

20 years.  
And new horizons  
still beckon.

Jet Airways (India) Limited | Annual Report 2013



JET AIRWAYS 

17 Codeshare Partners

24 Frequent Flier Partners

146 Interline Partners

95 Interline eTicketing Partners

44 Through Check-in Partners



*It's how we connect you across the globe.*

#### Codeshare Partners



#### Frequent Flier Partners

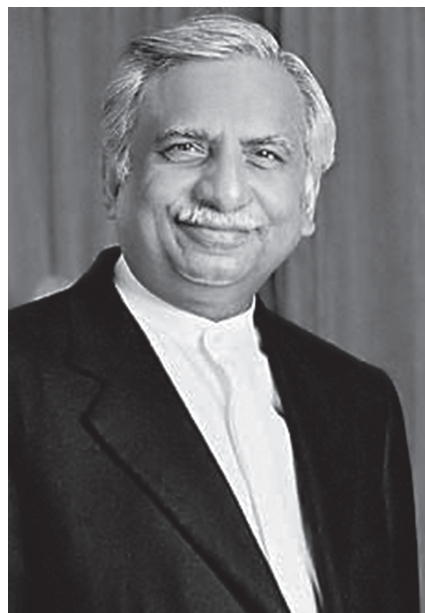


## Contents

Letter from the Chairman	2
Operating Highlights	4
Financial Highlights	5
Corporate Information	6
Notice of the 21 <sup>st</sup> Annual General Meeting	7
Directors' Report	12
Management Discussion and Analysis	20
Corporate Governance Report	25
Auditors' Report	45
Balance Sheet	50
Statement of Profit and Loss	51
Cash Flow Statement	52
Notes and Schedules to the Balance Sheet and Statement of Profit and Loss	54
Statement relating to Subsidiary Company	95
Consolidated Statement of Accounts	96
Attendance Slip and Proxy	143



## Letter from the Chairman



### Dear Shareholders,

In the year gone by, the prolonged economic crisis has thrown up many challenges for the global aviation industry. Indian aviation companies too, were no exception to these turbulent times.

Declining domestic traffic, a sharp depreciation of the rupee, high aviation fuel prices, increased landing and navigation charges at key metro airports in India and increased operational costs resulted in airlines incurring losses. These losses were exacerbated as airlines were unable to fully pass on these incremental costs to passengers. CAPA - Centre for Aviation, a leading provider of independent aviation market intelligence estimated that Indian airlines have posted a combined loss of USD 1.65 billion for financial year 2012-13.

Despite these trying circumstances, your Company has taken various steps to reduce costs and improve productivity. These included contract re-negotiations, route rationalisation by discontinuing loss making routes and re-deploying aircraft on more profitable routes, process improvements, focusing on incremental ancillary revenues and sale and lease back of aircraft.

As regards your airline, the international business has continued to be robust. In the financial year 2012-13, revenues from international operations accounted for 58 per cent of the Company's total revenues. Against the backdrop of a sluggish economic scenario, your airline has managed to achieve healthy seat factors on international routes.

Moving on to a significant development for your airline, I would first like to thank the Government of India, in particular, the Ministries of Civil Aviation, Commerce and Industry and Finance, for having the foresight to permit Foreign Direct Investment (FDI) in civil aviation in India. This is a significant reform. The much-needed infusion of FDI in Indian aviation will result in improving the economic fortunes of the industry, aid traffic growth at Indian airports and will create many job opportunities.

In line with the FDI policy of the Government of India, Jet Airways and Etihad Airways have forged a strategic alliance, wherein Etihad Airways will invest USD 379 Million for a 24% stake in Jet Airways. Etihad Airways' overall wider commitment to Jet Airways also includes an injection of USD 220 Million to create and strengthen a wide-ranging partnership between the two carriers. Towards this, Etihad Airways has paid USD 70 Million to purchase Jet Airways' three pairs of Heathrow slots through a sale and lease back agreement. Jet Airways continues to operate flights to London utilising these slots. Further, an amount of USD 150 Million will be invested by Etihad Airways by way of a majority equity investment in Jet Airways' frequent flyer programme, 'Jet Privilege'.

All these investments into your airline, however, are subject to obtaining the requisite regulatory and corporate approvals and final commercial agreements, which is expected to be completed within the next few months.

I am extremely happy to be in partnership with an airline that shares our customer-centric operational philosophy and ethos. I have no doubt that this partnership with Etihad Airways is a win-win situation for all our stakeholders, especially our guests, who will now have access to a much expanded global destination network. Thus, this partnership will offer a wider consumer choice to the Indian traveler by connecting 23 cities across the country to a significantly enhanced international market. This in turn, should facilitate further tourism inflows to the country and help promote trade and commerce.



More importantly, this partnership will strengthen the balance sheet of Jet Airways and will underpin future revenue streams, which will accelerate your airlines' return to sustainable profitability and liquidity.

IATA in its forecast for 2013 remains optimistic on the growth prospects of the aviation sector. This is based on the backdrop of improved and positive cues from global economies. The Indian economy too is expected to grow at a higher rate compared to the previous year. This will pave the way for a positive growth in demand for the Indian aviation sector in the current financial year.

In an effort to actively reach out to a larger cross-section of guests and to stay ahead in a competitive and challenging environment, Jet Airways has set up a joint 'Innovation Council' in partnership with International Business Machines Corporation (IBM) to create smarter, faster and more personalised self-services, along with digital and social media solutions to enhance customer service and engagement. Your airline recently launched India's first native airline mobile app for Windows and Blackberry phones and will shortly launch apps for Android phones and the iPhone.

Today, your airline has emerged as the first Indian carrier to have garnered over one Million fans on Facebook. In the years ahead, your Company aims to use new-age technology to help enhance guest experience, improve costs and productivity and boost ancillary revenues.

The management team and employees of Jet Airways have relentlessly strived through difficult challenges and demonstrated that success happens through hard work, dedication, commitment and team effort. The team has demonstrated its ability and endurance to take tough decisions in the long-term interests of the Company. As a result, your airline has grown towards building a stronger and more resilient framework for the future.

I strongly feel that for the industry to return to its profitable ways and attain self-sustaining long-term growth, there is need to collectively address problems related to high input costs. The need of the hour is for all the stake holders, including the Central Government, State Governments, airlines and airports to join hands and collectively work together to nurture this vital industry back to health.

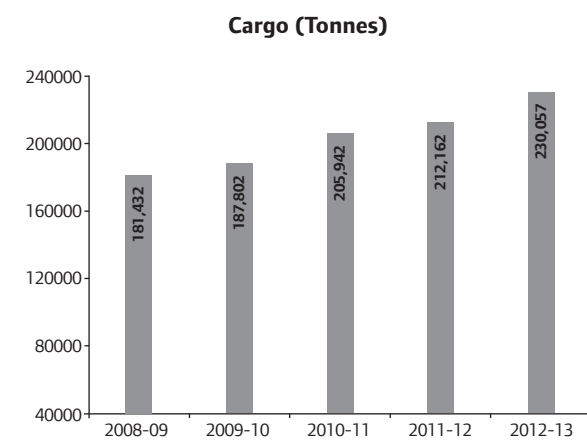
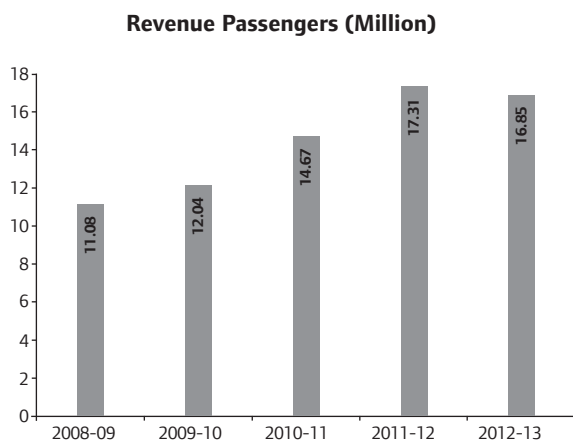
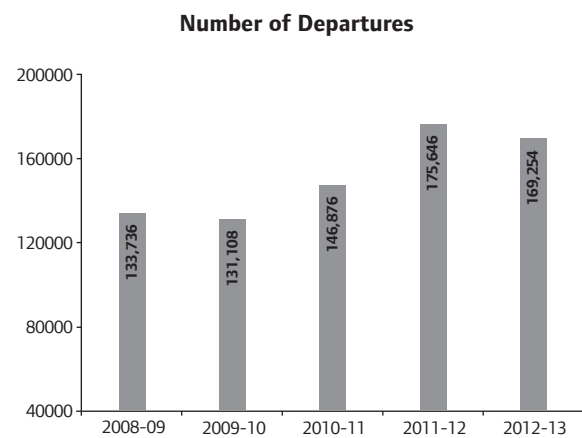
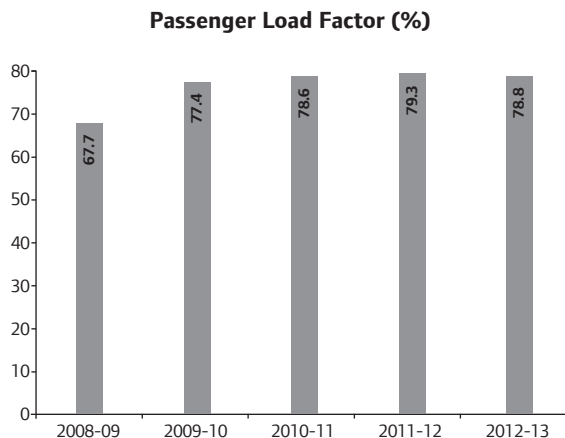
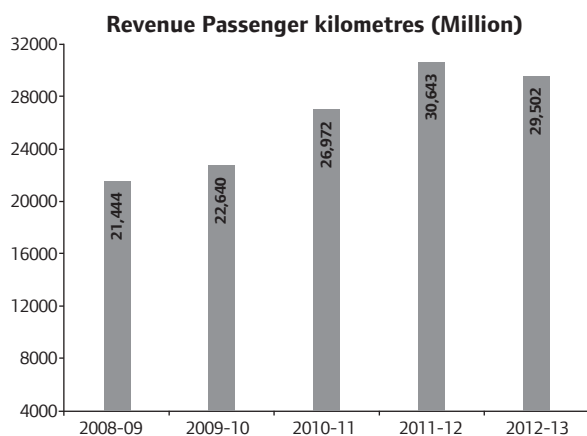
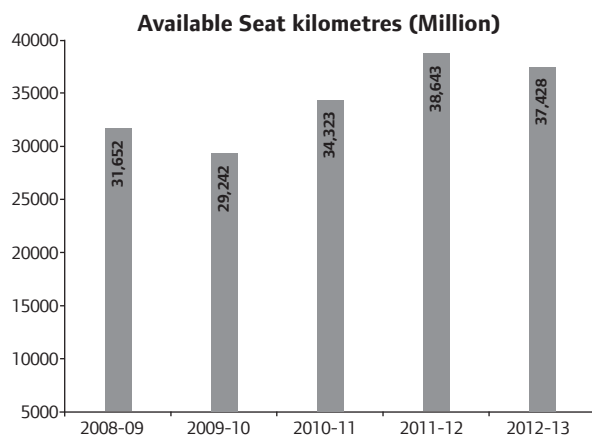
To conclude, I would like to personally thank the 20.7 Million passengers, who have flown with us during the year ended March 31, 2013 and the shareholders who have continued to repose their faith in us. I am grateful to the aircraft lessors and banks that have financed our aircraft and assisted in re-structuring some of the aircraft leases and loans to reduce costs. I also wish to thank each member of the management and staff of Jet Airways for their loyalty, dedication, commitment and hard work to overcome the adverse conditions that the company is passing through. Together, we can and we will emerge triumphant.



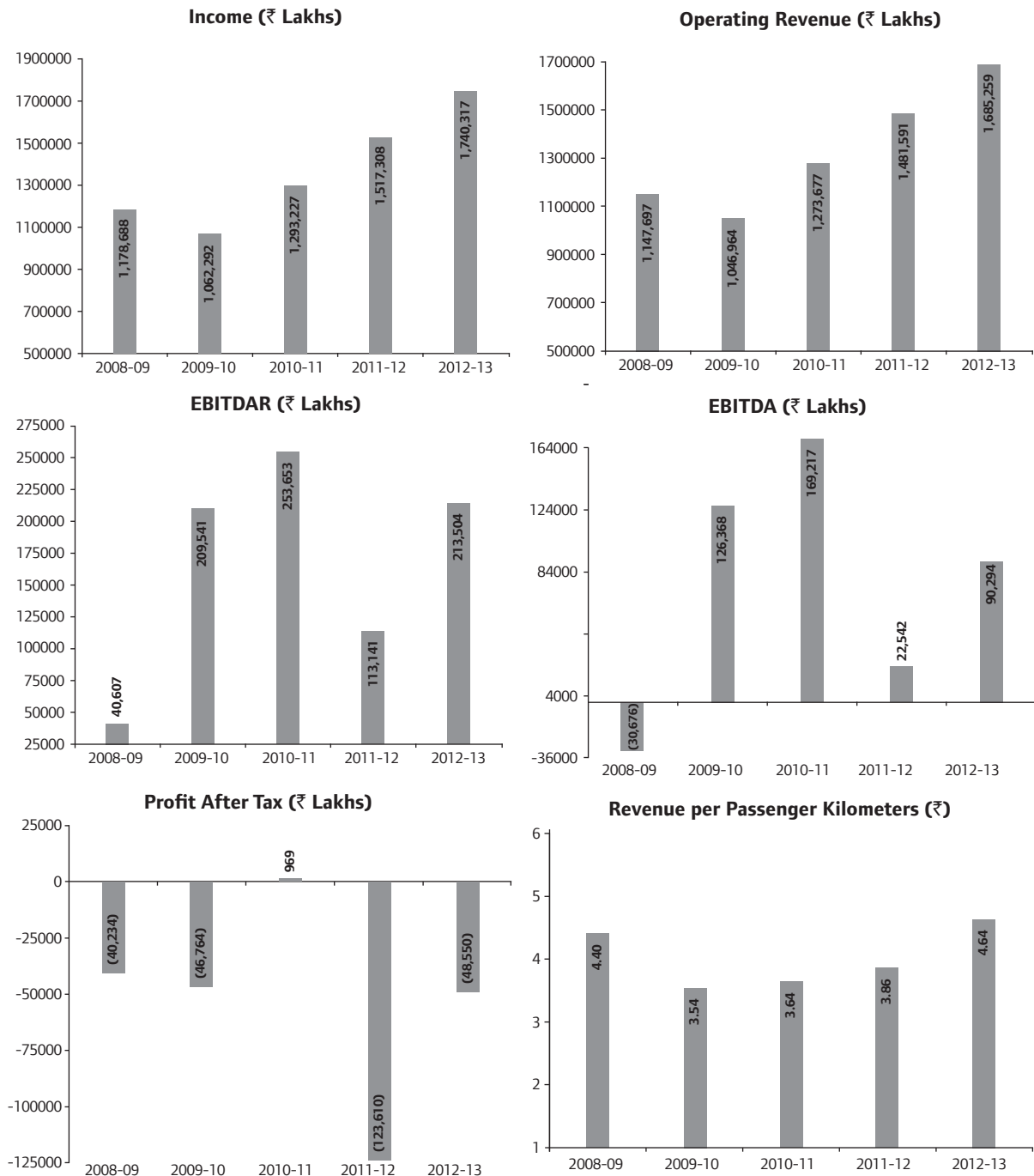
Naresh Goyal  
Chairman



## Operating Highlights



## Financial Highlights





## 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. Gaurang Shetty	Director and Manager

### Company Secretary

Mr. Arun Kanakal	Company Secretary and Associate Legal Counsel
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### Senior Management

Mr. Nikos Kardassis*	Chief Executive Officer
Capt. Hameed Ali	Chief Operating Officer and Acting Chief Executive Officer
Mr. Sudheer Raghavan	Chief Commercial Officer
Mr. Ravishankar G	Chief Financial Officer
Mrs. Anita Goyal	Executive Vice President-Revenue Management & Network Planning

\* Resigned with effect from 5<sup>th</sup> June, 2013

### Statutory Auditors

Deloitte Haskins & Sells  
Chaturvedi & Shah

### Legal Advisors

Gagrats

### Registered Office

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

### Registrar & Share Transfer Agent

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

### Bankers

Abu 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 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 Hong Kong & 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 Twenty First 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 Thursday, 8<sup>th</sup> August, 2013, 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 31<sup>st</sup> March, 2013, 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. Victoranio P. Dungca, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Aman Mehta, 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 Twenty First Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

#### 5. Increase in the Borrowing Limits

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

**“RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of the Members be and is hereby accorded to the Board of Directors of the Company (“the Board”) to borrow, from time to time, such sum or sums of money as the Board may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 250,000,000,000/- (Rupees Twenty Five Thousand Crores).”

#### 6. Re-Appointment of Mr. Nivaan 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 and other applicable provisions of the Companies Act, 1956 and subject to such regulatory approvals, if any, as may be required, consent of the Members be and is hereby accorded to Mr. Nivaan Goyal, a relative of Mr. Naresh Goyal, Chairman of the Board of Directors, to hold and continue to hold an Office or Place of Profit as ‘Executive - Service Development’ or any other suitable position in the Company as may be decided by the Board of Directors of the Company for a period of two years with effect from 1<sup>st</sup> September, 2013 on the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to this Notice.”



## Notice (Contd)

### 7. Re-appointment of Ms. Namrata 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 and other applicable provisions of the Companies Act, 1956 and subject to such regulatory approvals, if any, as may be required, consent of the Members be and is hereby accorded to Ms. Namrata Goyal, a relative of Mr. Naresh Goyal, Chairman of the Board of Directors, to hold and continue to hold an Office or Place of Profit as ‘Senior Executive - Service Development’ or any other suitable position in the Company as may be decided by the Board of Directors of the Company for a period of two years with effect from 12<sup>th</sup> July, 2013, on the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to this Notice.”

By Order of the Board of Directors

**Jet Airways (India) Limited**

**Sd/-**

**Arun Kanakal**

**Company Secretary & Associate Legal Counsel**

Registered Office :

Siroya Centre

Sahar Airport Road

Andheri (East)

Mumbai - 400 099

Mumbai

24<sup>th</sup> May, 2013

### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business given in this Notice is annexed hereto.
4. Profile of the Director seeking re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is annexed to this Notice.
5. Corporate Members intending to send their authorised representatives to attend the Twenty First Annual General Meeting are requested to send a duly certified copy of their Board Resolution 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 Share Transfer Books of the Company will remain closed from **Tuesday, 30<sup>th</sup> July, 2013 to Thursday, 8<sup>th</sup> August, 2013**, both days inclusive, for the purpose of the Twenty First Annual General Meeting.



## Notice (Contd)

8. Members are requested to send the advice about change in address / any other details to the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, in respect of Equity Shares held in physical form and to their respective Depository Participants in respect of Equity Shares held in dematerialised form.

