note 7)	**3,275**	694
Frequent Flyer Programme	**4,564**	5,081
Provision for Aircraft Maintenance	**86**	157
TOTAL	**9,411**	9,785

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, given below are movements in provision for Frequent Flyer Programme and Aircraft Maintenance Costs.

Notes forming part of the Consolidated Financial Statements (contd.)

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.

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 provisions during the year is as under :

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Opening Balance	**5,081**	3,221
Add : Additional Provision during the year	**669**	2,077
Less : Amounts used during the year	**(753)**	(177)
Less : Unused Amounts reversed during the year	**(433)**	(40)
Closing Balance	**4,564**	5,081

b) **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 :

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Opening Balance	**157**	1,769
Add / (Less) : Adjustments during the year *	**19**	157
Less : Amounts used during the year	**(90)**	(792)
Less : Unused Amounts reversed during the year	**-**	(977)
Closing Balance	**86**	157

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

Notes forming part of the Consolidated Financial Statements (contd.)

12. TANGIBLE ASSETS

₹ in lakhs

Nature of Asset	Gross Block (At Cost / Valuation)				Depreciation				Net Block	
	As at 1st April, 2011	Additions / Adjustments during the year	Deductions / Adjustments during the year	**As at 31st March, 2012**	As at 1st April, 2011	For the year	Deductions / Adjustments during the year	**As at 31st March, 2012**	**As at 31st March, 2012**	As at 31st March, 2011
Owned Tangible Asset										
Freehold Land	11	-	-	**11**	-	-	-	-	**11**	11
Plant and Machinery	767	1	-	**768**	171	36	-	**207**	**561**	596
Furniture and Fixtures	5,124	327	482	**4,969**	2,443	317	315	**2,445**	**2,524**	2,681
Electrical Fittings	2,954	328	409	**2,873**	976	134	177	**933**	**1,940**	1,978
Data Processing Equipments	9,372	427	272	**9,527**	7,425	734	268	**7,891**	**1,636**	1,947
Office Equipments	5,503	169	245	**5,427**	2,010	258	105	**2,163**	**3,264**	3,493
Ground Support Equipments	7,437	624	80	**7,981**	2,916	365	49	**3,232**	**4,749**	4,521
Vehicles	1,339	9	443	**905**	661	106	266	**501**	**404**	678
Ground Support Vehicles	8,909	738	843	**8,804**	5,657	764	840	**5,581**	**3,223**	3,252
Simulators	22,187	-	-	**22,187**	6,452	1,244	-	**7,696**	**14,491**	15,735
Leased Assets										
Leasehold Land	186,166	6,835	-	193,001	7,854	2,402	-	**10,256**	**182,745**	178,312
Aircraft And Spare Engine (Narrow Body)	505,423	30,779	19,725	**516,477**	176,064	29,703	4,593	**201,174**	**315,303**	329,359
Aircraft And Spare Engine (Wide Body)	991,460	87,321	-	**1,078,781**	194,090	58,701	-	**252,791**	**825,990**	797,370
Improvement on Leased Aircraft	17,431	-	-	**17,431**	11,255	2,154	-	**13,409**	**4,022**	6,176
Improvement on Leased Property	4,468	253	-	**4,721**	4,117	313	-	**4,430**	**291**	351
TOTAL	1,768,551	127,811	22,499	**1,873,863**	422,091	97,231	6,613	**512,709**	**1,361,154**	1,346,460
Previous year	1,769,248	3,298	3,995	1,768,551	343,119	94,386	15,414	422,091	1,346,460	-
Capital Work in progress									**207**	3,198

1) All the Aircraft (except one) 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 during the year include ₹ 110,567 lakhs [Net loss] {Previous year (₹ 4,246) lakhs [Net gain]} on account of Exchange Loss / (Gain) (Refer note 33).
3) Details of Revaluation :
   i. Leasehold Land was revalued on 31st March, 2008 with reference to the then current market prices; amount added on revaluation is ₹ 148,119 lakhs; the revalued amount substituted for historical cost on 31st March, 2008 was ₹ 184,500 lakhs.
   ii. Narrow Body Aircraft were revalued on 31st March, 2008 with reference to the then current market prices; amount added on revaluation was ₹ 118,133 lakhs; the revalued amount substituted for book value on 31st March, 2008 was ₹ 346,396 lakhs.

Notes forming part of the Consolidated Financial Statements (contd.)

13. INTANGIBLE ASSETS

₹ in lakhs

Nature of Asset	Gross Block				Amortization				Net Block	
	As at 1st April, 2011	Additions / Adjustments during the year	Deductions / Adjustments during the year	As at 31st March, 2012	As at 1st April, 2011	For the year	Deductions / Adjustments during the year	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Software	6,349	3,434	-	**9,783**	5,545	780	-	**6,325**	**3,458**	804
Landing rights	22,432	-	-	**22,432**	7,335	869	-	**8,204**	**14,228**	15,097
Trademarks	3,146	-	-	**3,146**	1,785	315	-	**2,100**	**1,046**	1,361
TOTAL	31,927	3,434	-	**35,361**	14,665	1,964	-	**16,629**	**18,732**	17,262
Previous year	31,854	73	-	31,927	12,461	2,204	-	**14,665**	**17,262**	-

Notes forming part of the Consolidated Financial Statements (contd.)

14. NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Long Term Investments		
Trade Investments (Unquoted and at cost)		
5,133 Shares (Previous year 5,759 Shares) of THB 100 each of Aeronautical Radio of Thailand, a State Enterprise under the Ministry of Transport. The transfer of this investment is restricted to Airline Members flying into Thailand.	**7**	9
55 Shares (Previous year 33 Shares) in Societe Internationale de Telecommunications Aeronautiques SC (SITA) of Euro 5 each #	*	*
326,194 (Previous year Nil) Depository Certificates in SITA Group foundation of USD 1.20 each #	**199**	-
TOTAL	**206**	9

* ₹ 17,924 (Previous year ₹ 10,458)

\# These investments have been received free of cost from S.I.T.A S.C and S.I.T.A. Group Foundation for participation in their Computer Reservation System. The credit for these investments have been made to Capital Reserve to the extent of nominal value of the investments. Transfer of these investments are restricted to other Depository Certificate / Shares holders e.g. Air Transport members, etc.