For any assistance or information about transfer of shares, dividend, etc. you may contact the Company's Registrar and Share Transfer Agent, at :

Karvy Computershare Private Limited  
[UNIT : Jet Airways (India) Limited]  
Plot No. 17 - 24, Vittal Rao Nagar  
Madhapur, Hyderabad-500 081

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

Phone : +91 40 2342 0818

Fax : +91 40 2342 0814

Email : einward.ris@karvy.com

Website : www.karvycomputershare.com

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

9. As per the provisions of the Companies Act, 1956, nomination facility is available to the Members, in respect of the Equity Shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited.
10. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
11. Members who wish to obtain information concerning the Accounts and 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 email to companysecretary@jetairways.com
12. All documents referred to in the Notice and Explanatory Statement annexed thereto 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 Twenty First Annual General Meeting.
13. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the respective unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.
14. Unclaimed dividend for the financial year 2004-05 amounting to ₹ 283,449 has been transferred to the IEPF in November 2012.
15. Unclaimed dividend for the financial years 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.
16. Any request for unclaimed dividend for the financial year 2005-06 must reach Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, on or before 19<sup>th</sup> September, 2013, failing which it would be transferred to IEPF.
17. **The Ministry of Corporate Affairs has introduced Green Initiative, by permitting the companies to send various notices/ documents (including Notice convening the Annual General Meeting, Audited Financial Statements, Auditors' Report, Directors' Report and other related documents) to shareholders through electronic mode, to the registered email address of the shareholders.**

**In view of the Green Initiative, the Company urges the Members to communicate their email address to the Company and / or its Registrar and Share Transfer Agent, Karvy Computershare Private Limited, so that the Company can send future communications to the Members in electronic mode.**



## EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, an explanatory statement in respect of Item No. 5 to 7 of the special business is mentioned below :

### Item No. 5

In accordance with the Resolution passed by the Members of the Company at the Seventeenth Annual General Meeting held on 17<sup>th</sup> August, 2009, the amount of the loans availed of by the Company outstanding at any point of time cannot exceed ₹ 175,000,000,000 (Rupees Seventeen Thousand Five Hundred Crores). In view of the current market situation and planned future growth in the business and activities of the Company, the present limit could be inadequate and it is therefore necessary to increase the borrowing limit. The Board of Directors, accordingly, propose to enhance the borrowing limit by ₹ 75,000,000,000 (Rupees Seven Thousand Five Crores) to ₹ 250,000,000,000 (Rupees Twenty Five Thousand Crores).

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

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

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

### Item No. 6

The Members had at their Nineteenth Annual General Meeting held on 17<sup>th</sup> August, 2011 approved the appointment of Mr. Nivaan Goyal, a relative of Mr. Naresh Goyal, Chairman of the Board of Directors, as a 'Management Trainee' in the Company with effect from 1<sup>st</sup> September, 2010, for a period of three years i.e. up to 31<sup>st</sup> August, 2013. He is entitled to Provident Fund and Employees' State Insurance benefits as per law and leave benefits as per the Rules of the Company.

It is proposed to re-designate Mr. Nivaan Goyal as 'Executive - Service Development' and extend his term for two years on a monthly remuneration in the scale of ₹ 30,000 - ₹ 65,000 - ₹ 90,000 up to 31<sup>st</sup> August, 2015 on the same terms and conditions as mentioned in the existing contract.

Since Mr. Nivaan Goyal is a relative of Mr. Naresh Goyal, Chairman of the Board of Directors, the appointment amounts to holding an Office or Place of Profit and requires approval of the Members of the Company in terms of Section 314 of the Companies Act, 1956. Therefore, the Board of Directors recommends Resolution No. 6 for your approval.

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

### Item No. 7

The Members had at their Nineteenth Annual General Meeting held on 17<sup>th</sup> August, 2011 approved the appointment of Ms. Namrata Goyal, a relative of Mr. Naresh Goyal, Chairman of the Board of Directors, as an 'Executive - Service Development' in the Company with effect from 12<sup>th</sup> July, 2011, for a period of two years i.e. up to 11<sup>th</sup> July, 2013. She is entitled to Provident Fund and Employees' State Insurance benefits as per law and leave benefits as per the Rules of the Company.

It is proposed to re-designate Ms. Namrata Goyal as 'Senior Executive - Service Development' and extend her term for two years on a monthly remuneration in the scale of ₹ 45,000 - ₹ 75,000 - ₹ 100,000 up to 11<sup>th</sup> July, 2015 on the same terms and conditions as mentioned in the existing contract.

Since Ms. Namrata Goyal is a relative of Mr. Naresh Goyal, Chairman of the Board of Directors, the appointment amounts to holding an Office or Place of Profit and requires the approval of the Members in terms of Section 314 of the Companies Act, 1956. Therefore, the Board of Directors recommends Resolution No. 7 for your approval.

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

By Order of the Board of Directors

**Jet Airways (India) Limited**

**Sd/-**

**Arun Kanakal**

**Company Secretary & Associate Legal Counsel**

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

Mumbai  
24<sup>th</sup> May, 2013



## EXPLANATORY STATEMENT (Contd)

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

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

Name	Mr. Victoranio P. Dungca	Mr. Aman Mehta
Date of Birth	23 <sup>rd</sup> April, 1936	1 <sup>st</sup> September, 1946
Date of Appointment	25 <sup>th</sup> January, 1999	29 <sup>th</sup> September, 2004
Qualification	MBA from Cornell University, U.S.A. and a Certified Public Accountant from U.S.A	Bachelors degree in Economics from Delhi University
Expertise in specific functional area	Mr. Dungca has had a long and distinguished career with Philippine Airlines and retired as its Executive Vice President. He is currently a financial advisor based in California, U.S.A.	Mr. Aman Mehta, joined The Hong Kong Shanghai Banking Corporation (HSBC) group in 1968. He held several senior positions with HSBC and was appointed Chief Executive Officer of HSBC Asia Pacific in January 1999, a position he held until his retirement in December 2003. Mr. Mehta is also a member of the governing board of the Indian School of Business, Hyderabad. Mr. Mehta serves as an independent director on the boards of several companies in India as well as in UK, Hong Kong and Singapore.
Directorships held in other Public Companies (excluding foreign and private companies)	None	Wockhardt Limited Tata Consultancy Services Limited Godrej Consumer Products Limited Cairn India Limited Max India Limited
Memberships / Chairmanships of Committees in Public Companies	None	Refer Annexure
Shareholding, if any, in the Company	Nil	Nil

### Annexure :

Memberships / Chairmanships of Committees in Public Companies of Mr. Aman Mehta (includes only Audit Committee and Investor Grievance Committees)

Sr. No.	Name of the Company	Name of the Committee	Position (Member / Chairman)
1	Wockhardt Limited	Audit Committee	Member
		Shareholders / Investors Grievance Committee	Member
2	Godrej Consumer Products Limited	Audit Committee	Member
3	Cairn India Limited	Audit Committee	Chairman
4	Tata Consultancy Services Limited	Audit Committee	Chairman



## Directors' Report

### Dear Members,

Your Directors have pleasure in presenting their Twenty First Annual Report together with the audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2013.

### 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 31 <sup>st</sup> March		Consolidated for year ended 31 <sup>st</sup> March	
	2013	2012	2013	2012
<b>GROSS REVENUE</b>	<b>1,740,317</b>	1,517,308	<b>1,940,920</b>	1,706,704
<b>Profit before Interest, Depreciation, Exceptional Items &amp; Tax</b>	<b>145,351</b>	58,259	<b>124,894</b>	33,733
Finance Costs	<b>111,898</b>	97,123	<b>119,429</b>	100,579
<b>(Loss) / Profit before Depreciation, Exceptional Items &amp; Tax</b>	<b>33,453</b>	(38,864)	<b>5,465</b>	(66,846)
Depreciation	<b>92,657</b>	93,988	<b>92,935</b>	94,462
<b>(Loss) / Profit before Exceptional Items &amp; Tax</b>	<b>(59,204)</b>	(132,852)	<b>(87,470)</b>	(161,308)
<b>Exceptional Items</b>	<b>10,654</b>	7,319	<b>9,612</b>	17,316
<b>(Loss) / Profit before Taxation &amp; Adjustments</b>	<b>(48,550)</b>	(125,533)	<b>(77,858)</b>	(143,992)
Provision for Tax	-	1,440	<b>122</b>	1,384
Deferred Tax	-	(3,363)	-	(3,363)
<b>(Loss) / Profit after Taxation</b>	<b>(48,550)</b>	(123,610)	<b>(77,980)</b>	(142,013)
Profit / (Loss) brought forward	<b>(195,549)</b>	(71,939)	<b>(314,747)</b>	(172,734)
<b>Amount available for Appropriation</b>	<b>(244,099)</b>	(195,549)	<b>(392,727)</b>	(314,747)
<b>Transfer to Balance Sheet</b>	<b>(244,099)</b>	(195,549)	<b>(392,727)</b>	(314,747)

Note : 1 lakh = 100,000

#### Operating highlights

Operating parameters	Year ended 31 <sup>st</sup> March	
	2013	2012
Departures (Number)	<b>1,69,254</b>	175,646
Available Seat Kilometers (ASKMs) (Million)	<b>37,428</b>	38,643
Revenue Passenger Kilometers (RPKMs) (Million)	<b>29,502</b>	30,643
Passenger Load Factor (%)	<b>78.8</b>	79.3
Revenue Passengers (Number)	<b>16,854,438</b>	17,305,290
Average fleet size	<b>94.7</b>	98.0

### 2. Dividend

The Board of Directors have not recommended any dividend on the Equity Shares in view of the performance of the Company for the financial year ended 31<sup>st</sup> March, 2013 (Previous Year : Nil per Equity Share).



## Directors' Report (Contd.)

### 3. Review of Operations

The year under review continued to be challenging one for your Company due to sluggish economic scenario resulting into slump in demand by around 5%.

In the 1<sup>st</sup> half of the financial year, domestic industry was going through a turbulent time due to high costs and excess capacity environment which was a spillover from the previous year. This caused financial strain on airlines resulting in domestic capacity reducing in the 2<sup>nd</sup> half of the year. Capacity induction in the 2<sup>nd</sup> half slowed down, helping the airlines to maintain higher yields. However, airlines were not able to pass on increase in costs fully to the passengers. All these have resulted into industry posting losses once again in this year.

According to CAPA's latest estimate, losses for the domestic industry as a whole for the year ended 31<sup>st</sup> March 2013, is estimated around US\$ 1.65 Billion dollars.

There were other major events which impacted the business which included :

- a) The weakening of the Indian Rupee vis-à-vis the United States Dollar
- b) Increase in crude oil prices and resultant price of ATF, which forms close to 40% of our operating costs
- c) Significant increases in Landing & Navigation charges at key metros
- d) Weak economy leading to the hardening of interest rates and also made it difficult for airlines to raise short term / working capital debt

During the year slowdown in demand has resulted in capacity reduction, which has resulted in aircraft on ground. Few of them were redeployed to profitable routes in international sectors.

The impact of aircraft on ground for the year was ₹ 1,889 Million (US\$ 34.8 Million).

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

Initiatives such as discontinuing loss making routes, Sale / Sale and lease back of aircraft / slots, renegotiation of major contracts including aircraft maintenance, ground handling, selling and distribution costs, etc. have been either implemented or in the process of being implemented. We are confident that these measures will help us to bring down the breakeven load factor. Your Company has started focusing on increasing various avenues of ancillary revenues.

In order to help strengthen its balance sheet and strategize sustained profitable growth, your Company will be inking a deal with Etihad Airways PJSC which will bring immediate revenue growth and cost synergy opportunities for both the airlines.

The domestic traffic growth in India reduced by 5% for Fiscal year 2013 and over the next few years; we expect the domestic aviation market to grow at around 2 to 2.5 times of GDP growth. However, there will be short term challenges to grow profitably because of high operating costs which need to be passed on to the passenger.

For Jet Airways, the domestic passenger traffic for the year under review went down by 4% as compared to the same period last year while international passenger traffic registered an increase of 0.3%.

The Company ended the financial year with a system-wide seat factor of 72.6% on the domestic and 82.2% on the international sectors.

The Company carried 168.54 lakhs revenue passengers on its international and domestic services during the year under review.





## Directors' Report (Contd.)

### Routes

The details of the routes introduced and discontinued during the financial year ended 31<sup>st</sup> March, 2013 are as follows :

Routes	Introduced	Discontinued
<b>Domestic Segment</b>		
Chennai-Pune-Chennai	16 <sup>th</sup> May, 2012	
Bengaluru-Vizag-Bengaluru	16 <sup>th</sup> May, 2012	
Kolkata-Varanasi-Kolkata	28 <sup>th</sup> October, 2012	
Delhi-Aurangabad-Delhi		14 <sup>th</sup> June, 2012
Hyderabad-Indore-Hyderabad		4 <sup>th</sup> July, 2012
Goa-Hyderabad-Goa		20 <sup>th</sup> August, 2012
Hyderabad-Vizag-Hyderabad		31 <sup>st</sup> October, 2012
Nagpur-Bhopal-Nagpur		4 <sup>th</sup> December, 2012
Indore-Bhopal-Indore		19 <sup>th</sup> December, 2012
Leh-Chandigarh-Leh		7 <sup>th</sup> January, 2013
Kolkata-Imphal-Kolkata		31 <sup>st</sup> January, 2013
Bhopal-Lucknow-Bhopal		8 <sup>th</sup> March, 2013
<b>International Segment</b>		
Mangalore-Dubai-Mangalore	3 <sup>rd</sup> January, 2013	
Trivandrum-Sharjah-Trivandrum		6 <sup>th</sup> May, 2012
Delhi-Colombo-Delhi		16 <sup>th</sup> May, 2012
Mumbai-Johannesburg-Mumbai		12 <sup>th</sup> June, 2012
Chennai-Dubai-Chennai		21 <sup>st</sup> June, 2012
Chennai-Kuala Lumpur-Chennai		2 <sup>nd</sup> July, 2012
Brussels-New York-Brussels		10 <sup>th</sup> September, 2012
Hyderabad-Dubai-Hyderabad		16 <sup>th</sup> September, 2012
Chennai-Brussels-Chennai		15 <sup>th</sup> November, 2012
Kochi-Bahrain-Kochi		7 <sup>th</sup> December, 2012
Delhi-Milan-Delhi		1 <sup>st</sup> February, 2013
Kochi-Kuwait-Kochi		1 <sup>st</sup> February, 2013

### Fleet

As on 31<sup>st</sup> March, 2013, the Company had a fleet of 95 aircraft, comprising 10 Boeing 777-300 ER aircraft, 10 Airbus A330-200 aircraft, 3 Airbus A330-300 aircraft, 54 Next Generation Boeing 737-700/800/900/900ER aircraft, 17 modern ATR 72-500 Turboprop aircraft and 1 ATR 72-600 aircraft. With an average fleet age of 5.40 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 International Public Company Limited ("Thai Airways"). The lease in respect of these aircraft expires between May, 2013 and November, 2013.

The Company flies to 55 domestic destinations (includes flights operated by Jet Lite (India) Limited, the Company's wholly owned subsidiary) and 20 International destinations.



## Directors' Report (Contd.)

### 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 20<sup>th</sup> 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.

For the financial year ended 31<sup>st</sup> March, 2013, Jet Lite posted a total income of ₹ 201,136 lakhs (2011-12 : ₹ 190,386 lakhs) and a Net Loss of ₹ 29,532 lakhs (2011-12 : ₹ 18,403 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 year ended 31<sup>st</sup> March, 2013 (Previous Year : Nil). The Company continues to support the operations of Jet Lite.

The highlights of the operating performance of Jet Lite for the financial year ended 31<sup>st</sup> March, 2013 are as follows :

Traffic parameters	Year ended 31 <sup>st</sup> March	
	2013	2012
Departures (Number)	<b>38,160</b>	41,992
Available Seat Kilometers (ASKMs) (Million)	<b>4,566</b>	5,829
Revenue Passenger Kilometers (RPKMs) (Million)	<b>3,416</b>	4,543
Passenger Load Factor (%)	<b>74.8</b>	77.9
Revenue Passengers (Numbers)	<b>3,871,414</b>	4,794,658

As on 31<sup>st</sup> March 2013, Jet Lite had an all Boeing fleet of 15 aircraft, comprising 7 Boeing 737-700, 6 Boeing 737-800 and 2 Boeing 737-900 ER aircraft.

#### New Subsidiaries :

The Company acquired 100% of the Share Capital of Jet Privilege Private Limited on 5<sup>th</sup> December, 2012, a marketing services company engaged in the business of managing reward points and loyalty programs for its program partners with a view to transform the JetPrivilege programme into a larger retail-based coalition loyalty program and through its operations unlock greater commercial value.

Jet Airways Training Academy Private Limited was incorporated on 14<sup>th</sup> December, 2012, as a 100% wholly owned subsidiary to 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.

Pursuant to Circular No. 2/2011 dated 8<sup>th</sup> February, 2011, issued by the Ministry of Corporate Affairs read with the provisions of Section 212(8) of the Companies Act, 1956, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with this Report. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular.

The Company will make available copies of the Annual Accounts of the subsidiary companies and the related detailed information, free of cost to Members, on request. The same are also available for inspection at the Registered Office of the Company between 10 a.m. and 12 noon on any working day of the Company.

The subsidiary companies are managed by their respective Boards which have the rights and obligations to manage them in the best interest of their stakeholders. The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent director of the Company on the Board of the subsidiary companies.



## Directors' Report (Contd.)

### 6. Consolidated Financial Statements

The audited Consolidated Accounts and Cash Flow Statement, comprising of the Company and its subsidiaries form part of 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

Fuel is a major component in the cost of operations for an airline. With the industry growing at a high rate year-on-year, there is an increased need for improving the efficiency of operations through commercial and fuel optimisation measures. The Company's Integrated Emission Management System (IEMS) uses advanced analytics to accurately analyse and estimate aircraft fuel consumption and load, thus allowing the airline to optimise the usage of aviation turbine fuel and improve commercial loads. The system drills down into many sources of data and can analyse at the aircraft level. The IEMS covers all flight operations undertaken by the Company.

The Company's fuel plan seeks to assess, formulate and promote fuel optimisation initiatives. Our pilots apply, as often as possible, the most fuel-efficient procedures, without compromising on flight safety. These include continuous ascent and descent approach procedures, optimum flight altitude levels and speed, continuous route optimisation based on the latest weather data and taxiing with optimum use of engines. We also continue to implement world-class fuel efficiency improvement measures such as Required Navigation Performance (RNP) implementation at select stations and use of lightweight crockery, cargo containers and reduction of operator's items.

Energy conservation is an ongoing activity and we have ensured that the best practices are in place for preventive maintenance of buildings and equipment. The integrated approach to maintenance and management helps yield ongoing energy savings. We have implemented a number of initiatives pertaining to maintenance and operation of buildings, equipment upgradation, employee awareness campaigns and energy audits.

#### Technology absorption

##### Training of Pilots

Simulator training for pilots operating Boeing 737, Boeing 777 and Airbus 330 aircraft continued to be provided at the Company's Simulator Complex at Mumbai under the supervision of the Company's own instructors. The surplus capacities of the simulators were also used by other airlines both domestic and international airlines thereby generating valuable revenue.