15. LONG TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured and Considered Good unless otherwise stated		
Capital Advances	**23,998**	35,078
Loans and Advances / Deposits to Related Parties	**2,360**	2,807
Security Deposits with Airport Authorities and Others		
Considered good	**16,883**	12,258
Considered doubtful	**92**	92
Less : Provision for doubtful deposit	**(92)**	(92)
	16,883	12,258
Advance Tax and Tax Deducted at Source (Net of Provisions for tax)	**12,473**	36,375
MAT Credit Entitlement	**-**	2,062
Contribution Receivable from Lessors	**49,597**	20,655
CENVAT Credit Receivable	**3,436**	6,415
Balances with Customs Authorities	**19**	19
TOTAL	**108,766**	115,669

Note : Deposits and Advances include ₹ 2,360 lakhs (Previous year ₹ 2,807 lakhs) amount placed with private limited companies in which the Holding Company's Director is a Director / Member.

Notes forming part of the Consolidated Financial Statements (contd.)

16. OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Foreign Currency Monetary Item Translation Difference Account (Refer note 33)	**7,060**	-
TOTAL	**7,060**	-

17. CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Investments (at cost or market value, whichever is less)		
Investments in Mutual Funds – (Debt schemes)	-	8,000

Liquid plan - SBI – Magnum Insta Cash Fund – Cash option	As at 31st March, 2012	As at 31st March, 2011	Face Value / Unit
No. of Units	-	36,747,649	₹ 10
Market Value (₹ in lakhs)	-	8,000	

Note : The market price is based on the repurchase price declared by the respective fund

	2012	2011
TOTAL	-	8,000

18. INVENTORIES (At lower of cost or net realizable value)

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Rotables, Consumable Stores and Tools	**109,616**	102,679
Less : Provision for Obsolescence / Slow and Non - Moving Items (Refer note 1(n))	**(29,122)**	(23,933)
	80,494	78,746
b) Fuel	**572**	514
c) Other Stores Item	**4,809**	3,292
Less : Provision for Slow and Non-Moving items (Refer note 1(n))	**(33)**	(33)
	4,776	3,259
TOTAL	**85,842**	82,519

Notes forming part of the Consolidated Financial Statements (contd.)

19. TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Unsecured		
a) Outstanding for a period exceeding six months from the date they are due for payment :		
Considered Good	**8,256**	7,171
Considered Doubtful	**4,034**	3,591
Less : Provision for Doubtful Debts	**(4,034)**	(3,591)
	8,256	7,171
b) Others Considered Good	**127,514**	95,371
TOTAL	**135,770**	102,542

Note : Debtors include ₹ 8,199 lakhs (Previous year ₹ 8,611 lakhs) due from Private Company in which the Holding Company's Director is a Director / Member.

20. CASH AND BANK BALANCES

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Cash and Cash Equivalents		
Balances with Banks :		
i) In Current Account	**4,833**	14,250
ii) In Fixed Deposit Account (maturities less than three months)	**2,166**	453
Cash on Hand (including Cheques on Hand ₹ Nil (Previous year ₹ 55 lakhs)	**152**	353
	7,151	15,056
Other Bank Balances :		
Unpaid Dividend	**12**	12
Margin Money Accounts* [including Interest accrued ₹ 1,280 lakhs (Previous year ₹ 802 lakhs)]	**50,266**	52,654
TOTAL	**57,429**	67,722

* Margin Deposits include a sum of ₹ 3,416 lakhs (Previous year ₹ 5,933 lakhs) havin a maturity of more than 12 months.

Notes forming part of the Consolidated Financial Statements (contd.)

21. SHORT TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Unsecured and Considered Good unless otherwise stated		
Security Deposits with Lessors / Vendors		
- Considered Good	**13,045**	10,993
- Considered Doubtful	**1,214**	1,117
Less : Provision for Doubtful Deposits	**(1,214)**	(1,117)
	13,045	10,993
Contribution Receivable from Lessors	**20,790**	12,167
Claim Receivable from Lessor / Insurers	**4,413**	19,648
CENVAT Credit and SFIS Receivable	**9,793**	21,270
Deposit with Service Tax Department	**31**	6,031
Payment to SICCL as per Court Order (Refer note 32)	**11,643**	-
Advance and Other Receivable from Suppliers	**25,084**	25,983
Prepaid Expenses	**11,557**	9,990
Others	**3,216**	2,768
TOTAL	**99,572**	108,850

22. OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31st March,	
	2012	2011
Foreign Currency Monetary Item Translation Difference Account (Refer note 33)	**7,034**	-
TOTAL	**7,034**	-

23. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	2011
Sale of Services		
Passenger	**1,483,382**	1,241,374
Less : Service Tax	**(45,438)**	(19,339)
	1,437,944	1,222,035
Cargo	**137,293**	121,960
Less : Service Tax	**(3,287)**	(2,678)
	134,006	119,282
Excess Baggage	**10,594**	6,441
Other Operating Revenues		
Cancellation Charges	**27,941**	23,027
Export Incentives	**4,000**	-
Revenue Leasing Operations	**45,212**	51,724
Provision No Longer Required Written Back (Refer note 42)	**5,962**	16,688
Other Revenue	**4,663**	9,625
TOTAL	**1,670,322**	1,448,822

Notes forming part of the Consolidated Financial Statements (contd.)

24. OTHER INCOME

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Interest Income on Fixed Deposit	**4,190**	3,955
Interest Income on Income Tax Refund	**829**	2,665
Dividend Income	**-**	1
Profit on Sale and Lease Back of Engines	**7,609**	-
Net Gain on Sale of Current Investments	**16**	81
Net Gain on Foreign Currency Transaction and Translation	**-**	1,344
Other Non-Operating Income (Refer note 6)	**23,738**	13,738
TOTAL	**36,382**	21,784

25. EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Salaries, Wages, Bonus and Allowances	**163,529**	137,161
Contribution to Provident Fund, ESIC and Other Funds	**3,844**	3,489
Provision for Gratuity	**917**	1,244
Provision for Compensated Absences	**1,132**	663
Staff Welfare Expenses	**8,035**	8,223
TOTAL	**177,457**	150,780

26. SELLING AND DISTRIBUTION EXPENSES

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Computerized Reservation System Cost	**55,154**	43,891
Commission	**85,974**	84,287
Others	**8,492**	8,963
TOTAL	**149,620**	137,141

27. DEPRECIATION AND AMORTIZATION

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Depreciation and Amortization		
- On Tangible Assets : (Refer note 12)	**97,231**	94,386
Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve	**(4,733)**	(4,733)
- On Intangible Assets (Refer note 13)	**1,964**	2,204
TOTAL	**94,462**	91,857

Notes forming part of the Consolidated Financial Statements (contd.)