##### Information Technology and e-Commerce initiatives

As the Company enters its third decade of operations, it has strengthened its focus on creating differentiating products and services to stay ahead in a competitive and challenging environment. Jet Airways has strategically set up a joint Innovation Council in partnership with International Business Machines Corporation (IBM), to create smarter, faster and personalised self-service, digital and social media solutions to enhance customer service and engagement.

The Company set a record milestone by becoming the first airline in India to garner 1 Million fans on facebook. The Company also launched India's first native airline mobile application for Windows Phone and applications for Android, iPhone and BlackBerry phones will soon follow. In the coming year, the Company aims to use new technology to increase its ancillary revenue and also leverage cloud computing which entails several benefits like infrastructure flexibility, scalability, cost control and improved performance and productivity.



## Directors' Report (Contd.)

### 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)

Continuous improvement is the main focus throughout Jet Airways and is integral to its EHS program. Good performance in the field of environment, health and safety is a prerequisite for effective, profitable operation.

Employee Safety : Safety Management System (SMS) has been implemented in the organization this year after a thorough training to all employees. Training on EHS is a continuous program and is a part of induction training. An enhanced hazard identification process was a main driver for the improved safety. There was no major / fatal accident occurred during the financial year 2012-13.

Employee wellness : To improve employee health and wellness and long-term employee health all engineering staff had undergone a medical check-up, carried out by a group of doctors registered under the Factories Act 1948.

Chemical Safety : Utmost care is taken to prevent any hazard from chemicals. Material Safety Data Sheet (MSDS) is strictly followed at all places where chemicals are used. Waste and hazardous chemicals are recycled through pollution control vendors. Air samples are tested in laboratories to check the impurity levels as assigned by Pollution Control Board.

### 9. Fixed Deposits

The Company has not accepted any Fixed Deposits from the public during the financial year ended 31<sup>st</sup> March, 2013.

### 10. Corporate Governance

We adhere to the principles of Corporate Governance as 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, forms part of this Annual Report.

The Acting 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 in place an in-flight fund collection programme called 'Magic Box' on all its domestic flights. The collections help support children most 'at risk' in our society as also those with special needs.

Each year, the Company celebrates International Women's Day (8<sup>th</sup> March) to salute the independent woman and her continuous endeavour for an equitable social milieu to live and work in. To commemorate this event, an in-flight fund raising drive is organised, the proceeds of which are donated to select NGOs working primarily for the upliftment and empowerment of underprivileged women.

On the occasion of Children's Day on 14<sup>th</sup> November every year, the Company organises "Flights of Fantasy" for underprivileged children. Under this unique initiative, children are introduced to the world of aviation, which is both informative as well as an educational experience for them.

As a responsible corporate citizen, the airline extends its support during natural calamities by making donations, operating additional flights and carrying of relief material to help those affected.



## Directors' Report (Contd.)

### 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 31<sup>st</sup> March, 2013, was 12,082 (as on 31<sup>st</sup> March, 2012 : 12,849).

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 for the year ended 31<sup>st</sup> March, 2013, 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 31<sup>st</sup> March, 2013, 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

Due to sad demise of Mr. Yash Raj Chopra, he ceased to be a Director of the Company with effect from 21<sup>st</sup> October, 2012. The Board of Directors places on record its gratitude for Mr. Chopra's loyal and dedicated contribution to the Company.

Mr. Victoriano P. Dungca and Mr. Aman Mehta retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

The re-appointments of Mr. Dungca and Mr. Mehta 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.

### 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 2013-14, forms part of the Notice of the said Annual General Meeting and the Resolution is recommended for your approval.

### 16. Transfer of amounts to Investor Education and Protection Fund

As required under Section 205C of the Companies Act, 1956, amounts that have remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company (as on the date of last Annual General Meeting) on the website of the Company ([www.jetairways.com](http://www.jetairways.com)) and also on the Ministry of Corporate Affairs website ([www.iepf.gov.in](http://www.iepf.gov.in)).



## Directors' Report (Contd.)

### 17. Post Balance Sheet Event

#### Proposed Investment by Etihad Airways PJSC

The Government of India has now allowed the foreign airlines to invest in the equity of Indian Airline Company's by way of Foreign Direct Investment (FDI) up to 49%.

In line with the Policy, Etihad Airways PJSC (Etihad) has proposed to acquire a 24% stake in the Company. The members of the Company at the Extraordinary General Meeting held on 24<sup>th</sup> May, 2013, had approved the preferential allotment of 27,263,372 Equity Shares to Etihad. The proposal to investment and other transaction related matters are undergoing regulatory approval.

#### Minimum Public Shareholding (MPS) Norms

Your Company has met the Minimum Public Shareholding norms as per SEBI requirements within the stipulated time. Tail Winds Limited, one of the promoters, offered 4,317,697 equity shares to the Public Shareholders *vide* an 'Offer for Sale' (OFS) and Block Deal to divest its shareholding to 75% from 79.99% to comply with the MPS Norms.

Further, there was an inter se transfer of 56,963,301 Equity Shares amongst the promoters of the Company i.e. from Tail Winds Limited to Mr. Naresh Goyal.

### 18. 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 would like to thank the Government of India especially the Ministry of Civil Aviation, Ministry of Commerce and Industry and Ministry of Finance for having had the foresight to have introduced the historic liberalization measure permitting foreign airlines to invest in the equity of Scheduled and Non Scheduled passenger airlines in India.

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



Naresh Goyal  
Chairman

Mumbai  
24<sup>th</sup> May, 2013



## Management's Discussion and Analysis

### 1. Industry Structure and Development

- 1.1 The aviation industry in India has gone through yet another very difficult year of operations due to high operating costs and slump in demand, resulting into industry showing substantial losses for Fiscal 2013.
- 1.2 Crude oil prices continued to be very high and airlines were not able to pass on full impact of increase to the passengers. In addition, depreciation of Indian rupee against US Dollar had put significant pressure on the cost line of the airlines. The cost of borrowing still remains to be very high, thereby impacting the interest costs.
- 1.3 Airlines managed to improve yields year on year which has helped them to reduce losses as compared to last year.
- 1.4 During the year the Government of India introduced reform by allowing Foreign Direct Investment (FDI) up to 49% in an airline, which is one of the positive development for the industry.

### 2. Analysis of Operational Performance Fiscal 2013 Compared to Fiscal 2012

#### Revenues

- 2.1 Total operating revenues of ₹ 1,685,259 lakhs in Fiscal 2013 compared to ₹ 1,481,591 lakhs in Fiscal 2012 shows an increase of 14% mainly due to improvement in the passenger yield and increase in cargo revenues by 5% mainly due to increase in cargo tons carried.

#### Passenger Revenues

- 2.2 In Fiscal 2013 passenger revenues were at ₹ 1,436,867 lakhs as compared to ₹ 1,258,205 lakhs in Fiscal 2012. The growth of 14% can be mainly attributed to increase in revenue per passenger.

#### Revenues from Excess Baggage

- 2.3 Revenues from excess baggage increased by 51% to ₹ 13,821 lakhs in Fiscal 2013 from ₹ 9,139 lakhs in Fiscal 2012.

#### Revenues from Cargo

- 2.4 Revenues from carriage of cargo increased by 5% to ₹ 137,498 lakhs in Fiscal 2013 from ₹ 130,841 lakhs in Fiscal 2012. This was mainly on account of increase in the cargo tons carried.

#### Other Operating Income

- 2.5 Other operating revenues increased by 16% to ₹ 97,073 lakhs in Fiscal 2013 from ₹ 83,406 lakhs in Fiscal 2012. The increase was mainly due to higher leasing income and cancellation charges.

#### Other Income

- 2.6 Other income increased by 54% to ₹ 55,058 lakhs in Fiscal 2013, from ₹ 35,717 lakhs in Fiscal 2012. The increase was mainly on account of profit on sale of slots at London Heathrow airport.

#### Expenses

- 2.7 Our total expenses before exceptional items amounting to ₹ 1,799,521 lakhs in Fiscal 2013 increased by 9% from ₹ 1,650,160 lakhs in Fiscal 2012.

#### Aircraft Fuel

- 2.8 Fuel costs increased by 5% to ₹ 699,200 lakhs for Fiscal 2013 from ₹ 663,067 lakhs in Fiscal 2012. 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 2013 was ₹ 67.12 vs and ₹ 60.20 for Fiscal 2012. The average rates for International operations were ₹ 48.92 in Fiscal 2013 vs ₹ 43.36 in Fiscal 2012.





## Management's Discussion and Analysis (contd)

### Other Operating Expenses

2.9 Other Operating Expenses increased by 18% to ₹ 482,276 lakhs for Fiscal 2013 from ₹ 409,266 lakhs in Fiscal 2012 as summarized below :

Other Operating Expenses head	Year Ended 31 <sup>st</sup> March,		Increase/ (Decrease)
	2013	2012	
	(₹ lakhs)	(₹ lakhs)	(%)
Maintenance and repairs	186,694	130,607	43
Landing, navigation and other airport charges	127,069	122,812	3
Insurance	7,896	7,471	6
General and administrative	160,617	148,376	8
<b>Total</b>	<b>482,276</b>	<b>409,266</b>	<b>18</b>

- The increase in maintenance and repair costs in Fiscal 2013 was essentially due to major maintenance events undertaken during the year.
- The landing & navigation charges were high because of the rate increase for Landing & Navigation charge at key metro airports like Delhi in the first quarter of the financial year and Mumbai, Chennai and Kolkata in the last quarter of the financial year.
- Insurance cost was high mainly due to effect of difference in exchange rate, year over year from ₹ 50.875 for Fiscal 2012 vs. ₹ 54.285 for Fiscal 2013.
- The increase in general and administrative expenses in Fiscal 2013 over Fiscal 2012 is attributable to :
  - ⇒ Loss on Foreign exchange fluctuation amounting to ₹ 23,177 lakhs is included in general and administrative charges which is higher by 34% as compared to Fiscal 2012.

### Employee Remuneration and Benefits

2.10 Expenses with regard to employee remuneration and benefits decreased by 3% to ₹ 154,424 lakhs in Fiscal 2013 from ₹ 159,949 lakhs in Fiscal 2012 due to decrease in the average headcount as compared to Fiscal 2012. Our average headcount decreased to 12,365 from 13,291 over the previous year.

### Selling and Distribution Costs

2.11 Selling and distribution costs decreased marginally to ₹ 135,856 lakhs for Fiscal 2013 from ₹ 136,167 lakhs for Fiscal 2012 mainly due to reduction in the agency commission.

### Lease Rentals

2.12 Aircraft rentals increased by 36% to ₹ 123,210 lakhs in Fiscal 2013 from ₹ 90,600 lakhs in Fiscal 2012 mainly on account of

- During the year, there were net additions including sale and lease back of following aircraft impacting the increase in lease rentals i.e. 9 B737-800, 1 B737-900, 2 A330 200/300.
- There was an impact of exchange rate difference of Rupee moving from ₹ 50.875 to ₹ 54.285.

### Depreciation

2.13 Depreciation decreased by 1% to ₹ 92,657 lakhs in Fiscal 2013 from ₹ 93,988 lakhs in Fiscal 2012. This was mainly due to sale / sale and lease back of aircraft during the year.

### Interest Expense

2.14 Interest expenses increased by 15% to ₹ 111,898 lakhs in Fiscal 2013 from ₹ 97,123 lakhs in Fiscal 2012. This is mainly due to impact of depreciating rupee vs. US dollars, it also includes interest on pre payment of term loans.



## Management's Discussion and Analysis (contd)

### Exceptional Items

2.15 Exceptional items were at ₹ 10,654 lakhs for Fiscal 2013 as compared to ₹ 7,319 lakhs in Fiscal 2012 as summarized below :

Exceptional items	Year Ended March 31,	
	2013	2012
	(₹ lakhs)	(₹ lakhs)
Salary Arrears	(15,990)	-
Mark to market derivatives gain / (loss)	2,834	1,384
Unrealised exchange gain / (loss)	(5,504)	(5,931)
Contribution from Lessors	-	11,866
Compensation Credit	29,314	-
<b>Total</b>	<b>10,654</b>	<b>7,319</b>

### Profit / (Loss) before Taxation

2.16 Loss before taxation is ₹ 48,550 lakhs in Fiscal 2013 compared to loss of ₹ 125,533 lakhs in Fiscal 2012.

### Profit / (Loss) after Taxation

2.17 Loss after taxation was ₹ 48,550 lakhs in Fiscal 2013 compared to loss of ₹ 123,610 lakhs in Fiscal 2012.

## 3. Initiatives

- 3.1 JetKonnnect branding was initiated across the network to help guest with seamless travel making it easy for identifying and to consolidate our product in the low-fare segment with a single brand - JetKonnnect. This has worked out well and we believe that JetKonnnect brand offering has more salience with guests given the greater connect with the parent brand.
- 3.2 As Jet Airways enters its third decade of operations, the Company has strengthened its focus on creating differentiating products and services to stay ahead in a competitive and challenging environment. Jet Airways has strategically set up a joint Innovation Council in partnership with International Business Machines Corporation (IBM), to create smarter, faster and personalised self-service, digital and social media solutions to enhance customer service and engagement. The Company set a record milestone by becoming the first airline in India to garner 1 Million fans on face book. Jet Airways also launched India's first native airline mobile application for Windows Phone. Application for Android, iPhone and BlackBerry phones will soon follow. In the coming year the Company aims to use new technology to increase its ancillary revenue and also leverage cloud computing which entails several benefits like infrastructure flexibility, scalability, cost control and improved performance and productivity.
- 3.3 Jet Privilege entered into a partnership with three major banks i.e HDFC Bank, ICICI Bank and American Express Bank to launch co-brand credit cards in India viz. these partnerships allow Jet Privilege to cater to a wider section of its member base spread across India including the emerging Tier II and Tier III cities. Through these partnerships members will have opportunities to earn JPMiles through card spends and redeem them for free flights. Jet Privilege has also launched partnerships with over 10 brands in retail, publishing and car rentals category.
- 3.4 Jet Airways is focusing on exploring various avenues of ancillary revenues such as Jet Airways Training Academy, security and engineering services to other airlines, introduction of charges for oversize bags, sports equipments, unaccompanied minors to name a few.

## 4. Outlook / Restructuring Measures

- 4.1 Starting Fiscal 2014, capacity increases are expected to be moderate in the industry. The demand growth is expected to climb up to double digits in the second half of the current fiscal. Airlines are regaining pricing power and industry load factors are starting to move northwards.



## Management's Discussion and Analysis (contd)

- 4.2 Operating cost environment continues to be difficult with Rupee depreciation, high crude prices and significant increase in landing & navigation costs. Airlines will have no choice but to pass on these increases to the passenger. This may affect the passenger growth in short term as it will become unaffordable in the hands of the customer.
- 4.3 Crude oil prices, over the last few weeks have been hovering over USD 100 per barrel, if this gets stable, it should help us to keep costs lower since fuel costs represent close to 40% 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 inflows.
- 4.4 We continue in our endeavor on cost cutting measures, explore various avenues of ancillary revenues and process improvements across all segments of the business. We believe that this will help the Company in maximizing profitability in the medium to long term. The proposed Jet-Etihad deal will bring immediate revenue growth and cost synergy opportunities for both the airlines and will help strengthen Jet Airways balance sheet. Key cost benefits and synergies in fleet acquisition, maintenance, joint purchasing opportunities for fuel, spare parts, equipment and catering supplies, as well as external services such as insurance and technology support will come through. Other areas of co-operation will include joint training of pilots, cabin crew and engineers, as well as maintenance of common aircraft types and consolidation of guest loyalty programs. The alliance will bring significant guest benefits with expanded code sharing, creating a combined network of 140 destinations, these benefits will result in accelerated return of the Company to sustainable profitability.

### 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 internal annual audit plan and approved by the Audit Committee of the Board.
- 5.3 The Company's Audit Committee comprises of four Non-executive Directors; Mr. Aman Mehta (Chairman), Mr. Victoriano P. Dungca, Mr. Ali Ghandour and Mr. Javed Akhtar. 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 with the Listing Agreement with National Stock Exchange of India Limited and BSE Limited.
- 5.6 Mr. Arun Kanakal, Company Secretary & Associate Legal Counsel is the Compliance Officer with regard to the 'Jet Airways Code of Conduct 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 Indian economy continues to grow at a healthy pace as compared to other economies across the world and is expected to post growth rates of 5% to 6% per annum for the next few years.



## Management's Discussion and Analysis (contd)

- 6.2 After a year of slump in demand, the growth is expected to touch double digit in the current fiscal. But, there is expected to be short term challenges like pressure on the Indian Rupee vis a vis dollars, high crude oil prices as well as significant increase in landing and navigation charges which is likely to put pressure on the profitability.
- 6.3 The Jet-Etihad deal presents us with a big opportunity to expand our foot prints in international market, improving our balance sheet, enhancing revenues and brining synergies in costs. This should help us to be more competitive in domestic and international market.
- 6.4 Company's fleet strategy will be that of moderate 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.

*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. Good governance practices stem from the culture and mindset of the organization which lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management.

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

### 2. Board of Directors ("Board")

#### I. Composition

As on 31<sup>st</sup> March, 2013, the Company has seven Directors on its Board which is headed by a Non-executive Promoter Chairman. Out of the seven Directors, one is a Manager and Director and six are Non-executive Directors. More than one-half of the Board, i.e. four 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.

There is no relationship between the Directors inter-se.

As per the requirements of Clause 49, 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 31<sup>st</sup> March, 2013, 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 <sup>1</sup>	Other Committee Positions <sup>2</sup>	
			Chairman	Member
Mr. Naresh Goyal	Chairman Non-Executive Promoter Director	1	None	1
Mr. Javed Akhtar	Independent Director	None	None	None
Mr. Ali Ghandour	Independent Director	None	None	None
Mr. Victoriano P. Dungca	Non-executive Director	None	None	None
Mr. I. M. Kadri	Independent Director	None	None	None
Mr. Aman Mehta	Independent Director	5	2	3
Mr. Gaurang Shetty <sup>3</sup>	Director and Manager (Executive)	1	1	None
Mr. Yash Raj Chopra <sup>4</sup>	Independent 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. Appointed as a Director with effect from 24<sup>th</sup> May, 2012
4. Ceased to be a Director on account of death with effect from 21<sup>st</sup> October, 2012.

## II. Attendance record of Directors at Board Meetings and the Annual General Meeting of the Company held during the financial year 2012-13

Four Board Meetings were held during the financial year 2012-13. The gap between any two Board Meetings did not exceed four months. The Board Meetings were held on the following dates :

24<sup>th</sup> May, 2012, 3<sup>rd</sup> August, 2012, 2<sup>nd</sup> November, 2012 and 1<sup>st</sup> February, 2013.

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.