28. FINANCE COST

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Interest Expense	**90,963**	108,583
Other Borrowing Cost	**9,616**	9,832
TOTAL	**100,579**	118,415

29. OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended 31st March, 2012	2011
Aircraft Variable Rentals (Refer note 38)	**32,107**	21,458
Aircraft Insurance and Other Insurance	**9,047**	8,216
Landing, Navigation and Other Airport Charges	**136,467**	118,231
Aircraft Maintenance (including Customs Duty and Freight, where applicable) :		
- Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul (Net)	**86,852**	72,142
- Lease of Aircraft Spares including Engine	**9,794**	5,980
- Consumption of Stores and Spares (Net)	**14,709**	14,409
- Provision for Spares Obsolescence	**6,580**	6,114
	117,935	98,645
Inflight and Other Pax Amenities	**61,152**	54,289
Communication Cost	**5,244**	4,025
Travelling and Subsistence	**24,116**	19,310
Rent	**9,914**	9,294
Rates and Taxes	**244**	291
Repairs and Maintenance :		
- Leased Premises	**189**	206
- Others	**4,010**	4,028
	4,199	4,234
Electricity	**1,786**	1,953
Director's Sitting Fees	**10**	15
Provision for Bad and Doubtful Debts	**1,219**	804
Bad Debts Written off	**111**	36
Net loss on Foreign Currency Transaction and Translation	**16,909**	-
Loss on Scrapping of Aircraft Parts	**-**	1,842
Loss on Scrapping Fixed Assets other than Aircraft Parts	**318**	105
Loss on Sale of Fixed Assets other than Aircraft (Net)	**205**	32
Miscellaneous Expenses (Including Professional Fees, Audit Fees, Printing and Stationery, Cargo Handling and Bank Charges etc.)	**26,778**	23,565
TOTAL	**447,761**	366,345

Notes forming part of the Consolidated Financial Statements (contd.)

Auditors' Remuneration (Net of service tax input credit)

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
(a) As Audit Fees		
- Statutory Audit Fees	**136**	130
- Tax Audit Fees	**10**	11
(b) As Advisors or in any other capacity in respect of		
- Taxation Matters	**55**	55
(c) In any other manner		
- For other services such as quarterly limited reviews, certificates, etc.	**72**	92
(d) For Reimbursement of Expenses (* ₹ 33,823)	**1**	-*
TOTAL	**274**	288

30. EXCEPTIONAL ITEMS

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Excess Depreciation Reversal in respect of Earlier Years (Refer note a below)	**-**	13,419
Marked to Market - Derivatives (Refer note 34)	**1,384**	4,817
Unrealised Exchange (Loss) / Gain (Refer note b below and note 33)	**(4,391)**	2,092
Contribution Receivable from Lessors (Refer note 37)	**20,323**	-
TOTAL	**17,316**	20,328

Note :

a) Depreciation on all owned tangible assets (including Simulators) other than Aircraft was before previous year provided on Written Down Value method. During the previous year, in order to reflect a more appropriate preparation / presentation of financial statements, the Company had changed the method of Depreciation on all owned tangible assets (including Simulators) other than Aircraft from Written Down Value Method to Straight Line Method w.e.f. 1st April, 2010 and the surplus amount of ₹ 13,419 lakhs arising from retrospective computation has been accounted and disclosed under Exceptional Items for the year ended 31st March, 2011.

b) Due to unusual and steep depreciation in the value of the Rupee over the last nine months, the unrealized exchange loss (net) has been considered by the Company to be exceptional in nature. The unrealized exchange Gain / (Loss) refers to the Notional Gain / (Loss) arising out of the restatement of the unhedged portion of foreign currency monetary assets and liabilities (other than asset backed borrowings).

31. EARNINGS PER SHARE (EPS)

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
(Loss) After Tax for the Year	**(142,013)**	(8,584)
(Loss) Attributable to Equity Share Holders (**A**)	**(142,013)**	(8,584)
Weighted Average Number of Equity Shares for Basic and Diluted EPS [nos.] (**B**)	**86,334,011**	86,334,011
Nominal Value of Equity Shares (₹)	**10**	10
Basic and Diluted EPS ₹ (**A / B**)	**(164.49)**	(9.94)

Notes forming part of the Consolidated Financial Statements (contd.)

32. CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)

A. Contingent Liabilities

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Guarantees :		
i. Letters of Credit Outstanding	**149,671**	151,627
ii. Bank Guarantees Outstanding	**126,640**	75,829
iii. Corporate Guarantee given to Banks and Financial Institutions against credit facilities and to Lessors against financial obligations extended to Subsidiary Company :		
- Amount of Guarantee	**53,598**	42,166
- Outstanding Amounts against the Guarantee	**53,074**	42,166
(b) Claims against the Company not acknowledged as debt (Refer note below) **:**		
i. Service Tax Demands in Appeals	**176,331**	137,052
ii. Fringe Benefit Tax Demands in Appeals	**10,630**	9,586
iii. Pending Civil and Consumer Suits	**5,849**	6,656
iv. Inland Air Travel Tax Demands under Appeal	**426**	426
Amount deposited with the Authorities for the above Demands	**105**	105
v. Octroi	**Nil**	2,899
vi. Customs	**143**	-
vii. Income Tax Demands in Appeals	**33,711**	35,805
viii. Wealth Tax Demands in Appeals	**21**	21

ix. The Holding Company had acquired 100% of the shareholding of Sahara Airlines Limited (SAL) (now known as Jet Lite (India) Limited) in April, 2007. As per the Share Purchase Agreement (SPA) as amended by the subsequent Consent Award, the mutually agreed sale consideration was to be paid to the Selling Shareholders (SICCL) in four equal interest free instalments by 30th March, 2011. As a result of certain disputes that arose between the parties, both the parties had filed petitions in the Hon'ble Bombay High Court for breach of SPA as amended by the subsequent Consent Award. The Hon'ble Bombay High Court delivered its Judgment on 4th May, 2011 whereby SICCL's demand for restoration of the original price of ₹ 200,000 lakhs was denied and the Purchase Consideration was sealed at the revised amount of ₹ 145,000 lakhs. However, in its judgment, the Hon'ble Bombay High Court has awarded interest at 9% p.a. on the delayed payments made to SICCL largely on account of ongoing legal dispute. In view of this Order, a sum of ₹ 11,643 lakhs became payable as interest which has been duly discharged by the Holding Company. As a result of this discharge, the undertaking given by the Holding Company in April 2009 for not creating any encumbrance or alienation of its moveable or immoveable assets and properties in any manner other than in the normal course of the business, stands released.

Though the Holding Company had complied with the order of the Hon'ble Bombay High Court, based on legal advice, it filed an appeal with the Division Bench of the Hon'ble Bombay High Court contesting the levy of interest. SICCL also filed an appeal with the Division Bench of the Hon'ble Bombay High Court for restoration of the purchase consideration to ₹ 200,000 lakhs and for interest to be awarded at 18% p.a. as against the 9% p.a. awarded by the Hon'ble Bombay High Court.

The Division Bench of the Hon'ble Bombay High Court heard the matter and vide its order dt.17th October, 2011 dismissed both the appeals as being not maintainable in view of jurisdictional issue. The Holding Company has since filed Special Leave Petitions (SLP) before the Hon'ble Supreme Court challenging both the orders of 4th May, 2011 and 17th October, 2011. SICCL had earlier filed a SLP before the Hon'ble Supreme Court for increased compensation and interest.

Both the SLPs, filed by Jet Airways as well as SICCL, came up for hearing before the Supreme Court. The Supreme Court directed the parties to file the Counter and Rejoinder which has since been filed. The Supreme Court also recorded that the statement made by Jet Airways, as recorded in the order dated 6th May, 2011 passed by the Hon'ble Bombay High Court, would continue till further orders.

Pending adjudication of the matter by the Hon'ble Supreme Court, the interest payment of ₹ 11,643 lakhs effected by the Holding Company on 5th May, 2011 has not been recognized in the Statement of Profit and Loss.

Note : 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. Further, claims by parties in respect of which the Management have been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefit is highly remote.

Notes forming part of the Consolidated Financial Statements (contd.)

B. Commitments

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Estimated amount of Contracts remaining to be executed on Capital Account (net of advances), not provided for	**1,407,182**	1,331,169
TOTAL	**1,407,182**	1,331,169

33. FOREIGN EXCHANGE DIFFERENCES

a. Hitherto, the Holding Company was following the option offered by notification of the Ministry of Corporate Affairs (MCA) dated 31st March, 2009 under the Companies (Accounting Standards) Amendment Rules, 2006 which amended Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates" by introducing Para 46 and based on further extension up to 31st March 2012, the Holding Company continued to exercise the same up to 30th September, 2011. In December 2011, the MCA issued a further notification dated 29th December 2011 extending the said option under Para 46 and providing additional option under Para 46A amending AS 11. The Holding Company opted to apply provisions under Para 46A of AS 11 with effect from 1st April, 2011. In line with the said notification, the Holding Company has amortized the exchange difference as detailed in the Accounting Policy M in Note 1. The unamortized portion of ₹ 14,094 lakhs (Previous year ₹ Nil) accumulated in FCMITDA as on 31st March, 2012 has been bifurcated and disclosed as Other Current Asset (₹ 7,034 lakhs (Previous year ₹ Nil)) and as Other Non-Current Asset (₹ 7,060 lakhs (Previous year ₹ Nil)). Further, the amount of exchange difference adjusted to the tangible assets during the year is ₹ 110,567 lakhs - net loss (Previous year ₹ 4,246 lakhs - net gain) and the unamortized balance (carried as part of tangible asset), as at the year end, aggregates to ₹ 201,216 lakhs (Previous year ₹ 90,649 lakhs).

b. In case of Subsidiary Company, in the absence of any long-term monetary items during the year, the Subsidiary Company has not exercised the option available under Para 46A of the Companies (Accounting Standards) Amendment Rules, 2006 which amended Accounting Standard (AS) 11 ''The Effect of Changes in Foreign Exchange Rates''.

34. DISCLOSURE ON DERIVATIVES

In the past, the Holding Company had entered into derivative contracts i.e. interest rate swaps (IRS) in order to hedge and manage its foreign currency exposures towards foreign currency borrowings. Such derivative contracts were in the nature of firm commitments and were entered into by the Holding Company for hedging purposes only and not for any trading or speculation purposes.

Nominal amounts of IRS entered into by the Holding Company in the past and the amount outstanding as on 31st March are as under :

₹ in lakhs

Particulars	As at 31st March,			
	2012		2011	
	No. of Contracts	**Amount**	No. of Contracts	Amount
Interest Rate Swaps	**2**	**106,838**	2	93,650

The Holding Company continues to account for the above said IRS in line with the pronouncement of The Institute of Chartered Accountants of India for "Accounting for Derivatives" along with principles of prudence as enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Polices".

On that basis, the changes in the fair value of the derivative instruments as at 31st March, 2012 of ₹ 1,384 lakhs (Previous year ₹ 4,817 lakhs) has been credited (net gain) to the extent of reversal of net loss charged to the Statement of Profit and Loss in earlier years and disclosed as an exceptional item. The credit on account of derivative gains has been computed on the basis of MTM values based on the confirmations received from the counter parties and the cumulative net notional loss up till the balance sheet date is ₹ 3,772 lakhs (Previous year ₹ 5,156 lakhs).

Notes forming part of the Consolidated Financial Statements (contd.)

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31st March, 2012 are as follows :

Particulars	INR Equivalent		USD Equivalent	
	₹ in lakhs		USD in lakhs	
	As at 31st March,		As at 31st March,	
	2012	**2011**	**2012**	**2011**
Current Assets	**161,975**	75,663	**3,183**	1,697
Current Liabilities	**216,632**	126,394	**4,258**	2,835
Interest Accrued but not due on Loans	**3,450**	2,510	**68**	56
Long Term Loans for purchase of Aircraft*	**779,826**	765,946	**15,328**	17,176
Other Loans Payable	**279,252**	257,984	**5,489**	5,784

* Includes Loans Payable after 5 years - ₹ 293,822 lakhs (Previous year ₹ 338,810 lakhs).

35. The Holding Company has Equity and Preference investments aggregating to ₹ 164,500 lakhs (Previous year ₹ 164,500 lakhs) in Jet Lite (India) Limited, a wholly owned Subsidiary, and has advanced an amount of ₹ 128,239 lakhs (Previous year ₹ 152,951 lakhs) as interest free loan outstanding as on 31st March, 2012. The said Subsidiary Company has improved its operating revenue over previous year but due to uncontrollable rise in fuel cost and a steep decline in the value of Rupee during the year, the results finally turned out to be negative and the Subsidiary Company continues to show a negative net-worth as of ₹ 141,826 lakhs on 31st March, 2012 (Previous year ₹ 123,533 lakhs). The losses incurred since acquisition recognised in the Consolidated Financial Statements aggregate ₹ 125,785 lakhs as on 31st March, 2012. The Holding Company appointed a reputed valuer to reassess its exposure in the said Subsidiary Company as on 31st March, 2012 and the valuer, based on revised business plans as approved by the Board of Subsidiary Company. Such assessment considers in future softening of fuel price and no further devaluation of rupee against USD. The Holding Company continues to provide financial support to the Subsidiary's operations and expects improved performance in the near future. Accordingly, the Financial Statements of the Subsidiary Company continue to be prepared on "Going Concern" basis. Based on such reassessment of the equity interest in the Subsidiary by a reputed valuer, no impairment of Goodwill is required to be recognized.