The details of the attendance of Directors at the Board Meetings and the Annual General Meeting held during the financial year 2012-13 are as follows :

Name	Attendance at	
	Board Meetings	20 <sup>th</sup> Annual General Meeting held on 3 <sup>rd</sup> August, 2012
Mr. Naresh Goyal	3	Yes
Mr. Javed Akhtar	2	Yes
Mr. Ali Ghandour	4	Yes
Mr. Victoriano P. Dungca	4	Yes
Mr. I. M. Kadri	3	No
Mr. Aman Mehta	4	Yes
Mr. Gaurang Shetty	4	Yes
Mr. Yash Raj Chopra <sup>1</sup>	-	No

1 Ceased to be a Director on account of death with effect from 21<sup>st</sup> October, 2012.



## Report on Corporate Governance (contd.)

The Prescribed quorum was present for all the Meetings.

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.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

During the financial year 2012-13, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the board for its consideration.

In addition to the information as enumerated in Annexure 1A 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 systems to ensure that :

- 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.

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

#### I. Terms of reference

The Audit Committee functions according to its Charter which is in line with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956 ("Act") 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 to ensure that the financial statement reflects a true & fair position and that sufficient and credible information is disclosed.
- 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 for approval.
- d. Review with management, performance of Statutory and Internal Auditors and the adequacy of internal control systems.





## Report on Corporate Governance (contd.)

- 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 contingent liabilities;
  - The consolidated 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.

### II. Composition

The Audit Committee comprises four Directors each 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. Ali Ghandour	Member	Independent Director
Mr. Yash Raj Chopra <sup>1</sup>	Member	Independent Director

1. Ceased to be a Director on account of death with effect from 21<sup>st</sup> October, 2012.

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



## Report on Corporate Governance (contd.)

### III. Meetings and attendance during the financial year 2012-13

The Audit Committee met four times during the financial year 2012-13 on 24<sup>th</sup> May, 2012, 3<sup>rd</sup> August, 2012, 2<sup>nd</sup> November, 2012 and 1<sup>st</sup> February, 2013 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	1
Mr. Yash Raj Chopra <sup>1</sup>	-
Mr. Ali Ghandour	4

1. Ceased to be a Director on account of death with effect from 21<sup>st</sup> October, 2012.

The Company Secretary attended all the above Meetings.

The prescribed Quorum was present for all the meeting.

The Chairman of the Audit Committee, Mr. Aman Mehta, was present at the Twentieth Annual General Meeting held on 3<sup>rd</sup> August, 2012.

### 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 enumerated 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. Ali Ghandour	Member	Independent Director
Mr. I. M. Kadri	Member	Independent Director

### III. Meetings and attendance during the financial year 2012-13

During the financial year 2012-13, the Remuneration and Compensation Committee met once on 24<sup>th</sup> May, 2012. Except Mr. Javed Akhtar, 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 Twentieth Annual General Meeting held on 3<sup>rd</sup> August, 2012.

### IV. Remuneration Policy

#### 1. For Non-executive Directors

The Non-executive Directors are uniformly paid a Sitting Fee for attending Meetings of the Board and Committees; the Company has not paid any Commission to any Non-executive directors.

No stock options have been granted to the Non-executive Directors by the Company.



## Report on Corporate Governance (contd.)

### 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.

Due to the losses made by the Company for the year ended 31<sup>st</sup> March, 2013, no Commission is payable to the Non-executive Directors for the financial year 2012-13.

Details of remuneration paid to Non-executive Directors for the financial year 2012-13 are as follows :

Name	Sitting Fees Paid (₹)	Commission	Total (₹)
Mr. Naresh Goyal	60,000	NIL	60,000
Mr. Ali Ghandour	200,000	NIL	200,000
Mr. Victoriano P. Dungca	180,000	NIL	180,000
Mr. Javed Akhtar	80,000	NIL	80,000
Mr. I. M. Kadri	120,000	NIL	120,000
Mr. Aman Mehta	200,000	NIL	200,000
Mr. Yash Raj Chopra <sup>1</sup>	-	-	-

1 Ceased to be a Director on account of death with effect from 21<sup>st</sup> October, 2012.

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 is enumerated in the table below :

Name	Number of Shares of ₹ 10/- each held in the Company	% of Total Paid-up Equity Capital
Mr. Naresh Goyal	9,995	0.01
Mr. Javed Akhtar	(as a Nominee of Tail Winds limited) 2,220 <sup>1</sup>	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 <sup>2</sup>	355	Negligible

1 Mr. Javed Akhtar sold 3,770 Equity Shares during the financial year.

2 Ceased to be a Director on account of death with effect from 21<sup>st</sup> October, 2012.

### 2. For the Manager and Director (Mr. Gaurang Shetty)

The remuneration of Mr. Gaurang Shetty, the Manager and 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 Mr. Gaurang Shetty, Manager and Director, subject to the approval of the Members and if required, of the Central Government.



## Report on Corporate Governance (contd.)

The remuneration paid to Mr. Gaurang Shetty, Manager and Director comprises Salary and Allowances, Perquisites and Retirement Benefits. Details of the remuneration paid during the period 24<sup>th</sup> May, 2012 to 31<sup>st</sup> March, 2013 are as follows :

	(In ₹)
Salary and Allowances	: 49,44,131
Retirement Benefits	: 1,96,945
<b>Total</b>	<b>: 51,41,076</b>

Mr. Gaurang Shetty is an employee of the Company and he is bound by the terms of employment and policies of the Company.

### 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 / splitting 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;

#### 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. Javed Ahktar	Member	Independent Director
Mr. Aman Mehta <sup>1</sup>	Member	Independent Director
Mr. Gaurang Shetty <sup>2</sup>	Member	Director and Manager

1. Mr. Mehta was appointed as a Member with effect from 20<sup>th</sup> January, 2012 and ceased to be a Member with effect from 24<sup>th</sup> May, 2012.
2. Mr. Shetty was appointed as a Member with effect from 24<sup>th</sup> May, 2012.



## Report on Corporate Governance (contd.)

### III. Meetings and attendance during the financial year 2012-13

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	
	3 <sup>rd</sup> August, 2012	1 <sup>st</sup> February, 2013
Mr. I. M. Kadri	No	Yes
Mr. Javed Akhtar	Yes	No
Mr. Aman Mehta <sup>1</sup>	-	-
Mr. Gaurang Shetty <sup>2</sup>	Yes	Yes

1. Mr. Mehta was appointed as a Member with effect from 20<sup>th</sup> January, 2012 and ceased to be a Member with effect from 24<sup>th</sup> May, 2012.

2. Mr. Shetty was appointed as a Member with effect from 24<sup>th</sup> May, 2012.

The Company Secretary attended all the above Meetings.

### IV. Name and designation of Compliance Officer

Mr. Arun Kanakal, 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 2012-13 are as follows :

Status of Complaints	Number of Complaints
Pending as of 1 <sup>st</sup> April, 2012	NIL
Received during the financial year 2012-13	98
Disposed of during the financial year 2012-13	98
Pending as of 31 <sup>st</sup> March, 2013	NIL

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 2012-13 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 1000.



## Report on Corporate Governance (contd.)

### 4. General Body Meetings

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

Financial Year	Venue	Date and Time
2009-10	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai-400 018	26 <sup>th</sup> August, 2010 at 3:30 p.m.
2010-11		17 <sup>th</sup> August, 2011 at 3:30 p.m.
2011-12	Bhaidas Maganlal Sabhagriha, Juhu Vile Parle Development Scheme, Bhaktivendanta Swami Marg, Vile Parle (West), Mumbai-400 056	3 <sup>rd</sup> August, 2012 at 3:30 p.m.

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

Annual General Meeting held on	Subject
26 <sup>th</sup> August, 2010	<ul style="list-style-type: none"> <li>Appointment of Mrs. Anita Goyal as Executive Vice President-Revenue Management &amp; Network Planning</li> <li>Raising of Capital.</li> <li>Investment in MAS GMR Aerospace Engineering Company Limited</li> <li>Appointment of Ms. Namrata Goyal as a Management Trainee</li> </ul>
17 <sup>th</sup> August, 2011	<ul style="list-style-type: none"> <li>Raising of Capital</li> <li>Appointment of Mr. Nivaan Goyal to an office or place of profit.</li> <li>Re-appointment of Ms. Namrata Goyal to an office or place of profit.</li> </ul>
3 <sup>rd</sup> August, 2012	<ul style="list-style-type: none"> <li>Appointment of Mr. Gaurang Shetty as a Director</li> <li>Appointment of Mr. Gaurang Shetty as the Manager</li> <li>Appointment of Mrs. Anita Goyal to an Office or Place of Profit</li> <li>Raising of Capital</li> <li>Investment in a company to be set up as a marketing services company</li> <li>Investment in a company to be set up as a training academy</li> </ul>

Special Resolution to approve the allotment of equity shares on preferential basis to Etihad Airways PJSC 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 24<sup>th</sup> May, 2013.

#### iii. Resolutions passed during the year through Postal Ballot :

No resolution was passed through Postal Ballot during the financial year 2012-13. 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 31<sup>st</sup> March, 2014, in accordance with the prescribed procedure.

### 5. Disclosures

- Details of related party transactions as per requirement of Accounting Standard 18 are disclosed in Notes to the financial statements for the year ended 31<sup>st</sup> March, 2013. 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](http://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 Acting 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 2012-13.*

Mumbai  
24<sup>th</sup> May, 2013

Capt. Hammed Ali  
Acting Chief Executive Officer

### e. CEO / CFO Certification

A Certificate from the Chief Executive Officer and the Chief Financial Officer on the financial reporting and the internal controls over financial reporting for the financial year ended 31<sup>st</sup> March, 2013, was placed before the Board. In addition, as required by Clause 41 of the Listing Agreement, Certificates from the Chief Executive Officer and Chief Financial Officer 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.

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.





## Report on Corporate Governance (contd.)

### 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 Company Secretary, who is the Compliance Officer, 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 & above and other Designated Employees who are privy to unpublished price sensitive information of the Company are governed by this Code.

Mr. Arun Kanakal, Company Secretary & Associate Legal Counsel, is the Compliance Officer. The Company has also adopted a Code of Corporate Disclosure Practices for Prevention of Insider Trading to ensure timely and adequate disclosure 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	Language	Place of Publication / Edition
Indian Express	English	Ahmedabad, Baroda, Kolkatta, Chandigarh, Delhi, Lucknow Nagpur, Pune, Mumbai
Financial Express	English, Gujarati	Ahmedabad, Bengaluru, Mumbai, Kolkatta, Chandigarh, Kochi, Delhi, Hyderabad, Lucknow, Chennai, Pune
Loksatta	Marathi	Mumbai Edition
Economic Times	English	
Navshakti	Marathi	

- 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](http://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 information 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](http://www.corpfiling.co.in).

NSE Electronic Application Processing System (NEAPS) : The NEAPS is a web based application designed by NSE for listed companies. All quarterly compliance like filing of shareholding pattern, corporate governance report, etc. are filed electronically on NEAPS.

The Company has designated the following e-mail id exclusively for investor services :  
[companysecretary@jetairways.com](mailto:companysecretary@jetairways.com), [investors@jetairways.com](mailto:investors@jetairways.com)



## Report on Corporate Governance (contd.)

SEBI Complaints Redress System (SCORES) : The investor complaints are processed in a centralized web based complaints redress system hosted by SEBI. The salient features of this system are : Centralised database of all complaints, online upload of Action Taken Reports by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### 7. General Shareholder Information

#### I Annual General Meeting

**Date, time and venue :** Thursday, 8<sup>th</sup> August, 2013 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 : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013

#### Financial Calendar (tentative)

The Company expects to announce the results for the financial year 2013-14, as per the following schedule :

First quarter ending 30<sup>th</sup> June, 2013 : On or before 14<sup>th</sup> August, 2013  
 Second quarter ending 30<sup>th</sup> September, 2013 : On or before 14<sup>th</sup> November, 2013  
 Third quarter ending 31<sup>st</sup> December, 2013 : On or before 14<sup>th</sup> February, 2014  
 Fourth quarter and audited financial year: On or before 31<sup>st</sup> May, 2014  
 ending 31<sup>st</sup> March, 2014

Twenty Second Annual General Meeting : On or before 30<sup>th</sup> September, 2014

#### iii. Dates of Book Closure : Tuesday 30<sup>th</sup> July, 2013 to Thursday, 8<sup>th</sup> August, 2013 (both days inclusive) for the purpose of the Twenty First Annual General Meeting.

#### iv. Dividend Payment Date : Not applicable as the Board of Directors has not recommended any dividend for the financial year 2012-13.

#### 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, P. J. Towers, Dalal Street, Fort  
 Bandra (East), Mumbai-400 051 Mumbai-400 001

The Company's Equity Shares form part of "A" Group and S&P BSE 200 Index of BSE.

The Listing Fee for the financial year 2013-14 has been paid to both the 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		



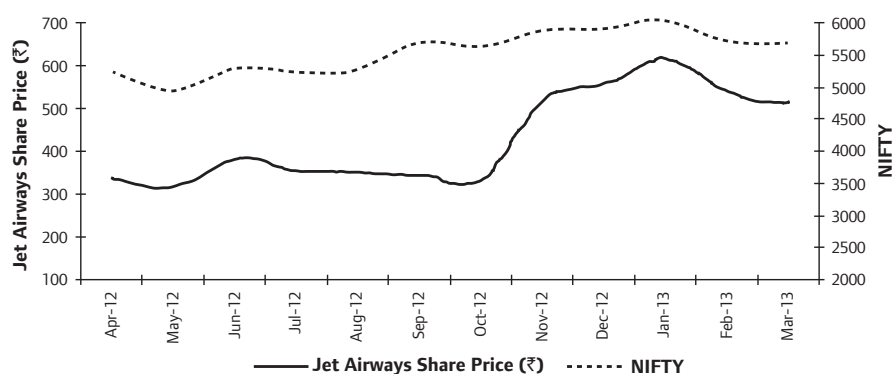
## Report on Corporate Governance (contd.)

### vii. Market price data (high, low during each month in the financial year 2012-13)

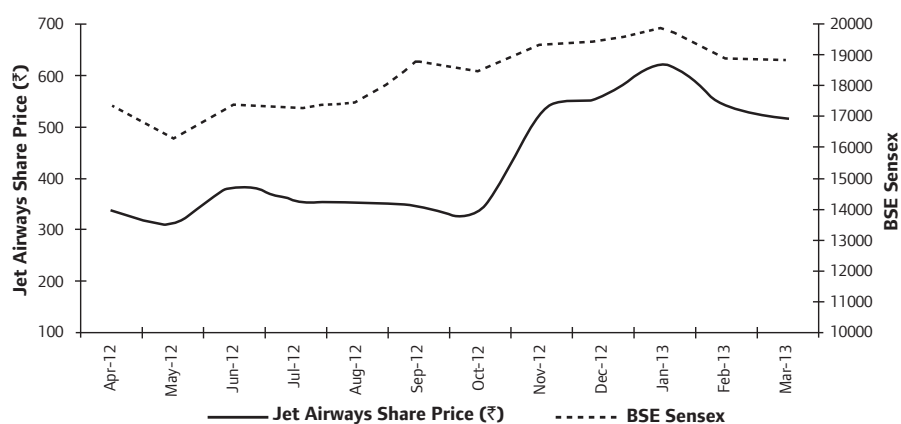
Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
	(₹)	(₹)	(Numbers)	(₹)	(₹)	(Numbers)
April 2012	375.70	322.30	28,853,561	376.00	321.30	6,035,693
May 2012	342.80	280.15	30,439,590	342.90	275.10	6,156,327
June 2012	396.50	301.60	43,591,449	396.20	300.50	9,384,501
July 2012	411.05	320.35	39,206,069	411.35	320.30	8,318,261
August 2012	449.95	331.75	45,353,490	405.00	332.10	9,032,142
September 2012	400.00	324.40	40,575,313	398.60	324.85	9,384,520
October 2012	388.55	321.40	22,346,947	388.75	320.60	5,780,747
November 2012	582.70	334.00	65,974,733	598.80	334.10	19,502,472
December 2012	639.00	506.75	86,148,526	639.00	505.25	26,333,093
January 2013	647.80	520.00	55,114,810	688.30	551.50	15,786,623
February 2013	643.00	442.60	60,912,692	642.90	442.25	17,962,746
March 2013	593.60	484.00	50,770,355	593.00	482.95	16,661,742

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

#### Jet Airways vs NIFTY



#### Jet Airways vs BSE Sensex



## 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  
Website : www.karvy.com

Contact Person

Mr. S. V. Raju - Assistant 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 from the date of receipt.

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.

A summary of transfer / transmission of securities of the Company so approved by the Authorised Officials of the Company is placed at every Meeting of the Investors Grievance and Share Transfer Committee.

The Company obtains from a Company Secretary in Practice a certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement on a half-yearly basis and files a copy of the said certificate with the Stock Exchanges.

There were no transfers of Shares in physical form during the financial year 2012-13.

### 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 30<sup>th</sup> November, 2012, the Company has credited to the Investor Education and Protection Fund (IEPF), an amount of ₹ 283,449 being the Unclaimed Dividend Amount declared during the financial year 2004-05, lying unclaimed for a period of seven years.

The unclaimed dividends for the financial years 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	Date for transfer
2005-06	25 <sup>th</sup> November, 2013
2006-07	3 <sup>rd</sup> December, 2014



## Report on Corporate Governance (contd.)

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.

### xii. Shareholding Pattern as on 31<sup>st</sup> March, 2013

(₹ in lakhs)			
Sr. No.	Category	Number of Shares held	% of Shares
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>1. Indian</b>			
	Individuals / Hindu Undivided Family	1000	0.00
	<b>Sub Total</b>	<b>1000</b>	<b>0.00</b>
<b>2. Foreign</b>			
	Individuals(NRIs / Foreign Individuals)	9995	0.01
	Bodies Corporate	69,057,210	79.99
	<b>Sub Total</b>	<b>69,067,205</b>	<b>79.99</b>
	<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>69,068,205</b>	<b>80.00</b>
<b>B.</b>	<b>Public Shareholding</b>		
<b>1. Institutions</b>			
	Mutual Funds / UTI	3,351,066	3.88
	Financial Institutions / Banks	259,886	0.30
	Insurance Companies	2,430,864	2.82
	Foreign Institutional Investors	3,956,336	4.58
	<b>Sub Total</b>	<b>9,998,152</b>	<b>11.58</b>
<b>2. Non-Institutional</b>			
	Bodies Corporate	1,708,457	1.98
	<b>Individuals :</b>		
	Individual shareholders holding nominal share capital up to ₹ 1 lakh	4,574,106	5.30
	Individual shareholder holding nominal share capital in excess of ₹ 1 lakh	396,573	0.46
	<b>Others :</b>		
	Non Resident Indians	206,240	0.24
	Trusts	2,653	0.00
	Clearing Members	379,625	0.44
	<b>Sub Total</b>	<b>7,267,654</b>	<b>8.42</b>
	<b>Total Public Shareholding (B)</b>	<b>17,265,806</b>	<b>20.00</b>
	<b>Total (A) + (B)</b>	<b>86,334,011</b>	<b>100.00</b>
<b>C.</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-
	<b>Total (A) + (B) + (C)</b>	<b>86,334,011</b>	<b>100.00</b>



## Report on Corporate Governance (contd.)

### xiii. Distribution of Shareholding as on 31<sup>st</sup> March, 2013

Category From -To	Shares		Shareholders	
	Number	% of total	Number	% of total
1-500	3,342,113	3.87	107,082	98.51
501-1,000	637,231	0.74	825	0.76
1,001-1,500	298,073	0.35	237	0.22
1,501-2,000	228,125	0.26	124	0.11
2,001-2,500	141,898	0.16	63	0.06
2,501-3,000	152,938	0.18	54	0.05
3,001-3,500	83,309	0.10	25	0.02
3,501-4,000	121,771	0.14	32	0.03
4,001-4,500	104,675	0.12	24	0.02
4,501-5,000	132,750	0.15	27	0.02
5,001-10,000	668,431	0.77	89	0.08
10,001-20,000	589,167	0.68	41	0.04
20,001-30,000	535,495	0.62	22	0.02
30,001-40,000	380,159	0.44	11	0.01
40,001-50,000	405,354	0.47	9	0.01
50,001-1,00,000	1,195,705	1.38	17	0.02
1,00,001 & above	77,316,817	89.56	16	0.01
<b>Total :</b>	<b>86,334,011</b>	<b>100.00</b>	<b>108,698</b>	<b>100.00</b>

### xiv. Top Ten Shareholders as on 31<sup>st</sup> March, 2013

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)	69,067,205	80.00	Promoter and 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	Birla Sun Life Trustee Company Private Ltd A/C Birla Sun Life Frontline Equity Fund	912,897	1.06	Mutual Fund
5	Goldman Sachs Investments (Mauritius) I Limited	611,309	0.71	Foreign Institutional Investor
6	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Tax Relief 96	560,600	0.65	Mutual Fund
7	Platinum Investment Management Limited A/C Platinum International Brands Fund	465,876	0.54	Foreign Institutional Investor
8	Merrill Lynch Capital Markets Espana S.A. S.V.	405,000	0.47	Foreign Institutional Investor
9	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Midcap Fund	400,000	0.46	Mutual Fund
10	UTI Unit Linked Insurance Plan	375,000	0.43	Mutual Fund



## 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 31<sup>st</sup> March, 2013, are given hereunder :

Particulars of Equity Shares	Equity Shares of ₹ 10 each		Shareholders	
	Number	% of total	Number	% of total
<b>Dematerialized form</b>				
NSDL	83,974,657	97.27	84,416	77.66
CDSL	2,358,989	2.73	24,261	22.32
<b>Sub-total</b>	<b>86,333,646</b>	<b>100.00</b>	<b>108,677</b>	<b>99.98</b>
<b>Physical form</b>	<b>365</b>	<b>0.00</b>	<b>21</b>	<b>0.02</b>
<b>Total</b>	<b>86,334,011</b>	<b>100.00</b>	<b>108,698</b>	<b>100.00</b>

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

The Annual Custodial Fee has been paid for the financial year 2013-14 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 1 <sup>st</sup> April, 2012		Shares transferred during the year		Balance as on 31 <sup>st</sup> March, 2013	
	Number of		Number of		Number of	
	Cases	Shares	Cases	Shares	Cases	Shares
<b>Equity Shares</b>	64	722	NIL	NIL	64	722

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 31<sup>st</sup> March, 2013, 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	companysecretary@jetairways.com	+91 22 6121 1000	+91 22 6121 1950
	investors@jetairways.com		
Attn.: Mr. C. P. Varghese Investor Relations Officer	Website : www.jetairways.com		

### 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 of 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.

**Note : The information give hereinabove is as on 31<sup>st</sup> March, 2013, unless otherwise stated.**





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

To the Members of  
Jet Airways (India) Limited

We have examined the compliance of conditions of Corporate Governance by Jet Airways (India) Limited ("the Company"), for the year ended on 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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

Mumbai  
24<sup>th</sup> May, 2013

### FOR CHATURVEDI & SHAH

Chartered Accountants  
Registration No. 101720W

#### C. D. Lala

Partner  
Membership No : 35671



# Financial Statements



## Independent Auditors' Report

To the Members of  
Jet Airways (India) Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of JET AIRWAYS (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Emphasis of Matter

We draw attention to following notes to the financial statements :

- (a) Note 29 A (b) (ix) which describes the uncertainty related to the outcome of the continuing litigation with erstwhile shareholders of Jet Lite (India) Limited. During the previous year, in terms of the order passed by the Honourable High Court of Bombay disposing off the claim, the Company had discharged ₹ 11,643 lakhs as interest @ 9% p.a.. The counterparty's claim contesting this judgment seeking increased compensation and interest was dismissed by the Honourable High Court of Bombay. The Special Leave Petition filed by the parties is pending before the Honourable Supreme Court of India. Based on legal advice and pending final determination, the amount paid to the counter party has not been recognised as interest in the accounts.
- (b) Note 32 regarding amount of investments in and advances given to its wholly owned major subsidiary aggregating to ₹ 298,160 lakhs as at 31<sup>st</sup> March 2013. The accumulated losses have fully eroded the net worth of the subsidiary in past and its negative net worth as at the year-end raised to ₹ 171,358 lakhs. The estimation is critically dependent on the achievement of the projections of operating performance by the subsidiary as mentioned in the Note.



## Independent Auditors' Report (contd)

- (c) Note 39 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 dependent upon implementation of the alliance with Strategic Partner and/or the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations, including financial support to its subsidiary.

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it 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.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

#### For Deloitte Haskins & Sells

Chartered Accountants  
Registration No. 117366W

R. D. Kamat  
Partner  
Membership No. 36822  
Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

#### For Chaturvedi & Shah

Chartered Accountants  
Registration No. 101720W

C. D. Lala  
Partner  
Membership No. 35671



## Annexure to the Auditors' Report

### Annexure to the Auditors' Report to the Members of Jet Airways (India) Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) 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) The Company has a program of verification of fixed assets to cover all the items in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventories;
  - a) As explained to us, the inventory has been physically verified during the year by the management other than inventory lying with third parties. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, we have relied on the confirmations obtained by the management from such entities.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management for 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.
- (iii) 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 ₹ 142,102 lakhs and the year-end balance was ₹ 133,660 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 7 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.
- (iv) 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 control system.
- (v) 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.
- (vi) According to information and explanations given to us, the company has not accepted deposits from the public during the year. 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)

(vii) 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.

(viii) Maintenance of cost records has not been prescribed for the Company 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.

(ix) In respect of statutory dues :

- Undisputed statutory dues, including Investor Education and Protection Fund, Wealth Tax, Custom Duty, Excise duty, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities. However, in respect of Sales Tax, Provident Fund, Employees' State Insurance, Income Tax and Service Tax, the delays ranged from fifteen days to eight months. No undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31<sup>st</sup> March, 2013 for a period more than six months from the date they became payable.
- According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax 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	IATT Interest & Penalty	321	2003-04	Commissioner of Customs (Appeals), New Delhi
Customs Act, 1962	Custom Duty	621	2006-2007 to 2010-2011	Commissioner of Customs (Appeals) - Mumbai
Finance Act, 1994	Service Tax	955	2002-2003 to 2009-2010	CESTAT
Finance Act, 1994	Service Tax	160, 370	2002-2003 to 2011-2012	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	4,525	2005-2006, 2008-2009 and 2010-2011	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,155	2005-2006 to 2007-2008	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	24,632	2006-2007 to 2011-2012	Commissioner of Income Tax

(x) 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 only during the preceding financial year but has not incurred any cash loss during the current financial year.

(xi) Based on our audit procedures and according to the information and explanations given to us, there have been defaults in the repayment of dues to financial institutions and banks as under :

Period of Delay	Principal Amount (₹ In lakhs)	Interest Amount (₹ In lakhs)	Status of Payment
up to 30 Days	51,328	5,711	Paid
31 to 60 Days	22,440	15	Paid
60 days and above	9,371	-	Unpaid

(xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities and hence question of maintenance of adequate records for this purpose does not arise.



## Annexure to the Auditors' Report (contd)

- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.
- (xviii) According to the information and explanations given to us, the Company has not made any 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.
- (xix) 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.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) 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 ₹ 134 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  
Membership No. 36822  
Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

### For Chaturvedi & Shah

Chartered Accountants  
Registration No. 101720W

C. D. Lala  
Partner  
Membership No. 35671



## Balance Sheet as at 31<sup>st</sup> March, 2013

		(₹ in lakhs)	
Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	8,633	8,633
Reserves and Surplus	3	(42,886)	109,453
		(34,253)	118,086
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	686,860	877,358
Deferred Tax Liability (Net)	5	-	-
Other Long Term Liabilities	6	36,500	42,239
Long Term Provisions	7	12,518	9,871
		735,878	929,468
<b>Current Liabilities</b>			
Short Term Borrowings	8	195,259	209,417
Trade Payables	9	475,245	374,481
Other Current Liabilities	10	492,813	448,470
Short Term Provisions	11	10,513	7,994
		1,173,830	1,040,362
<b>TOTAL</b>		<b>1,875,455</b>	<b>2,087,916</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	1,074,311	1,359,513
Intangible Assets	13	3,393	18,732
Capital Work-In-Progress	12	-	207
		1,077,704	1,378,452
<b>Non-Current Investments</b>	14	164,601	164,596
<b>Long Term Loans and Advances</b>	15	228,137	210,850
		392,738	375,446
<b>Current Assets</b>			
Inventories	16	78,667	77,835
Trade Receivables	17	118,458	126,644
Cash and Bank Balances	18	83,707	49,788
Short Term Loans and Advances	19	124,181	79,751
		405,013	334,018
<b>TOTAL</b>		<b>1,875,455</b>	<b>2,087,916</b>
The accompanying notes are an integral part of the Financial Statements	1		

As per our attached report of even date

For **DELOITTE HASKINS & SELLS** For **CHATURVEDI & SHAH**  
Chartered Accountants Chartered Accountants

**R. D. Kamat**  
Partner

**C. D. Lala**  
Partner

On behalf of Board of Directors

**Naresh Goyal**

Chairman

**Aman Mehta**  
**Victoriano P. Dungca**  
**Javed Akhtar**  
**I. M. Kadri**

Directors

**Gaurang Shetty**  
**Arun Kanakal**

Director & Manager  
Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai





## Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2013

(₹ in lakhs)			
Particulars	Note No.	For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
<b>Income</b>			
Revenue from Operations	20	<b>1,685,259</b>	1,481,591
Other Income	21	<b>55,058</b>	35,717
<b>Total Revenue</b>		<b>1,740,317</b>	1,517,308
<b>Expenses</b>			
Aircraft Fuel Expenses		<b>699,200</b>	663,067
Employee Benefit Expenses	22	<b>154,424</b>	159,949
Selling and Distribution Expenses	23	<b>135,856</b>	136,167
Aircraft Lease Rentals		<b>123,210</b>	90,600
Depreciation and Amortization	24	<b>92,657</b>	93,988
Finance Cost	25	<b>111,898</b>	97,123
Other Expenses	26	<b>482,276</b>	409,266
<b>Total Expenses</b>		<b>1,799,521</b>	1,650,160
<b>(Loss) before Exceptional Items and Tax</b>		<b>(59,204)</b>	(132,852)
Exceptional Items (Net)	27	<b>10,654</b>	7,319
<b>(Loss) Before Tax</b>		<b>(48,550)</b>	(125,533)
Tax Expense			
- Current Tax		-	-
- Deferred Tax		-	(3,363)
- MAT Credit Reversal		-	2,062
- (Excess) Tax Provisions (net) for Earlier Years		-	(622)
<b>(Loss) for the year</b>		<b>(48,550)</b>	(123,610)
Earnings Per Equity Share : (Face Value ₹ 10 per share)			
Basic and Diluted (in ₹)	28	<b>(56.23)</b>	(143.18)
The accompanying notes are an integral part of the Financial Statements	1		

As per our attached report of even date

**For DELOITTE HASKINS & SELLS** For **CHATURVEDI & SHAH**  
Chartered Accountants Chartered Accountants

**R. D. Kamat**  
Partner

**C. D. Lala**  
Partner

On behalf of Board of Directors

**Naresh Goyal**

Chairman

**Aman Mehta**  
**Victoriano P. Dungca**  
**Javed Akhtar**  
**I. M. Kadri**

Directors

**Gaurang Shetty**  
**Arun Kanakal**

Director & Manager  
Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai



## Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2013

Particulars	Note No.	(₹ in lakhs)	
		For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
<b>Cash flow from Operating Activities :</b>			
Net (Loss) Before Tax		<b>(48,550)</b>	(125,533)
Adjustment for :			
Depreciation and Amortization	24	<b>92,657</b>	93,988
Marked to Market - Derivatives (Gain)		<b>(2,834)</b>	(1,384)
Contribution Receivable from Lessors	27	-	(11,866)
Provision for Stock Obsolescence		<b>4,793</b>	4,906
Profit on Sale of Fixed Assets (Net)		<b>(33,422)</b>	(7,418)
Loss on Scrapping of Fixed Assets		<b>438</b>	317
Profit on Sale of Investments / Dividend on Current Investments		-	(16)
Finance Cost	25	<b>111,898</b>	97,123
Interest on Income Tax Refund		-	(513)
Interest on Bank and Other Deposits		<b>(5,255)</b>	(3,610)
Excess Provision No Longer Required		<b>(5,755)</b>	(4,036)
Provision for Doubtful Debts No Longer Required Written Back		<b>(512)</b>	(113)
Provision for Compensated Absences and Gratuity	22	<b>3,205</b>	1,860
Exchange Difference on Translation (Net)		<b>5,504</b>	5,931
Provision for Doubtful Debts		<b>2,108</b>	1,157
Provision for Doubtful Deposit		<b>319</b>	-
Bad Debts Written Off		<b>136</b>	78
Provision for Wealth Tax		<b>12</b>	12
Inventory Scrapped during the year		<b>1,219</b>	2,494
<b>Operating Profit Before Working Capital Changes</b>		<b>125,961</b>	53,377
Adjustment for :			
Inventories		<b>(6,844)</b>	(14,117)
Trade Receivables		<b>4,555</b>	(30,527)
Loans and Advances		<b>(58,001)</b>	18,216
Trade Payables		<b>121,222</b>	200,195
<b>Cash Generated from Operations</b>		<b>186,893</b>	227,144
Direct Taxes Paid (Net of refund)		<b>(2,989)</b>	(3,083)
<b>Net Cash from Operating Activities</b>		<b>183,904</b>	224,061
<b>Cash Flow from Investing Activities :</b>			
Purchase of Fixed Assets (including Capital Work-in-Progress)		<b>(20,770)</b>	(6,594)
Proceeds from Sale of Fixed Assets		<b>209,893</b>	22,948



## Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

(₹ in lakhs)			
Particulars	Note No.	For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
Purchase of Non-Current Investment		(5)	-
Purchase of Current Investments		-	(19,000)
Sale of Current Investments		-	27,018
Changes in Fixed Deposits with Banks (Refer note 2 below)		(25,459)	1,699
Interest Received on Bank and Other Deposits		4,065	3,272
<b>Net Cash Flow from Investing Activities</b>		<b>167,724</b>	<b>29,343</b>
<b>Cash Flow from Financing Activities</b>			
Net (Decrease) / Increase in Short Term Loans		(14,158)	4,143
Proceeds from Long Term Loans during the year		58,903	50,000
Repayment of Long Term Loans during the year		(287,092)	(219,179)
Finance Cost		(102,005)	(95,990)
Unclaimed Dividend paid		(3)	-
<b>Net Cash used for Financing Activities</b>		<b>(344,355)</b>	<b>(261,026)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>7,273</b>	<b>(7,622)</b>
Cash and Cash Equivalents at the beginning of the year (Refer note 1 below)	18	6,939	14,561
Cash and Cash Equivalents at end of the year (Refer note 1 below)	18	14,212	6,939

### Notes :

- 1) Cash and Cash Equivalents for the year ended 31<sup>st</sup> March, 2013 includes Unrealized Gain (net) of ₹ 3,148 lakhs (Previous Year ₹ 2,244 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 aggregating to ₹ 67,345 lakhs (Previous Year ₹ 41,886 lakhs) are not included in Cash and Cash Equivalents.

### As per our attached report of even date

**For DELOITTE HASKINS & SELLS** For **CHATURVEDI & SHAH**  
Chartered Accountants Chartered Accountants

**R. D. Kamat**  
Partner

**C. D. Lala**  
Partner

### On behalf of Board of Directors

**Naresh Goyal** Chairman

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

**Gaurang Shetty** Director & Manager  
**Arun Kanakal** Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

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

#### B. USE OF ESTIMATES :

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

#### C. 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.

#### 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 the 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 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 the 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. However, any impairment loss on a revalued asset is recognized directly against the revaluation surplus held for the asset to the extent that the impairment loss does not exceed the amount held in revaluation surplus for the same asset. 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 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.
- 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) under reserves and surplus and amortized in the Statement of Profit and Loss over the balance term of the long term monetary item.
- 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 Realizable Value (NRV), whichever is lower. Cost of inventories comprises of all costs of purchase and other incidental costs 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 REPAIR COSTS :

Aircraft Maintenance, Auxiliary Power Unit (APU), 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### P. SHARE ISSUE EXPENSES :

Issue Expenses are adjusted against the Securities Premium Account.

### Q. SALE AND LEASE BACK TRANSACTIONS :

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.

## 2. SHARE CAPITAL

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Authorised</b>		
180,000,000 Equity Shares of ₹ 10/- each	<b>18,000</b>	18,000
(Previous Year 180,000,000 Equity Shares of ₹ 10/- each)		
20,000,000 Preference Shares of ₹ 10/- each	<b>2,000</b>	2,000
(Previous Year 20,000,000 Preference Shares of ₹ 10/- each)		
	<b>20,000</b>	20,000
<b>Issued, Subscribed and Paid Up :</b>		
86,334,011 Equity Shares : Face value of ₹ 10/- each fully paid up	<b>8,633</b>	8,633
(Previous Year 86,334,011 Equity Shares of ₹ 10/- each fully paid up)		
<b>TOTAL</b>	<b>8,633</b>	8,633

### a. Reconciliation of Number of Shares

Particulars	As at 31 <sup>st</sup> March,			
	2013		2012	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity Shares : Face value of ₹ 10/- each				
As at the beginning of the year	<b>86,334,011</b>	<b>8,633</b>	86,334,011	8,633
As at the end of the year	<b>86,334,011</b>	<b>8,633</b>	86,334,011	8,633



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

<b>b. Shareholders holding more than 5% of equity share capital and shares held by Holding / Ultimate Holding Company</b>				
Name of the Shareholder	As at 31 <sup>st</sup> March,			
	2013		2012	
	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%
<b>c. Terms / Rights attached to Equity Shares</b>				
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.				