36. EMPLOYEES BENEFITS

A. Defined Contribution plans

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF) for qualifying employees. The Company recognized ₹ 3,844 lakhs (Previous year ₹ 3,489 lakhs) for provident fund contributions in the Statement of Profit and Loss.

B. Defined Benefit Plan

The Company provides the annual contributions as a non-funded defined benefit plan for qualifying employees. The 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 continuous 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 was carried out at 31st March, 2012 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 recognized in the Company's financial statements as at 31st March, 2012.

Notes forming part of the Consolidated Financial Statements (contd.)

₹ in lakhs

Particulars	Gratuity (Non-Funded) as at 31st March,	
	2012	**2011**
Reconciliation in Present Value of Obligations (PVO) - Defined Benefit Obligation		
PVO at the beginning of the year	**5,707**	4,856
Current Service Cost	**392**	675
Interest Cost	**471**	389
Actuarial Loss / (Gain)	**54**	180
Benefits Paid	**(486)**	(393)
Closing Balance	**6,138**	5,707
Net Cost for the Year ended 31st March,		
Current Service Cost	**392**	675
Interest Cost	**471**	389
Actuarial Loss / (Gain)	**54**	180
Net Cost	**917**	1,244
Fair Value of Plan Assets	**Nil**	Nil
Experience Adjustment		
Plan Liability Loss / (Gain)	**559**	377
Plan Assets Loss / (Gains)	**Nil**	Nil
Actuarial Assumptions		
Discount Rate (%)	**8.50 to 8.75**	8.25
Salary Escalation Rate (%)	**5.00**	5.00

i. The present value of defined benefit obligation was for :

₹ in lakhs

Financial Year	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Amount	4,856	4,757	5,200	3,987

ii. The fair value of planned assets was for :

Financial Year	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Amount	Nil	Nil	Nil	Nil

The details of the Experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS-15 (Revised) on "Employee Benefits" of previous financial years :

Financial Year	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Planned Liabilities Loss / (Gain)	(412)#	*	*	*
Plan Assets Loss / (Gains)	Nil	*	*	*

*Not available in the valuation report for the financial year 2006-07, 2007-08, 2008-09 and hence, are not furnished.

Not available in the valuation report for the financial year 2009-10 for Subsidiary Company, hence not furnished.

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.

Notes forming part of the Consolidated Financial Statements (contd.)

C. Other Long Term Employee Benefit

The obligation of Compensated Absences(non-funded) for the year ended 31st March, 2012, amounting to ₹ 1,132 lakhs (Previous year ₹ 663 lakhs) has been recognized in the Statement of Profit and Loss, based on actuarial valuation carried out using the Projected Unit Credit Method.

37. During the financial year 2009-10, the Company entered into a "Power by the Hour" (PBTH) Engine Maintenance agreement with a Service provider for its Next Generation Boeing 737 Aircraft fleet future engine shop visits. Subsequent to such arrangement, the Company continues to expense out the monthly cost of PBTH at the rate specified in the contract with the service provider to the Statement of Profit and Loss and to treat the variable rental payable to the Lessors as receivables to the extent considered good of recovery for set off against future claims reimbursable by the Lessors on each engine shop visit. The Company has recognized such expected refunds of variable rentals from lessors towards future engine repairs based on joint validation of the Company's maintenance plan with the service provider. Accordingly, the variable rent of ₹ 70,387 lakhs (Previous year ₹ 32,822 lakhs) up to Balance Sheet date has been grouped under "Contribution receivable from Lessors" which is further bifurcated into current and non-current based on expected engine shop visits in next 12 months and beyond 12 months. The above amount also includes ₹ 20,323 lakhs recognized by the Company during the year for the expected refunds of variable rentals of past years towards engines accrued up till 31st March, 2009 and is disclosed as an exceptional item in the Statement of Profit and Loss.

38. LEASES

The Holding 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 (Aircraft)

₹ in lakhs

Particulars	Future Minimum Lease Payments		Present Value of Future Minimum Lease Payments		Finance Charges	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Not later than one year	**141,984**	131,182	**115,411**	103,624	**26,573**	27,558
Later than one year and not later than five years	**478,838**	456,405	**416,318**	389,587	**62,520**	66,818
Later than five years	**307,180**	358,470	**293,822**	338,810	**13,358**	19,660
TOTAL	**928,002**	946,057	**825,551**	832,021	**102,451**	114,036

The salient features of a Finance Lease / Hire Purchase 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 payment of a nominal option price at the end of the term.

B. Operating Lease

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

The future minimum lease payments in respect of non-cancellable period, as at 31st March, 2012 are as follows :

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Commercial Premises and Amenities		
Not later than one year	**2,825**	236
Later than one year and not later than five years	**3,365**	352
Later than five years	-	-
TOTAL	**6,190**	588

Notes forming part of the Consolidated Financial Statements (contd.)

b) The Company has taken on operating lease Aircraft and spare engines. The future minimum lease payments in respect of which, as at 31st March, 2012 are as follows :

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Aircraft and Spare Engines		
Not later than one year	**125,426**	113,052
Later than one year and not later than five years	**313,962**	281,617
Later than five years	**144,300**	108,252
TOTAL	**583,688**	502,921

The Salient features of an Operating Lease agreement are :

- Monthly rentals paid in the form of fixed and variable rentals. Variable Lease Rentals are payable at a pre determined rate based on actual flying hours. Further, these predetermined rates of Variable Rentals are subject to annual escalation as stipulated in respective lease agreements.
- The Lessee neither has an option to buyback nor has an option to renew the leases.
- In case of delayed payments, penal charges are payable as applicable.
- In case of default, in addition to repossession of the Aircraft, damages including liquidated damages 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.
- These leases are non-cancellable.

c) Details of future minimum lease income in respect of five (5) Aircraft [Previous Year seven (7)] given on non-cancellable Dry Lease by the Holding Company, as at 31st March, 2012 is as follows :

₹ in lakhs

Particulars	As at 31st March,	
	2012	**2011**
Aircraft		
Total Lease Income		
Not later than one year	**34,432**	28,133
Later than one year and not later than five years	**9,811**	20,397
Later than five years	**-**	-
TOTAL	**44,243**	48,530

The Salient features of Dry Lease agreement are :

- Aircraft are leased without insurance and crew.
- Monthly rentals paid are in the form of fixed and variable rentals. Variable Lease Rentals are payable at a pre determined rate based on actual flying hours. Further, these predetermined rates of Variable Rentals are subject to annual escalation as stipulated in respective leases.
- The Lessee neither has an option to buyback nor has an option to renew the leases.
- These dry leases are non-cancellable.