### 3. RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Capital Reserve</b> (Refer note 14)		
As per last Balance Sheet	89	*
Add : Depository Certificates / Shares received free of cost (# ₹ 347)	#	89
(* ₹ 15,593)	89	89
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	5,558	5,558
<b>Securities Premium Account</b>		
As per last Balance Sheet	141,418	141,418
<b>Revaluation Reserve</b>		
As per last Balance Sheet	172,031	176,764
Less : Adjustment / Reversal during the year on sale, sale and lease back of aircraft	(21,696)	-
Less : Adjustment / Reversal during the year on reassessment of value of Leasehold Land (Refer note 12)	(83,004)	-
Less : Depreciation for the year on amount added on Revaluation transferred to the Statement of Profit and Loss	(3,534)	(4,733)
	63,797	172,031
<b>Foreign Currency Monetary Item Translation Difference Account (Deficit) in Statement of Profit and Loss</b>	(9,649)	(14,094)
As per last Balance Sheet	(195,549)	(71,939)
Add : (Loss) for the year	(48,550)	(123,610)
	(244,099)	(195,549)
<b>TOTAL</b>	<b>(42,886)</b>	<b>109,453</b>





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 4. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,			
	2013		2012	
	Current	Non-Current	Current	Non-Current
<b>Secured Loans / Borrowings :</b>				
<b>Term Loans</b>				
<b>From Banks</b>				
Rupee Term Loan (Refer note (a) below)	24,172	27,907	20,004	24,993
Foreign Currency Term Loans (refer note (a) and (b) below)	89,010	35,806	68,004	93,010
<b>From Others</b>				
Rupee Term Loan (Refer note (c) below)	20,200	-	21,667	10,833
Foreign Currency Term Loan (refer note (d) below)	-	40,954	-	38,382
<b>Unsecured Loans :</b>				
Rupee Term Loan	4,120	-	-	-
Long Term Maturities of Finance Lease Obligations (Refer note (e) below)	105,274	582,193	115,411	710,140
<b>TOTAL</b>	<b>242,776</b>	<b>686,860</b>	<b>225,086</b>	<b>877,358</b>

#### Security and Salient Terms :

- a. Rupee Term Loan of ₹ 52,079 lakhs (Previous Year ₹ 44,997 lakhs) and Foreign Currency Term Loan ₹ 55,469 lakhs (Previous Year ₹ 79,437 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.

Of the above, charge for a Rupee Term Loan amounting to ₹ 14,950 lakhs is pending creation.

An installment of Foreign Currency Term Loan amounting to ₹ 941 lakhs due for repayment on 31<sup>st</sup> March, 2013 has since been discharged but after seeking appropriate extension of time from the Bank. The same has been discharged within the stipulated extension of time and before the adoption of accounts by the Board of Directors.

Interest rates are linked to respective Banks' Prime Lending Rate / Base Rate / LIBOR plus Margin and are repayable in installments starting from May, 2011 and ending in February, 2017.

- b. Foreign Currency Term Loans of ₹ 69,347 lakhs (Previous Year ₹ 81,577 lakhs) are secured by way of a pari-passu charge on all the current and future international credit card realizations, as per the Merchant establishment agreement, received into the Trust and Retention Account (Debt Service Reserve Account), maintained with the Banks together with First mortgage charge on the four flight simulators and on the land located at Vadgaon, Pune and at Pali, Raigad.

Interest rates are linked to LIBOR plus Margin and are repayable in instalments starting from September, 2010 and ending in June, 2015.

- c. Rupee Term Loan from a Financial Institution of ₹ 20,200 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 together with a negative lien on one of the Boeing Narrow body aircraft.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

Interest rate is linked to Institutions Benchmark Rate plus Margin and is repayable in quarterly instalments by September 2013. There is a continuing default in repayment of instalments amounting to ₹ 9,371 lakhs and interest thereon amounting to ₹ 218 lakhs.

- d. Foreign Currency Term Loan from a financial institution of ₹ 40,954 lakhs (Previous Year ₹ 38,382 lakhs) 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. The aforesaid charge is pending creation.

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

- e. (i) Finance Lease obligation for six aircraft are secured by Corporate Guarantee given by the Subsidiary Company of ₹ 386,721 lakhs equivalent USD 7,124 lakhs (Previous Year ₹ 362,429 lakhs equivalent USD 7,124 lakhs).
- (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 31 <sup>st</sup> March,	
	2013	2012
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	75,451	104,978
<b>Deferred Tax Asset</b>		
Other Disallowances under Income Tax Act	5,188	5,609
Unabsorbed Depreciation / Business Loss (Refer note below)	70,263	99,369
<b>Net Deferred Tax Liability at the end of the year</b>	-	-

#### Note :

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.

### 6. OTHER LONG TERM LIABILITIES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Deposit / Advance from Customers / Developer (Refer note below)	36,500	42,239
<b>TOTAL</b>	<b>36,500</b>	<b>42,239</b>

#### Note :

During the previous 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 received a sum of ₹ 50,000 lakhs which included an advance of ₹ 36,500 lakhs, disclosed as 'Other Long Term Liabilities' above and the balance towards :

- a) Reimbursement of expenses which were charged to the Statement of the Profit and Loss in the earlier years amounting to ₹ 10,286 lakhs. The same was credited to the Statement of Profit and Loss during the previous year, included in 'Other Non-Operating Income' under 'Other Income'. (Refer note 21).
- b) Reimbursement of certain cost incurred on such land and carried as Capital Work-in-Progress amounting to ₹ 3,214 lakhs.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 7. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,			
	2013		2012	
	Current	Non-Current	Current	Non-Current
<b>a) Provision for Employee Benefits (Refer note 33)</b>				
Provision for Gratuity	431	6,372	405	5,118
Provision for Compensated Absences	599	2,742	655	2,286
<b>b) Other Provisions</b>				
Redelivery of Aircraft	926	3,404	2,003	2,467
<b>TOTAL</b>	<b>1,956</b>	<b>12,518</b>	<b>3,063</b>	<b>9,871</b>

#### 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	For the Year	
	2012-13	2011-12
<b>Opening Balance</b>	<b>4,470</b>	3,199
Add : Additional Provisions during the year*	<b>1,073</b>	1,271
Less : Amounts used during the year	<b>(1,213)</b>	-
Less : Unused amounts reversed during the year	-	-
<b>Closing Balance</b>	<b>4,330</b>	<b>4,470</b>

\* Additions include adjustment of ₹ 98 lakhs (Previous Year ₹ 423 lakhs) on account of exchange fluctuation loss / (gain) consequent to restatement of liabilities denominated in foreign currency.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

Year	2013		2012	
	No. of Aircraft	Amount (₹ in lakhs)	No. of Aircraft	Amount (₹ in lakhs)
2012-13	-	-	17	2,003
2013-14	8	926	3	311
2014-15	4	445	4	372
2015-16	15	1,505	15	1,190
2016-17	3	459	1	132
2017-18	3	200	3	131
2018-19	1	65	1	46
2019-20	2	111	2	74
2020-21	20	468	12	186
2021-22	6	93	4	25
2022-23	10	58	-	-
<b>Total</b>	<b>72</b>	<b>4,330</b>	<b>62</b>	<b>4,470</b>

### 8. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Secured :</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks</b>		
Rupee Loans (Refer note (a) (b) (c) & (f) below)	115,984	94,617
Foreign Currency Loans (Refer note (a) (b) & (f) below)	61,930	56,284
<b>From Others</b>		
Rupee Loans (Refer note (d) & (f) below)	-	25,000
Buyers Credit (Refer note (e) & (f) below)	10,425	9,770
<b>Unsecured :</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks</b>		
Rupee Loans (Refer note (f) below)	4,400	9,944
Foreign Currency Loans (Refer note (f) below)	2,520	13,802
<b>TOTAL</b>	<b>195,259</b>	<b>209,417</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### Security and Salient Terms :

- a) Loans aggregating to ₹ 163,352 lakhs (Previous Year ₹ 150,901 lakhs) are secured by way of hypothecation of Inventories (excluding Aircraft fuel), Debtors / receivable (excluding credit card receivables, receivables from aircraft subleased and claim receivables from aircraft lessors), Ground Support Vehicles / Equipment (excluding trucks, jeeps and other motor vehicles), Spares (including engines), Data Processing Equipment and other current assets and a subservient charge on the aircraft owned by the Company either on hire purchase / finance lease. The Company to escrow the entire IATA collection with the lead bank for facilitating interest servicing and regularisation in case of any irregularity. The Company has committed to infuse equity capital by 31<sup>st</sup> May, 2013 failing which the Chairman of the Company will have to furnish his personal guarantee.

Of the above, charge for a Rupee Term loan amounting to ₹ 5,000 lakhs is pending creation.

- b) (i) Foreign Currency Loans amounting to ₹ 4,460 lakhs (Previous Year ₹ Nil lakhs) and Rupee Loan amounting to ₹ 3,600 lakhs (Previous Year ₹ Nil lakhs) are secured by a second charge on five of its Boeing wide body aircraft. Further, the same is also secured by a charge on the profits of the Company after deduction of taxes, dividends, repayment Instalment, payment under any guarantees and / or any other dues payable and Escrow of the Thai lease rentals upto November, 2013.
- (ii) Rupee Loan of ₹ 3,000 lakhs (Previous Year Nil lakhs) is secured by a third pari passu charge on four of its Boeing wide body aircraft and a second pari-passu charge on one Boeing wide body aircraft. Of these, the second pari-passu charge is pending creation.
- c) Rupee loan of ₹ 3,502 lakhs (Previous Year Nil lakhs) is secured by way of a second charge on two Boeing narrow body aircraft which is pending creation.
- d) Rupee Loan of ₹ Nil lakhs (Previous Year ₹ 25,000 lakhs) was secured by an undertaking from the Company to remit the balance sale proceeds from sale and lease back of four (4) Aircraft.
- e) Buyer's credit of ₹ 10,425 lakhs (Previous Year ₹ 9,770 lakhs) is secured by exclusive charge over two New CFM Engines and Quick Engine Change kits.
- f) The rates of interest for the loans listed in (a) to (e) above ranges from 180 base points to 850 base points over LIBOR plus Margin for Foreign Currency Loans and 12 % to 15 % for Rupee Loans.

### 9. TRADE PAYABLES

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Trade Payables</b>		
Total outstanding dues to Micro and Small Enterprises	406	116
Others for Goods and Services	474,839	374,365
<b>TOTAL</b>	<b>475,245</b>	<b>374,481</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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 is given below :

(₹ in lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March,	
		2013	2012
A.	Principal amount remaining unpaid as on 31 <sup>st</sup> March	406	116
B.	Interest due thereon as on 31 <sup>st</sup> 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 31 <sup>st</sup> 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	-	-

### 10. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Current Maturities of Long Term Loans (Refer note 4)	137,502	109,675
Current Maturities of Finance Lease Obligation (Refer note 35)	105,274	115,411
Interest Accrued but Not Due on Loans / Borrowings	5,106	3,887
Forward Sales (Net) [Passenger / Cargo]	187,155	195,783
Income Received in Advance from Sub Lease	2,299	2,155
Unclaimed Dividend *	9	12
Balance with Banks - Overdrawn as per Books	10,695	2,183
Statutory Dues Payable	14,247	9,425
Airport Dues Payable	10,641	5,577
Deposit / Advance From Customer / Vendors	19,252	3,810
Other Payables	633	552
<b>TOTAL</b>	<b>492,813</b>	<b>448,470</b>

#### \* 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 31<sup>st</sup> March, 2013, the Company had deposited ₹ 3 lakhs (Previous Year ₹ Nil lakhs) to the Investor Education and Protection Fund towards Unclaimed Dividend.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 11. SHORT TERM PROVISIONS

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
<b>a) Provision for Employee Benefits (Refer note 33)</b>		
Gratuity	431	405
Compensated Absences	599	655
<b>b) Others</b>		
Wealth Tax (net of advance payment of tax)	17	14
Income Tax (net of advance payment of tax)	267	267
Redelivery of Aircraft (Refer note 7)	926	2,003
Frequent Flyer Programme	8,196	4,564
Provision for Aircraft Maintenance	77	86
<b>TOTAL</b>	<b>10,513</b>	<b>7,994</b>

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.

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 :

Particulars	(₹ in lakhs)	
	For the Year	
	2012-13	2011-12
Opening Balance	4,564	5,081
Add : Additional provision during the year	3,778	669
Less : Amounts used during the year	(147)	(753)
Less : Unused amounts reversed during the year	1	(433)
<b>Closing Balance</b>	<b>8,196</b>	<b>4,564</b>



**Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)****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 provisions made in the earlier years until AS-29 became effective for such costs are as under :

Particulars	(₹ in lakhs)	
	For the Year	
	2012-13	2011-12
Opening Balance	86	157
Add / (Less) : Adjustments during the year *	5	19
Less : Amounts used during the year	-	(90)
Less : Unused amounts reversed during the year	(14)	-
<b>Closing Balance</b>	<b>77</b>	<b>86</b>

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





# Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

## 12. TANGIBLE ASSETS

Nature of Asset	Gross Block (At Cost / Valuation)				Depreciation		Impairment	Net Block	
	As at 1 <sup>st</sup> April, 2012	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 <sup>st</sup> March, 2013	As at 1 <sup>st</sup> April, 2012	For the year		As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Owned Tangible Assets</b>									
Freehold Land	11	21	-	32	-	-	-	32	11
Plant and Machinery	766	-	-	766	206	36	-	524	560
Furniture and Fixtures	3,674	134	369	3,439	1,718	220	-	1,749	1,956
Electrical Fittings	2,671	36	237	2,470	827	126	-	1,650	1,844
Data Processing Equipment	8,802	303	774	8,331	7,226	606	-	1,264	1,576
Office Equipment	4,846	38	370	4,514	1,878	225	-	2,640	2,968
Ground Support Equipment	7,233	242	382	7,093	2,884	346	-	4,106	4,349
Vehicles	753	25	201	577	389	55	-	261	364
Ground Support Vehicles	7,486	165	362	7,289	4,443	676	-	2,523	3,043
Simulators	22,187	-	-	22,187	7,696	1,245	-	13,246	14,491
<b>Leased Assets</b>									
Leasehold Land	193,001	-	-	193,001	10,256	2,458	83,004	97,283	182,745
Aircraft and Spare	516,477	20,145	322,797	213,825	201,174	20,520	-	130,283	315,303
Engines (Narrow Body)									
Aircraft and Spare	1,078,781	44,812	-	1,123,593	252,791	64,513	-	806,289	825,990
Engines (Wide Body)									
Improvement on Leased Aircraft	17,431	9,194	10,037	16,588	13,409	1,597	-	11,619	4,022
Improvement on Leased Property	4,721	1,445	-	6,166	4,430	894	-	842	291
<b>TOTAL</b>	<b>1,868,840</b>	<b>76,560</b>	<b>335,529</b>	<b>1,609,871</b>	<b>509,327</b>	<b>93,517</b>	<b>83,004</b>	<b>1,074,311</b>	<b>1,359,513</b>
<b>Previous Year Capital Work-In-Progress</b>	<b>1,763,171</b>	<b>127,798</b>	<b>22,129</b>	<b>1,868,840</b>	<b>418,714</b>	<b>96,895</b>	<b>-</b>	<b>1,359,513</b>	<b>207</b>

- 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 ₹ 55,049 lakhs [Net loss] (Previous Year ₹ 110,567 lakhs (Net Loss)) on account of Exchange Loss / (Gain) (Refer note 30).
- 3) Details of Revaluation
  - i. Leasehold Land taken from MMRDA situated at Bandra Kurla Complex was revalued on 31<sup>st</sup> March, 2008 with reference to the then current market prices; amount added on revaluation was ₹ 148,119 lakhs and the revalued amount substituted for historical cost was ₹ 184,500 lakhs. Pursuant to signing of the development agreement for the said plot, the Company as at the year end has reassessed the value of the Land together with its entitled share of the building based on the project cost estimated by Godrej Buildcon Private Limited and an impairment loss of ₹ 83,004 lakhs has been adjusted against the revaluation reserve as on 31<sup>st</sup> March, 2013.
  - ii. Narrow Body Aircraft were revalued on 31<sup>st</sup> 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 31<sup>st</sup> March, 2008 was ₹ 346,396 lakhs. Revalued amount as on 31<sup>st</sup> March, 2013 was ₹ 8,138 lakhs (Previous Year ₹ 31,477 lakhs).



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 13. Intangible Assets

Nature of Asset	Gross Block			Amortization		Net Block	
	As at 1 <sup>st</sup> April, 2012	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 <sup>st</sup> March, 2013	For the year	Deductions/ Adjustments during the year	As at 31 <sup>st</sup> March, 2013
Software	8,731	699	-	9,430	1,495	-	3,458
Landing Rights	22,432	-	22,432	-	864	9,068	14,228
Trademarks	3,146	-	-	3,146	315	-	1,046
<b>TOTAL</b>	<b>34,309</b>	<b>699</b>	<b>22,432</b>	<b>12,576</b>	<b>2,674</b>	<b>9,068</b>	<b>18,732</b>
<b>Previous Year</b>	<b>30,875</b>	<b>3,434</b>	<b>-</b>	<b>34,309</b>	<b>1,826</b>	<b>-</b>	<b>18,732</b>

(₹ in lakhs)



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 14. NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Long Term Investments</b>		
<b>Trade Investments (Unquoted and at cost)</b>		
6,648 Shares (Previous Year 5,133 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	10	7
49 Shares (Previous Year 48 Shares) in Societe Internationale de Telecommunications Aeronautiques SC (SITA) of Euro 5 each #	*	*
145,276 (Previous Year 145,276) Depository Certificates in SITA Group foundation of USD 1.20 each #	89	89
<b>Other Investments (Unquoted and at cost)</b>		
<b>Investment in Fully Paid Equity Shares of wholly owned Subsidiaries</b>		
- 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 ₹ 20,200 lakhs (Previous Year ₹ 32,500 lakhs) granted by them]		
- 10,000 Shares (Previous Year Nil) of Jet Privilege Private Limited of ₹ 10 each [including 2 Shares held by its nominees (Previous Year Nil)]	1	-
- 10,000 Shares (Previous Year Nil) of Jet Training Academy Private Limited of ₹ 10 each [including 2 Shares held by its nominees (Previous Year Nil)]	1	-
<b>Investment in Fully Paid Preference Shares of wholly owned Subsidiary (unquoted)</b>		
- 290,000,000 Compulsory Fully-convertible Non-cumulative Preference Shares (CFNCP) (Previous Year 290,000,000 Shares) of Jet Lite (India) Limited of ₹ 10 each	29,000	29,000
<b>TOTAL</b>	<b>164,601</b>	<b>164,596</b>

\* ₹ 15,941 (Previous Year ₹ 15,593)

# 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 15. LONG TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Unsecured and Considered Good unless otherwise stated</b>		
Capital Advances	22,766	23,998
Loans and Advances / Deposits to Related Parties	136,012	130,599
Security Deposits with Airport Authorities and Others	14,042	13,355
Advance Tax and Tax Deducted at Source (Net of Provisions for tax)	13,340	10,360
Contribution Receivable from Lessors (Refer note 34)	41,958	32,519
Balances with Customs Authorities	19	19
<b>TOTAL</b>	<b>228,137</b>	<b>210,850</b>

**Note :**

Deposits and Advances include ₹ 2,352 lakhs (Previous Year ₹ 2,360 lakhs) amount placed with private limited companies in which the Company's Director is a Director / Member.

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

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
a) Rotables, Consumable Stores and Tools	102,505	96,981
Less : Provision for Obsolescence / Slow and Non - Moving Items (Refer note 1(m))	(28,411)	(24,351)
	<b>74,094</b>	<b>72,630</b>
b) Fuel	493	499
c) Other Stores Item	4,113	4,739
Less : Provision for Slow and Non-Moving items (Refer note 1(m))	(33)	(33)
	<b>4,080</b>	<b>4,706</b>
<b>TOTAL</b>	<b>78,667</b>	<b>77,835</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 17. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Unsecured</b>		
a) Outstanding for a period exceeding six months from the date they are due for payment :		
Considered Good	7,174	6,100
Considered Doubtful	3,432	2,879
Less : Provision for Doubtful Debts	(3,432)	(2,879)
	<u>7,174</u>	<u>6,100</u>
b) Others		
Considered Good	111,284	120,544
Considered Doubtful	1,020	-
Less : Provision for Doubtful Debts	(1,020)	-
	<u>111,284</u>	<u>120,544</u>
<b>TOTAL</b>	<u><b>118,458</b></u>	<u><b>126,644</b></u>

#### Note :

Debtors include ₹ 7,337 lakhs (Previous Year ₹ 8,199 lakhs) due from private company in which the Company's Director is a Director / Member.

### 18. CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Cash and Cash Equivalents</b>		
Balances with Banks :		
i. In Current Account	14,089	4,640
ii. In Fixed Deposit Account (maturities less than three months)	-	2,166
Cash on Hand	123	133
	<u>14,212</u>	<u>6,939</u>
<b>Other Bank Balances :</b>		
Unpaid Dividend	9	12
Margin Deposits * [Including Interest accrued ₹ 2,141 lakhs (Previous Year ₹ 951 lakhs)]	69,486	42,837
<b>TOTAL</b>	<u><b>83,707</b></u>	<u><b>49,788</b></u>

\* Margin Deposits include a sum of ₹ 6,028 lakhs (Previous Year ₹ 2,963 lakhs) having a maturity of more than 12 months.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 19. SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Unsecured and Considered Good unless otherwise stated</b>		
Security Deposits with Lessors / Vendors		
- Considered Good	17,057	12,369
- Considered Doubtful	446	1,126
Less : Provision for Doubtful Deposits	(446)	(1,126)
	17,057	12,369
Contribution Receivable from Lessors (Refer note 34)	22,226	12,918
Claims Receivable from Lessors / Insurers / Others	35,525	3,594
CENVAT Credit and SFIS Receivable	1,674	4,753
Deposit with Service Tax Department	1	1
Payment to SICCL as per Court Order (Refer note 29 (A) (b) (ix))	11,643	11,643
Advance and Other Receivable from Suppliers	23,367	21,601
Advance and other Receivable from Related Parties	95	-
Prepaid Expenses	11,107	9,772
Others	1,486	3,100
<b>TOTAL</b>	<b>124,181</b>	<b>79,751</b>

#### Note :

Advances and Other Receivable include ₹ 11 lakhs (Previous Year ₹ Nil lakhs) amount placed with private limited companies in which the Company's Director is a Director / Member.

### 20. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
<b>Sale of Services</b>		
Passenger	1,482,740	1,300,286
Less : Service Tax	(45,873)	(42,081)
	1,436,867	1,258,205
Cargo	142,412	133,786
Less : Service Tax	(4,914)	(2,945)
	137,498	130,841
Excess Baggage	13,821	9,139
<b>Other Operating Revenues</b>		
Cancellation Charges	31,496	25,565
Export Incentives	-	4,000
Revenue from Leasing of Aircraft and Engines	50,559	45,212
Provision No Longer Required Written Back	6,267	4,149
Other Revenue	8,751	4,480
<b>TOTAL</b>	<b>1,685,259</b>	<b>1,481,591</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 21. OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Interest Income on Fixed Deposits	5,255	3,610
Interest Income on Income Tax Refund	-	513
Profit on Sale and Lease Back of Aircraft / Engines (net)	5,653	7,609
Profit on Sale and Lease Back of Landing Rights	24,695	-
Profit on sale of Aircraft	3,100	-
Net Gain on Sale of Current Investments	-	16
Other Non-Operating Income (Refer note 6)	16,355	23,969
<b>TOTAL</b>	<b>55,058</b>	<b>35,717</b>

#### Note :

Profit on Sale and Leaseback of Aircraft and Landing Rights during the year ended 31<sup>st</sup> March, 2013 amounting to ₹ 30,348 lakhs (Previous Year ₹ 7,609 lakhs).

### 22. EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Salaries, Wages, Bonus and Allowances	141,093	147,677
Contribution to Provident Fund and Other Funds	3,506	3,528
Provision for Gratuity	1,780	786
Provision for Compensated Absences	1,425	1,074
Staff Welfare Expenses	6,620	6,884
<b>TOTAL</b>	<b>154,424</b>	<b>159,949</b>

### 23. SELLING AND DISTRIBUTION EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Computerized Reservation System Cost	56,930	48,670
Commission	67,028	79,427
Others	11,898	8,070
<b>TOTAL</b>	<b>135,856</b>	<b>136,167</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 24. DEPRECIATION AND AMORTIZATION

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
<b>Depreciation and Amortization</b>		
- On Tangible Assets (Refer note 12)	93,517	96,895
Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve	(3,534)	(4,733)
- On Intangible Assets (Refer note 13)	2,674	1,826
<b>TOTAL</b>	<b>92,657</b>	<b>93,988</b>

### 25. FINANCE COST

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Interest Expense	94,955	88,309
Other Borrowing Cost	16,943	8,814
<b>TOTAL</b>	<b>111,898</b>	<b>97,123</b>





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 26. OTHER EXPENSES

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Aircraft Variable Rentals (Refer note 35)	40,939	26,215
Aircraft Insurance and Other Insurance	7,896	7,471
Landing, Navigation and Other Airport Charges	127,069	122,812
Aircraft Maintenance (including Customs Duty and Freight, where applicable) :		
- Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul (Net)	116,121	76,291
- Lease of Aircraft Spares including Engine	12,608	9,794
- Consumption of Stores and Spares (Net)	12,233	13,401
- Provision for Spares Obsolescence	4,793	4,906
	145,755	104,392
Inflight and Other Pax Amenities	56,199	60,095
Communication Cost	5,503	5,050
Travelling and Subsistence	20,292	22,639
Rent	8,948	9,448
Rates and Taxes	300	242
Repairs and Maintenance :		
- Leased Premises	147	189
- Others	4,152	3,816
	4,299	4,005
Electricity	1,566	1,774
Director's Sitting Fees	9	10
Provision for Bad and Doubtful Debts	2,108	1,157
Provision for Doubtful Deposit	319	-
Bad Debts Written off	136	78
Net loss on Foreign Currency Transaction and Translation	23,177	17,257
Loss on Scrapping of Fixed Assets other than Aircraft Parts	438	317
Loss on Sale of Fixed Assets other than Aircraft (Net)	26	191
Miscellaneous Expenses (including Professional Fees, Audit Fees, Printing and Stationery, Cargo Handling and Bank Charges etc.)	37,297	26,113
<b>TOTAL</b>	<b>482,276</b>	<b>409,266</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### Auditors Remuneration (Net of Service Tax Input Credit)

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
<b>(a) As Audit Fees</b>		
- Statutory audit fees	112	115
- Tax audit fees	5	5
<b>(b) As Advisors or in any other capacity in respect of</b>		
- Taxation Matters	56	55
<b>(c) In any other manner</b>		
- For other services such as quarterly limited reviews, certificates etc.	43	61
<b>(d) For Reimbursement of Expenses</b>	-	1
<b>TOTAL</b>	<b>216</b>	<b>237</b>

### 27. EXCEPTIONAL ITEMS (EXPENSE) / INCOME

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Salary Arrears (Refer Note (a) below)	(15,990)	-
Marked to Market - Derivatives (Refer note 31)	2,834	1,384
Unrealized Exchange (Loss) (Refer note (b) below and note 30)	(5,504)	(5,931)
Contribution Receivable from Lessors (Refer note 34)	-	11,866
Compensation Credit (Refer note (c) below)	29,314	-
<b>TOTAL</b>	<b>10,654</b>	<b>7,319</b>

#### Note :

- During the year, the Company has finalized the salary arrears of various categories of employees with retrospective effect.
- Due to unusual and steep depreciation in the value of the Rupee, the unrealised exchange loss (net) has been considered by the Company to be exceptional in nature. The unrealised exchange Gain / (Loss) refers to the Gain / (Loss) arising out of the restatement of the foreign currency monetary assets and liabilities (other than asset backed borrowings).
- During the year, the Company has received certain Compensation for delayed delivery of Aircraft from one of the Aircraft manufacturers.

### 28. EARNINGS PER SHARE (EPS)

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
(Loss) After Tax for the Year	(48,550)	(123,610)
(Loss) Attributable to Equity Share Holders <b>(A)</b>	(48,550)	(123,610)
Weighted Average Number of Equity Shares for Basic and Diluted EPS [Nos.] <b>(B)</b>	86,334,011	86,334,011
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted EPS ₹ <b>(A/B)</b>	<b>(56.23)</b>	<b>(143.18)</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 29. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

#### A. Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>(a) Guarantees :</b>		
i. Letters of Credit Outstanding	175,989	132,530
ii. Bank Guarantees Outstanding	123,562	113,112
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	56,127	53,598
- Outstanding Amounts against the Guarantee	55,550	53,074
<b>(b) Claims against the Company not acknowledged as debt (Refer note below) :</b>		
i. Service Tax Demands in Appeals	161,325	141,359
ii. Fringe Benefit Tax Demands in Appeals	8,941	8,945
iii. Pending Civil and Consumer Suits	6,716	4,180
iv. Inland Air Travel Tax Demands under Appeal	426	426
Amount deposited with the Authorities for the above Demands	105	105
v. Octroi	2,899	Nil
vi. Customs	621	143
vii. Income Tax Demands in Appeals	29,157	29,937

viii. The Company has provided security by way of a mortgage on its 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 (excluding built up area of 75,000 square feet) for the aforesaid plot of land against the financial assistance of ₹ 75,000 lakhs (Previous Year ₹ 75,000 lakhs) provided by a financial institution to its developer Godrej Buildcon Private limited.

ix. 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 30<sup>th</sup> 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 4<sup>th</sup> 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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. 17<sup>th</sup> 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 4<sup>th</sup> May, 2011 and 17<sup>th</sup> 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.

Pending adjudication of the matter by the Hon'ble Supreme Court, the interest payment of ₹ 11,643 lakhs effected by the Company on 5<sup>th</sup> 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.

## B. Commitments

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2013	2012
Estimated amount of Contracts remaining to be executed on capital account (net of advances), not provided for	1,500,880	1,407,182
<b>TOTAL</b>	<b>1,500,880</b>	<b>1,407,182</b>

## 30. FOREIGN EXCHANGE DIFFERENCES

Uptill December, 2011, the Company was following the option offered by notification of the Ministry of Corporate Affairs (MCA) dated 31<sup>st</sup> 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. On 29<sup>th</sup> December 2011, the MCA issued a further notification extending the said option under Para 46 and providing additional option under Para 46A amending AS 11. The Company opted to apply the provisions under Para 46A of AS 11 with effect from 1<sup>st</sup> 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 ₹ 9,649 lakhs (Previous Year ₹ 14,094 lakhs) is accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) grouped under reserves and surplus. The amortized portion of foreign exchange loss (net) incurred on long term foreign currency monetary items for the year ended 31<sup>st</sup> March, 2013 is ₹ 5,429 lakhs (Previous Year ₹ 4,006 lakhs). Further, the amount of exchange difference adjusted to the tangible assets during the year is ₹ 55,049 lakhs - net loss (Previous Year ₹ 110,567 lakhs - net loss) and the unamortized balance (carried as a part of tangible asset), as at the year end, aggregates to ₹ 196,393 lakhs (Previous Year ₹ 201,216 lakhs).



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 31. 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 31<sup>st</sup> March, are as under :

Particulars	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	No. of Contracts	Amount	No. of Contracts	Amount
Interest Rate Swaps	2	113,999	2	106,838

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 Policies".

On that basis, the changes in the fair value of the derivative instruments as at 31<sup>st</sup> March, 2013 of ₹ 2,834 lakhs (Previous Year ₹ 1,384 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 uptill the balance sheet date is ₹ 938 lakhs (Previous Year ₹ 3,772 lakhs).

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31<sup>st</sup> March, 2013 are as follows :

Particulars	INR Equivalent (₹ in lakhs)		USD Equivalent (USD in lakhs)	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2013	2012	2013	2012
Current Assets	197,558	131,020	3,639	2,575
Current Liabilities	279,179	196,827	5,143	3,869
Interest Accrued but not due on Loans	4,172	3,450	77	68
Long Term Loans for purchase of Aircraft*	671,589	779,826	12,372	15,328
Other Loans Payable	240,646	279,252	4,433	5,489

\*includes Loans payable after 5 years - ₹ 206,487 lakhs (Previous Year ₹ 293,822 lakhs).

32. 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 interest free loan amounting to ₹ 133,660 lakhs (Previous Year ₹ 128,239 lakhs) as on 31<sup>st</sup> March, 2013. Although the said subsidiary improved its operating revenue over the previous year, the results finally turned out to be negative and the subsidiary company continues to show negative net worth as on 31<sup>st</sup> March, 2013. An external reputed valuer, based on future business plans as approved by the Board of the subsidiary company, has valued the equity interest in the subsidiary, which supports the carrying value of such investment as at the balance sheet date. The Company is committed to support the subsidiary's operations and with the recent announcement of its tie up with a strategic partner pursuant to the announcement of the liberalized FDI policy, it expects to turn it around. Accordingly, the subsidiary's financial statements have been prepared on a "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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 33. 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 ₹ 3,506 lakhs (Previous Year ₹ 3,528 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 :

Particulars	Gratuity (Non-Funded) As at 31 <sup>st</sup> March,	
	2013	2012
<b>Reconciliation in Present Value of Obligations (PVO) - Defined Benefit Obligation</b>		
PVO at the beginning of the year	5,523	5,158
Current Service Cost	508	321
Interest Cost	483	426
Actuarial Loss	789	39
Benefits Paid	(500)	(421)
<b>Closing Balance</b>	<b>6,803</b>	<b>5,523</b>
<b>Net Cost for the Year ended 31<sup>st</sup> March,</b>		
Current Service Cost	508	321
Interest Cost	483	426
Actuarial Loss	789	39
<b>Net Cost</b>	<b>1,780</b>	<b>786</b>
<b>Fair Value of Plan Assets</b>	<b>Nil</b>	<b>Nil</b>
<b>Experience Adjustment</b>		
Plan Liability Loss	369	494
Plan Assets Loss / (Gains)	Nil	Nil
<b>Actuarial Assumptions</b>		
Discount Rate (%)	8.25	8.75
Salary Escalation Rate (%)	5.00	5.00



**Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)**

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

(₹ in lakhs)

Financial Year ended	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Amount	5,158	4,474	4,367

- ii. The fair value of planned assets was for :

(₹ in lakhs)

Financial Year ended	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Amount	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 ended	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Planned Liabilities Loss / (Gain)	245	(412)	*
Plan Assets Loss / (Gain)	Nil	Nil	*

\*Not available in the valuation report for the financial year 2008-09 and 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.

**C. Other Long Term Employee Benefit**

The obligation of Compensated Absences (non-funded) for the year ended 31<sup>st</sup> March, 2013, amounting to ₹ 1,425 lakhs (Previous Year ₹ 1,074 lakhs) has been recognized in the Statement of Profit and Loss, based on actuarial valuation carried out using the Projected Unit Credit Method.

34. 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 for future engine shop visits. Subsequent to such arrangement, the Company expenses out the cost of PBTH at the rate specified in the contract with the service provider to the Statement of Profit and Loss and treats the variable rentals 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, such variable rent of ₹ 64,184 lakhs (Previous Year ₹ 45,437 lakhs) has been presented as "Contribution Receivable from Lessors" bifurcated into current and non-current based on expected engine shop visits in next 12 months and beyond. An amount of ₹ 11,866 lakhs was recognized as recoverable during the previous year against variable rentals of past years accrued up till 31<sup>st</sup> March, 2009 and was disclosed as an exceptional item in the Statement of Profit and Loss.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 35. 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 Minimum Lease Payments		Present Value of Future Minimum Lease Payments		Finance Charges	
	As at 31 <sup>st</sup> March,					
	2013	2012	2013	2012	2013	2012
Not later than one year	124,499	141,984	105,274	115,411	19,225	26,573
Later than one year and not later than five years	420,088	478,838	375,706	416,318	44,382	62,520
Later than five years	212,255	307,180	206,487	293,822	5,768	13,358
TOTAL	756,842	928,002	687,467	825,551	69,375	102,451

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 31<sup>st</sup> March, 2013 are as follows :

#### Commercial Premises and Amenities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Not later than one year	2,728	2,825
Later than one year and not later than five years	658	3,365
Later than five years	-	-
<b>TOTAL</b>	<b>3,386</b>	<b>6,190</b>





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

- b) The Company has taken on operating lease Aircraft and Spare Engines. The future minimum lease payments in respect of which, as at 31<sup>st</sup> March, 2013 are as follows :

### Aircraft and Spare Engines

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Not later than one year	140,727	98,169
Later than one year and not later than five years	451,464	257,888
Later than five years	287,735	133,972
<b>TOTAL</b>	<b>879,926</b>	<b>490,029</b>

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.
  - These leases are non-cancellable.
- c) Details of future minimum lease income in respect of five (5) Aircraft [Previous Year five (5)] given on non-cancellable Dry Lease, as at 31<sup>st</sup> March, 2013 is as follows :

### Aircraft

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Lease Income</b>		
Not later than one year	10,370	34,432
Later than one year and not later than five years	-	9,811
Later than five years	-	-
<b>TOTAL</b>	<b>10,370</b>	<b>44,243</b>

The Salient features of Dry Lease agreements are as under :

- 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 lease agreements.
- The Lessee neither has an option to buyback nor has an option to renew the leases.
- These dry leases are non-cancellable.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

### Details of Leased Assets (Aircraft)

Particulars	(₹ in lakhs)	
	For the year	
	2012-13	2011-12
Cost of Acquisition	382,387	367,671
Accumulated Depreciation	111,209	89,133
Depreciation Debited to Statement of Profit and Loss during the year on the above Leased Assets	22,076	19,907
Variable Lease Rental income recognized during the year on the Leased Assets	11,275	8,843

- d) The lease rental expense of ₹ 186,032 lakhs (Previous Year ₹ 136,437 lakhs) is recognized during the year.