Details of owned Aircraft given on non-cancellable Dry lease is as under :

₹ in lakhs

Details of Leased Assets (Aircraft)	**2011-2012**	2010-2011
Cost of Acquisition	**367,671**	476,077
Accumulated Depreciation	**89,133**	98,178
Depreciation Debit to Statement of Profit and Loss during the year on the above Leased Assets	**19,907**	26,920
Variable Lease Rental income recognized during the year on the Leased Assets	**8,843**	10,961

d) The lease rental expense of ₹ 172,228 lakhs (Previous year ₹ 151,072 lakhs) is recognized during the year.

Notes forming part of the Consolidated Financial Statements (contd.)

39. SEGMENT INFORMATION

a) Primary Segment : Geographical Segment

The Company, considering its level of international operations and 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)

Leasing operations are classified into (i) or (ii) above based on the domicile of the lessee being within or 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 and distribution expenses, other operating expenses, Aircraft lease rentals, depreciation / amortization and finance cost, 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.

₹ in lakhs

Particulars	For the year ended 31st March,	
	2012	**2011**
Segment Revenue (Primarily Passenger, Cargo, Excess Baggage and Leasing of Aircraft)		
Domestic	**805,255**	706,961
International	**865,067**	741,861
Total	**1,670,322**	1,448,822
Segment result		
Domestic	**341,500**	374,447
International	**341,369**	363,893
Total	**682,869**	738,340
Less : Finance Cost	**100,579**	118,415
Less : Depreciation and Amortization	**94,462**	91,857
Less : Un-Allocable Expenses	**685,518**	575,033
Add : Un-Allocable Revenue	**36,382**	21,784
Add : Exceptional Items (Net)	**17,316**	20,328
(Loss) / Profit Before Tax	**(143,992)**	(4,853)
Less : Tax (Benefits) / Expenses	**(1,979)**	3,731
(Loss) / Profit After Tax	**(142,013)**	(8,584)

Notes forming part of the Consolidated Financial Statements (contd.)

b) Secondary Segment : Business Segment

The Company operates into two business segments viz. Air Transportation and Leasing of Aircraft and identified the same as secondary segment to be reported considering the requirement of Accounting Standard 17 on "Segment Reporting" is disclosed as under :

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
i) Segment Revenue from External Customers		
Air Transportation	**1,582,544**	1,347,758
Leasing of Aircraft	**45,212**	51,724
Total	**1,627,756**	1,399,482
ii) Total carrying amount of Segment Assets		
Air Transportation	**1,790,473**	1,658,932
Leasing of Aircraft	**278,538**	380,538
Total	**2,069,011**	2,039,470
iii) Total cost incurred during the period to acquire Segment Assets that are expected to be used for more than one period *		
Air Transportation	**20,665**	7,593
Leasing of Aircraft	**-**	-
Total	**20,665**	7,593

* Excludes Exchange Gain / Loss.

40. RELATED PARTY TRANSACTIONS

As per Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, 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

<table>
<tr><th>Sr. No.</th><th>Name of the Related Party</th><th>Nature of Relationship</th></tr>
<tr><td>1.</td><td>Tail Winds Limited</td><td>Holding Company</td></tr>
<tr><td>2.</td><td>Naresh Goyal</td><td>Controlling Shareholder of Holding Company</td></tr>
<tr><td>3.</td><td>Anita Goyal</td><td rowspan="3">Relative of Controlling Shareholder of Holding Company</td></tr>
<tr><td>4.</td><td>Nivaan Goyal</td></tr>
<tr><td>5.</td><td>Namrata Goyal</td></tr>
<tr><td>6.</td><td>Saroj K. Datta (upto 29th September, 2011)</td><td>Key Managerial Personnel</td></tr>
<tr><td>7.</td><td>Jetair Private Limited</td><td rowspan="9">Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence directly or indirectly.</td></tr>
<tr><td>8.</td><td>Jet Airways LLC</td></tr>
<tr><td>9.</td><td>Trans Continental e Services Private Limited</td></tr>
<tr><td>10.</td><td>Jet Enterprises Private Limited</td></tr>
<tr><td>11.</td><td>Jet Airways of India Inc.</td></tr>
<tr><td>12.</td><td>India Jetairways Pty Limited</td></tr>
<tr><td>13.</td><td>Jet Airways Europe Services N.V.</td></tr>
<tr><td>14.</td><td>Jetair Tours Private Limited</td></tr>
<tr><td>15.</td><td>Global Travel Solutions Private Limited</td></tr>
</table>

Note : Above mentioned related parties are identified by the Management and relied upon by the Auditor

Notes forming part of the Consolidated Financial Statements (contd.)

ii. Transactions during the year ended 31st March, 2012 and balances with related parties :

₹ in lakhs

Sr. No.	Nature of Transactions	Holding Company	Controlling Shareholder of Holding Company	Relative of controlling shareholder of Holding Company	Key Managerial Personnel	Enterprises under significant influence	Total
Transaction during the Year							
A.	Remuneration			**132** (187)	**211** (169)		**343** (356)
B.	Sitting Fees		**1** (1)				**1** (1)
C.	Agency Commission					**17,039** (16,553)	**17,039** (16,553)
D.	Rent paid					**252** (233)	**252** (233)
E.	Expenses Reimbursed (Staff Costs, Communication Costs, Rent)					**4,845** (6,547)	**4,845** (6,547)
F.	Other Selling and Distribution Cost					**2,317** (2,565)	**2,317** (2,565)
G.	Deposit Recevered					**(-)216** (Nil)	**(-)216** (Nil)
H.	Rent received					**(-)16** ((-)16)	**(-)16** ((-)16)
I.	Deposit Repaid / Received					**16** ((-) 16)	**16** ((-) 16)
J.	Software Purchase					**3,050** (Nil)	**3,050** (Nil)
K.	Expenses Reimbursement Received					**(-)5** (Nil)	**(-)5** (Nil)
Closing Balance as on 31st March, 2012							
A.	Deposits and Advance (given)					**160** (607)	**160** (607)
B.	Deposits (Received)					**Nil** ((-)16)	**Nil** ((-)16)
C.	Deposit for Leased Premises					**2,200** (2,200)	**2,200** (2,200)
D.	Sundry Creditors					**(-)30,646** ((-)16,929)	**(-)30,646** ((-)16,929)
E.	Sundry Debtors					**8,199** **(8,611)**	**8,199** **(8,611)**
F.	Share Capital	**6,907*** (6,907)*		0.10 (0.10)	- (0.05)		**6,907** (6,907)

(Figures in brackets are for the year ended 31st March, 2011)

* includes ₹ 1 lakh (Previous year ₹ 1 lakh) of nominee holding

Notes forming part of the Consolidated Financial Statements (contd.)

iii. Statement of Material Transactions during the year and Balances with Related Parties :

(a) Remuneration includes remuneration to :

₹ in lakhs

Particulars	Year ended 31st March,	
	2011-2012	**2010-2011**
(a) Relatives of controlling shareholder of Holding Company		
Anita Goyal	**118**	181
Namrata Goyal	**8**	4
Nivaan Goyal	**6**	2
(b) Director		
Saroj K. Datta #	**211**	169

Ceased to be a Director w.e.f. 30th September, 2011.

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

₹ in lakhs

Particulars	2011-2012	2010-2011
Jetair Private Limited		
Transactions During the Year		
- Agency Commission	**3,052**	4,298
- Rent Paid (including Service Tax)	**186**	167
- Expenses Reimbursed		
(Staff Costs, Communication Costs etc.)	**3,138**	2,597
- Rent Received	**(16)**	(16)
- Other Expense Recovery	**(5)**	-
- Deposit Repaid / (Received)	**16**	(16)
- Deposit Recovered (Given Earlier)	**(216)**	-
Closing Balance as on 31st March,		
- Deposits and Advances (Given)	**160**	376
- Deposits Received	**Nil**	(16)
- Sundry Debtors	**8,198**	8,610
- Sundry Creditors	**630**	774
Jet Airways LLC		
Transactions During the Year :		
- Agency Commission	**11,645**	9,877
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	**553**	606
Closing Balance as on 31st March,		
- Sundry Creditors	**22,233**	12,422
Trans Continental e Services Private Limited		
Transactions During the Year :		
- Other Selling and Distribution Cost	**2,317**	2,565
Closing Balance as on 31st March,		
- Sundry Creditors	**148**	-
Jet Enterprises Private Limited		
Transactions During the Year :		
- Rent Paid	**66**	66
Closing Balance as on 31st March,		
- Deposits for Leased Premises	**2,200**	2,200

Notes forming part of the Consolidated Financial Statements (contd.)

₹ in lakhs

Particulars	2011-2012	2010-2011
Jet Airways of India Inc.		
Transactions During the Year :		
- Agency Commission	**2,342**	2,358
- Reimbursement of Expenses (Staff Costs, Insurance Rent etc.)	**1,141**	1,080
Closing Balance as on 31st March,		
- Advances	**-**	231
- Sundry Creditors	**4,828**	3,674
India Jetairways Pty Limited		
Transactions During the Year :		
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	**13**	2,264
Closing Balance as on 31st March,		
- Sundry Creditors	**3**	-
Jetair Tours Private Limited		
Transactions During the Year :		
- Reimbursement of Expenses [* ₹ 32,770]	**-**	-*
Closing Balance as on 31st March,		
- Sundry Creditors [* ₹ 8,250]	**-**	-*
- Sundry Debtors	**1**	1
Global Travel Solutions Private Limited		
Transactions During the Year :		
- Software Purchased	**3,050**	-
Closing Balance as on 31st March,		
- Sundry Creditors	**2,745**	-
Jet Airways Europe Services N.V.		
Closing Balance as on 31st March,		
- Sundry Creditors	**59**	59

41. PRIOR PERIOD CREDITS / DEBITS IN RESPECT OF SUBSIDIARY COMPANY

Prior period debits included in the determination of net profit are toward Hire Charges ₹ 156 lakhs and Landing, Navigation and Other Airport Charges ₹ 328 lakhs (Previous year toward Landing, Navigation and Other Airport Charges ₹ 337 lakhs and Finance Cost ₹ 212 lakhs).

42 During the year, the Subsidiary Company purchased a grounded CRJ Aircraft taken earlier on operating lease as "Asset Held for Sale" for ₹ 1,618 lakhs and later disposed it off for ₹ 1,074 lakhs. The loss of ₹ 544 lakhs arising out of this sale has been adjusted against the carrying provisions in the books. The balance of carrying provision of ₹ 157 lakhs has been credited to 'Provision No Longer Required Written Back.

43. The Ministry of Corporate Affairs, Government of India vide General circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act,1956, subject to fulfilment of condition stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

Notes forming part of the Consolidated Financial Statements (contd.)

Financial Information of Subsidiary Company for the year ended 31st March, 2012 pursuant to the approval under section 212 (8) of the Companies Act, 1956 :

₹ in lakhs

Sr. No	Name of Subsidiary Company	Wholly Owned Subsidiary Jet Lite (India) Limited	
		31st March, 2012	**31st March, 2011**
1.	Paid up Share Capital	**79,612**	79,612
2.	Reserves	**(221,438)**	(203,145)
3.	Total Asset	**72,502**	100,945
4.	Total Liabilities	**72,502**	100,945
5.	Investment included in Total Assets	**110**	-
6.	Turnover	**188,731**	175,146
7.	(Loss) / Profit before Tax	**(18,459)**	(10,701)
8.	Provision for tax	**(56)**	46
9.	(Loss) / Profit after tax	**(18,403)**	(10,747)
10.	Proposed Dividend	**-**	-

44. PREVIOUS YEARS FIGURES

The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous year'sfigures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. D. Kamat
Partner

For CHATURVEDI & SHAH
Chartered Accountants

Rajesh D. Chaturvedi
Partner

Mumbai
24th May, 2012

On behalf of the Board of Directors

Naresh Goyal Chairman

Aman Mehta
Ali Ghandour
Victoriano P. Dungca
Javed Akhtar
I. M. Kadri
Directors

Gaurang Shetty Whole-time Director & Manager

Monica Chopra Company Secretary & Associate Legal Counsel

Mumbai
24th May, 2012

GREEN INITIATIVE FORM

In view of the Green Initiative of the Ministry of Corporate Affairs allowing paperless compliances by companies under which service of notice / documents including Annual Report is permitted to be sent as a soft copy by e-mail, Members who have not yet provided their consent to receive such soft copies are requested to do so by sending the Consent Form given below, duly completed and signed.

Karvy Computershare Private Limited
Unit: Jet Airways (India) Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad - 500 081

Dear Sir,

Subject: Consent to receive annual report and other communication electronically

I hereby register my e-mail address and give consent for receiving annual reports, notices and other documents from the Company electronically.

Name of the Sole / First Holder : ______________________________

Folio No. (Physical shares) : ______________________________

DP ID / Client ID / Account No. : ______________________________

Email Address : ______________________________

* PAN No. : ______________________________

* Mobile No. : ______________________________

* Land Line No. (with STD Code) : ______________________________

Date : ____________________

*Optional fields

____

(Signature of the First Holder)

JET AIRWAYS

JET AIRWAYS (INDIA) LIMITED

Registered Office : Siroya Centre, Sahar Airport Road, Andheri (East), Mumbai - 400 099

ATTENDANCE SLIP

20th Annual General Meeting

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM.

I hereby record my presence at the 20th Annual General Meeting of the Company to be held at Bhaidas Maganlal Sabhagriha, Juhu Vile Parle Development Scheme, Bhaktivendanta Swami Marg, Vile Parle (West), Mumbai - 400 056 on Friday, 3rd August, 2012.

Name of the Shareholder / Proxy: ....

Registered Folio / Client ID Number: ....

DP ID Number: ....

Number of Shares held: ....

Signature: ....

Notes: Shareholders / Proxies attending the Meeting are requested to bring this Attendance Slip and Annual Report with them.
Annual Reports and duplicate Attendance Slips will not be issued at the Annual General Meeting.
Joint Shareholders may obtain additional Attendance Slips on request.

JET AIRWAYS

JET AIRWAYS (INDIA) LIMITED

Registered Office : Siroya Centre, Sahar Airport Road, Andheri (East), Mumbai - 400 099

PROXY

20th Annual General Meeting

I / We ....of..

in the district of ....being a Member / Members of Jet Airways (India) Limited, hereby appoint

....of ....in the district of..............................or

failing him / her, ...of..in the district of

..............................as my / our proxy to attend and vote for me / us and on my / our behalf at the 20th Annual General Meeting of the Company to be held at Bhaidas Maganlal Sabhagriha, Juhu Vile Parle Development Scheme, Bhaktivendanta Swami Marg, Vile Parle (West), Mumbai - 400 056 on Friday, 3rd August, 2012 at 3.30 p.m. and at any adjournment thereof.

Registered Folio / Client ID Number : ....

DP ID Number : ....

Number of Shares held : ....

Signed this ....day of 2012

Affix a 15 paise Revenue Stamp

Notes: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

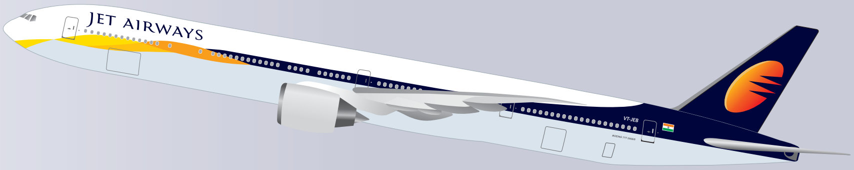
Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Our growing fleet.

One of the youngest fleets in the world.

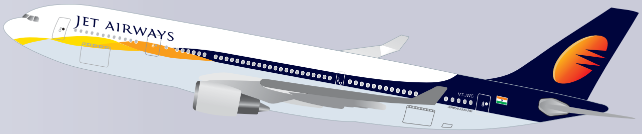
Boeing 777-300ER

First Class Capacity	: 08
Première Capacity	: 30
Economy Capacity	: 274
Engine Type	: GE90-115B
Cruise Speed	: 905 kmph
Aircraft Length	: 73.86 m
Wing Span	: 64.80 m
No. of Aircraft	: 10



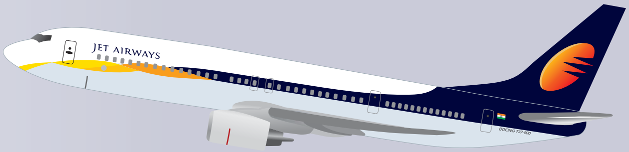
Airbus 330-200

Première Capacity	: 30/18
Economy Capacity	: 190/236
Engine Type	: General Electric CF6-80E1A4/B
Cruise Speed	: 870 kmph
Aircraft Length	: 57.512 m
Wing Span	: 60.304 m
No. of Aircraft	: 12



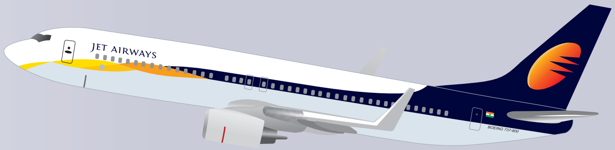
Boeing 737-900/ER

Première Capacity	: 08/28
Economy Capacity	: 178/138
Engine Type	: CFM56 7B24
Cruise Speed	: 835 kmph
Aircraft Length	: 41.90 m
Wing Span	: 34.30 m
No. of Aircraft	: 03



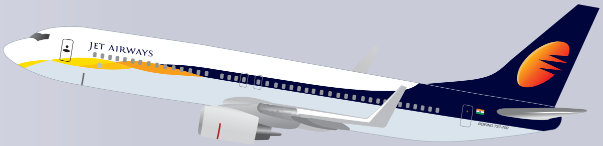
Boeing 737-800

Première Capacity	: 16/8
Economy Capacity	: 138/162
Engine Type	: CFM56 7B24
Cruise Speed	: 835 kmph
Aircraft Length	: 39.50 m
Wing Span	: 35.70 m
No. of Aircraft	: 46



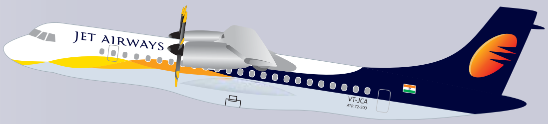
Boeing 737-700

Première Capacity	: 08
Economy Capacity	: 126
Engine Type	: CFM56 7B22
Cruise Speed	: 835 kmph
Aircraft Length	: 33.60 m
Wing Span	: 35.80 m
No. of Aircraft	: 11



ATR 72-500

Première Capacity	: n/a
Economy Capacity	: 62/68
Engine Type	: PW127F
Cruise Speed	: 511 kmph
Aircraft Length	: 27.17 m
Wing Span	: 27.00 m
No. of Aircraft	: 20



JET AIRWAYS

Details mentioned are subject to change

JET AIRWAYS

JET AIRWAYS (INDIA) LIMITED
Registered Office:
Siroya Centre, Sahar Airport Road,
Andheri (East), Mumbai - 400 099.
www.jetairways.com