### 36. 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 :

- Domestic (air transportation within India)
- 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March	
	2013	2012
<b>Segment Revenue</b> (Primarily Passenger, Cargo, Excess Baggage and Leasing of Aircraft)		
Domestic	707,910	620,222
International	977,349	861,369
<b>Total</b>	<b>1,685,259</b>	<b>1,481,591</b>
<b>Segment result</b>		
Domestic	366,585	287,789
International	436,822	340,633
<b>Total</b>	<b>803,407</b>	<b>628,422</b>
Less : Finance Cost	111,898	97,123
Less : Depreciation and Amortization	92,657	93,988
Less : Other Un-Allocable Expenses	713,114	605,880
Add : Other Un-Allocable Revenue	55,058	35,717
Add : Exceptional Items (Net)	10,654	7,319
<b>(Loss) Before Tax</b>	<b>(48,550)</b>	<b>(125,533)</b>
Less : Tax (Benefits) / Expenses	-	(1,923)
<b>(Loss) After Tax</b>	<b>(48,550)</b>	<b>(123,610)</b>

### b) Secondary Segment : Business Segment

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

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March	
	2013	2012
<b>i) Segment Revenue from External Customers</b>		
Air Transportation	1,634,700	1,436,379
Leasing of Aircraft	50,559	45,212
<b>Total</b>	<b>1,685,259</b>	<b>1,481,591</b>
<b>ii) Total carrying amount of Segment Assets</b>		
Air Transportation	1,604,277	1,809,378
Leasing of Aircraft	271,178	278,538
<b>Total</b>	<b>1,875,455</b>	<b>2,087,916</b>
<b>iii) Total cost incurred during the period to acquire Segment Assets that are expected to be used for more than one period*</b>		
Air Transportation	22,210	20,665
Leasing of Aircraft	-	-
<b>Total</b>	<b>22,210</b>	<b>20,665</b>

\* Excludes Exchange Gain / (Loss).



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 37. 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	Jet Privilege Private Limited	
4	Jet Airways Training Academy Private Limited	
5	Naresh Goyal	Controlling Shareholder of Holding Company
6	Anita Goyal	Relative of controlling shareholder of Holding Company
7	Nivaan Goyal	
8	Namrata Goyal	
9	Saroj K Datta (upto 29 <sup>th</sup> September, 2011)	Key Managerial Personnel
10	Gaurang Shetty (w.e.f. 24 <sup>th</sup> May, 2012)	
11	Jetair Private Limited	Enterprises over which controlling shareholder of Holding Company and his relatives are able to exercise significant influence directly or indirectly.
12	Jet Airways LLC	
13	Trans Continental e Services Private Limited	
14	Jet Enterprises Private Limited	
15	Jet Airways of India Inc.	
16	India Jetairways Pty Limited	
17	Jet Airways Europe Services N.V.	
18	Jetair Tours Private Limited	
19	Global Travel Solutions Private Limited	

#### Note :

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



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### ii. Transactions during the year ended 31<sup>st</sup> March, 2013 and balances with related parties :

Sr. No.	Nature of Transactions	Holding Company	Subsidiaries Company	Controlling Shareholder of Holding Company	Relative of controlling shareholder of Holding Company	Key Managerial Personnel	Enterprises under significant influence	Total
<b>Transaction during the Year</b>								
A.	Remuneration				145 (132)	51 (211)		196 (343)
B.	Sitting Fees			1 (1)				1 (1)
C.	Agency Commission						8,735 (16,965)	8,735 (16,965)
D.	Rent Paid						247 (252)	247 (252)
E.	Expenses Reimbursed (Staff Costs, Communication Costs, Rent)		3 (Nil)				1,991 (4,829)	1,994 (4,829)
F.	Other Selling and Distribution Cost						2,088 (2,061)	2,088 (2,061)
G.	Deposit Refunded						(8) ((-)216)	(8) ((-)216)
H.	Other Hire Charges		(-)531 ((-)708)					(-)531 ((-)708)
I.	Sale of Engine		(-)1,752 (Nil)					(-)1,752 (Nil)
J.	Rent received						(-)7 ((-)16)	(-)7 ((-)16)
K.	Corporate Guarantee given by Company on behalf of Subsidiary		2,529 (11,432)					2,529 (11,432)
L.	Deposit Repaid / Received						Nil ((-)16)	Nil ((-)16)
M.	Interline Billing (net)		69,202 (92,101)					69,202 (92,101)



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

Sr. No.	Nature of Transactions	Holding Company	Subsidiaries Company	Controlling Shareholder of Holding Company	Relative of controlling shareholder of Holding Company	Key Managerial Personnel	Enterprises under significant influence	Total
N	Software Purchased						<b>Nil</b> (3,050)	<b>Nil</b> (3,050)
O.	Expenses Reimbursement Received						<b>Nil</b> ((-)5)	<b>Nil</b> ((-) 5)
<b>Closing Balance as on 31<sup>st</sup> March, 2013</b>								
A.	Investments in Equity and Preference Shares		<b>164,502</b> (164,500)					<b>164,502</b> (164,500)
B.	Advance and Other Receivable		<b>42</b> (Nil)				<b>53</b> (Nil)	<b>95</b> (Nil)
C.	Deposit for Leased Premises						<b>2,352</b> (2,360)	<b>2,352</b> (2,360)
D.	Loans		<b>133,660</b> (128,239)					<b>133,660</b> (128,239)
E.	Trade Payables						<b>(-)33,686</b> ((-)30,603)	<b>(-)33,686</b> ((-)30,603)
F.	Trade Receivables						<b>7,337</b> (8,199)	<b>7,337</b> (8,199)
G.	Share Capital	<b>6,907 *</b> (6,907) *			<b>0.10</b> (0.10)			<b>6,907</b> (6,907)
H.	Corporate Guarantee given by Company on behalf of Subsidiary Company		<b>55,550</b> (53,074)					<b>55,550</b> (53,074)
I.	Corporate Guarantee given by Subsidiary Company on behalf of the Company		<b>(-)386,721#</b> ((-)362,429)#					<b>(-)386,721</b> ((-)362,429)

(Figures in brackets are for the year ended 31<sup>st</sup> March, 2012)

\* includes ₹ 1 lakh (Previous Year ₹ 1 lakh) of nominee holding.

# Equivalent to USD 7,124 lakhs (Previous Year USD 7,124 lakhs).



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

#### (a) Subsidiary Companies

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March	
	2013	2012
<b>Jet Lite (India) Limited</b>		
Transactions during the year :		
- Other Hire Charges received	(531)	(708)
- Sale of Engine	(1,752)	-
- Corporate Guarantee given by the Company on behalf of the Subsidiary Company	2,529	11,432
- Interline Billing (Net)	69,202	92,101
<b>Closing Balance as on 31<sup>st</sup> March,</b>		
- Interest free Loan (including adjustment on account of Capital Advances)	133,660	128,239
- Investments in Equity and Preference Shares	164,500	164,500
- Corporate Guarantee by Company on behalf of Subsidiary Company*	55,550	53,074
- Corporate Guarantee given by Subsidiary Company on behalf of the Company#	(386,721)	(362,429)
<b>Jet Privilege Private Limited</b>		
- Commission (Expense)	159	Nil
- Reimbursement of Expenses	2	Nil
<b>Closing Balance as on 31<sup>st</sup> March,</b>		
- Advance	41	Nil
<b>Jet Airways Training Academy Private Limited</b>		
- Reimbursement of Expenses	1	Nil
<b>Closing Balance as on 31<sup>st</sup> March,</b>		
- Other receivables	1	Nil

\* Closing Balance of Corporate Guarantee given by Jet Airways (India) Limited represents utilized amount against total guarantee amount of ₹ 56,127 lakhs (Previous Year ₹ 53,598 lakhs).

# Equivalent to USD 7,124 lakhs (Previous Year USD 7,124 lakhs).



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### (b) Remuneration includes remuneration to :

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>(a) Relatives of controlling shareholder of Holding Company</b>		
Anita Goyal	127	118
Namrata Goyal	10	8
Nivaan Goyal	8	6
<b>(b) Directors</b>		
Gaurang Shetty	51	Nil
Saroj K. Datta #	Nil	211

# Ceased to be a Director w.e.f. 30<sup>th</sup> September, 2011

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

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>Jetair Private Limited</b>		
<b>Transactions during the Year</b>		
- Agency Commission	2,584	2,978
- Rent Paid (including Service Tax)	180	186
- Expenses Reimbursed (Staff Costs, Communication Costs etc.)	342	3,122
- Rent Received	(7)	(16)
- Other Expense Recovery	Nil	(5)
- Deposit Repaid / (Received)	Nil	16
- Deposit Refunded (Given Earlier)	(8)	(216)
Closing Balance as on 31 <sup>st</sup> March,		
- Deposits for Leased Premises	152	160
- Trade Receivables	7,337	8,198
- Trade Payables	666	603





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>Jet Airways LLC</b>		
<b>Transactions During the Year :</b>		
- Agency Commission	4,243	11,645
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	615	553
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	29,257	22,233
<b>Trans Continental e Services Private Limited</b>		
Transactions During the Year :		
- Other Selling and Distribution Cost	2,088	2,061
- Expenses Reimbursed	61	Nil
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	Nil	132
- Advance	42	Nil
<b>Jet Enterprises Private Limited</b>		
<b>Transactions During the Year :</b>		
- Rent Paid	67	66
Closing Balance as on 31 <sup>st</sup> March,		
- Deposits for Leased Premises	2,200	2,200
- Advance	11	Nil
<b>Jet Airways of India Inc.</b>		
<b>Transactions During the Year :</b>		
- Agency Commission	1,908	2,342
- Reimbursement of Expenses (Staff Costs, Insurance Rent etc.)	971	1,141
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	3,148	4,828



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>India Jetairways Pty Limited</b>		
<b>Transactions During the Year :</b>		
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	2	13
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	1	3
<b>Jetair Tours Private Limited</b>		
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Receivables	Nil	1
<b>Global Travel Solutions Private Limited</b>		
<b>Transactions During the Year :</b>		
- Software Purchased	Nil	3,050
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	555	2,745
<b>Jet Airways Europe Services N.V.</b>		
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	59	59



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 38. ADDITIONAL DISCLOSURES

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

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March	
	2013	2012
<b>C.I.F. Value of Imports :</b>		
Components and Spares	25,212	35,252
Capital Goods	19,581	15,685
<b>TOTAL</b>	<b>44,793</b>	<b>50,937</b>
<b>Earnings in Foreign Currency :</b>		
Passenger and Cargo Revenue*	718,293	628,440
Interest on Bank Account (# ₹ 36,427)	#	34
Leasing Operations	48,432	45,212
Other Income	2,602	1,615
<b>TOTAL</b>	<b>769,327</b>	<b>675,301</b>
*Including Fuel Surcharge of ₹ 193,104 lakhs (Previous Year ₹ 157,795 lakhs)		
<b>Expenditure in Foreign Currency :</b>		
Employee Remuneration and Benefits	9,894	10,790
Aircraft Fuel Expenses	225,151	220,024
Selling and Distribution Expenses	92,870	97,477
Other Operating Expenses	288,245	223,441
Aircraft Lease Rentals	123,210	90,600
Finance Cost	60,882	47,407
<b>TOTAL</b>	<b>800,252</b>	<b>689,739</b>

#### B. Value of Components and Spare Parts Consumed

	2012-2013		2011-2012	
	₹ in lakhs	%	₹ in lakhs	%
- Imported	11,835	96.75	11,451	85.45
- Indigenous	398	3.25	1,950	14.55
<b>TOTAL</b>	<b>12,233</b>	<b>100.00</b>	<b>13,401</b>	<b>100.00</b>

39. 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 major Subsidiary resulting in substantial erosion of the net worth. With the recent announcement of a tie up with a strategic partner, the Management is optimistic of improving the operating cash flows through equity infusion, network synergy, expanded code sharing, cost synergies, leasing out Aircraft, exploring avenues of enhancing ancillary revenues etc. These measures are expected to result in sustainable cash flows and accordingly the financial statement continue to be presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 40. PREVIOUS YEARS FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / presentation.

#### As per our attached report of even date

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**R. D. Kamat**  
Partner

#### On behalf of Board of Directors

**For CHATURVEDI & SHAH**  
Chartered Accountants

**C. D. Lala**  
Partner

**Naresh Goyal** Chairman

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

**Gaurang Shetty** Director & Manager  
**Arun Kanakal** Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013

Place : Mumbai



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

(₹ in lakhs)

Sr. No	Name of Subsidiary Company	Jet Lite (India) Limited	Jet Privilege Private Limited	Jet Airways Training Academy Private Limited
1	Financial year of the subsidiary company ended on	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013
2	Holding Company's Interest :			
	a) Number of Equity Shares of ₹ 10/- each fully paid	506,115,409	10,000	10,000
	b) Extent of holding	100%	100%	100%
	c) Number of Preference Shares	290,000,000	-	-
3	Net aggregate amount of (Loss) / Profit of the Subsidiary, so far as it concerns 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	(29,532)	103	(1)
	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	(125,785)	-	-
	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 the Subsidiary Company for the year ended 31<sup>st</sup> March, 2013, pursuant to the general exemption under Section 212(8) of the Companies Act, 1956.**

(₹ in lakhs)

Sr. No	Name of Subsidiary Company	Jet Lite (India) Limited	Jet Privilege Private Limited	Jet Airways Training Academy Private Limited
1.	Paid up Share Capital	79,612	1	1
2.	Reserves	(250,970)	103	(1)
3.	Total Asset	70,788	201	1
4.	Total Liabilities	70,788	201	1
5.	Investment included in Total Assets	110	Nil	Nil
6.	Turnover	198,797	159	Nil
7.	(Loss) / Profit before Tax	(29,462)	155	(1)
8.	Provision for tax	(70)	52	Nil
9.	(Loss) / Profit after tax	(29,532)	103	(1)
10.	Proposed Dividend	Nil	Nil	Nil



## Independent Auditors' Report

To the Board of Directors of  
Jet Airways (India) Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JET AIRWAYS (INDIA) LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including, Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of one of the joint auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Emphasis of Matter

We draw attention to following notes to the consolidated financial statements :

- (a) Note 29(A)(b)(x) which describes the uncertainty related to the outcome of the continuing litigation with erstwhile shareholders of Jet Lite (India) Limited. During previous year, in terms of the order passed by the Honourable High Court of Bombay disposing off the claim, the Company had discharged ₹ 11,643 lakhs as interest @ 9% p.a. The counterparty's claim contesting this judgment seeking increased compensation and interest was dismissed by the Honourable High Court of Bombay. The Special Leave Petition filed by the parties is pending before the Honourable Supreme Court of India. Based on legal advice and pending final determination, the amount paid to the counter party has not been recognised as interest in the accounts.



## Independent Auditors' Report (contd)

- (b) Note 41(a) regarding no impairment required for Goodwill on Consolidation for the reasons stated therein;
- (c) Note 41(b) regarding preparation of financial statements of the Group on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon implementation of the alliance with Strategic Partner and/or the Group's ability to raise requisite finance/generate cash flows in future to meet its obligations.

Our opinion is not qualified in respect of these matters.

### Other Matter

Financial statements of all the three subsidiary companies, considered in the consolidated financial statements reflects total assets of ₹ 70,990 lakhs as on 31<sup>st</sup> March, 2013 and total revenue of ₹ 201,136 lakhs and net cash inflow of ₹ 113 lakhs for the year ended on that date. These financial statements have been audited by M/s. Chaturvedi & Shah, Chartered Accountants, one of the joint auditors of the Company. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the said auditors.

Our opinion is not qualified in respect of this matter.

### For Deloitte Haskins & Sells

Chartered Accountants  
Registration No. 117366W

R. D. Kamat  
Partner  
Membership No. 36822  
Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

### For Chaturvedi & Shah

Chartered Accountants  
Registration No. 101720W

C. D. Lala  
Partner  
Membership No. 35671



## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013

(₹ in lakhs)			
Particulars	Note No.	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	8,633	8,633
Reserves and Surplus	3	(191,404)	(9,635)
		(182,771)	(1,002)
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	686,860	877,358
Deferred Tax Liability (Net)	5	-	-
Other Long Term Liabilities	6	36,500	42,239
Long Term Provisions	7	15,095	12,208
		7,38,455	931,805
<b>Current Liabilities</b>			
Short Term Borrowings	8	213,080	225,715
Trade Payables	9	542,721	428,540
Other Current Liabilities	10	512,214	460,448
Short Term Provisions	11	11,777	9,411
		1,279,792	1,124,114
<b>TOTAL</b>		<b>1,835,476</b>	<b>2,054,917</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	1,075,532	1,361,154
Intangible Assets	13	3,393	18,732
Capital Work-In-Progress	12	-	207
		1,078,925	1,380,093
Goodwill on Consolidation		187,239	187,239
<b>Non-Current Investments</b>	14	209	206
<b>Long Term Loans and Advances</b>	15	106,374	108,766
		293,822	296,211
<b>Current Assets</b>			
Inventories	16	85,014	85,842
Trade Receivables	17	131,154	135,770
Cash and Bank Balances	18	92,563	57,429
Short Term Loans and Advances	19	153,998	99,572
		462,729	378,613
<b>TOTAL</b>		<b>1,835,476</b>	<b>2,054,917</b>
The accompanying notes are an integral part of the Financial Statements	1		

As per our attached report of even date

For DELOITTE HASKINS & SELLS For CHATURVEDI & SHAH  
Chartered Accountants Chartered Accountants

R. D. Kamat  
Partner

C. D. Lala  
Partner

On behalf of Board of Directors

Naresh Goyal

Chairman

Aman Mehta  
Victoriano P. Dungca  
Javed Akhtar  
I. M. Kadri

Directors

Gaurang Shetty  
Arun Kanakal

Director & Manager  
Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai




## Consolidated Statement of Profit and Loss for the Year Ended 31<sup>st</sup> March, 2013

(₹ in lakhs)			
Particulars	Note No.	For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
<b>Income</b>			
Revenue from Operations	20	<b>1,884,056</b>	1,670,322
Other Income	21	<b>56,864</b>	36,382
<b>Total Revenue</b>		<b>1,940,920</b>	1,706,704
<b>Expenses</b>			
Aircraft Fuel Expenses		<b>804,942</b>	777,634
Employee Benefit Expenses	22	<b>170,333</b>	177,457
Selling and Distribution Expenses	23	<b>149,351</b>	149,620
Aircraft Lease Rentals		<b>152,599</b>	120,499
Depreciation and Amortization	24	<b>92,935</b>	94,462
Finance Cost	25	<b>119,429</b>	100,579
Other Expenses	26	<b>538,801</b>	447,761
<b>Total Expenses</b>		<b>2,028,390</b>	1,868,012
<b>Loss before Exceptional Items and Tax</b>		<b>(87,470)</b>	(161,308)
Exceptional Items (Net)	27	<b>9,612</b>	17,316
<b>Loss Before Tax</b>		<b>(77,858)</b>	(143,992)
Tax Expense			
- Current Tax		<b>52</b>	-
- Deferred Tax		-	(3,363)
- MAT Credit Reversal		-	2,062
- Short / (Excess) Tax Provisions (net) for Earlier Years		<b>70</b>	(678)
(Loss) for the year		<b>(77,980)</b>	(142,013)
Earnings Per Equity Share : (Face Value ₹ 10 per share)			
Basic and Diluted (in ₹)	28	<b>(90.32)</b>	(164.49)
The accompanying notes are an integral part of the Financial Statements	1		

As per our attached report of even date

**For DELOITTE HASKINS & SELLS** For **CHATURVEDI & SHAH**  
Chartered Accountants Chartered Accountants

**R. D. Kamat**  
Partner

**C. D. Lala**  
Partner

On behalf of Board of Directors

**Naresh Goyal**

Chairman

**Aman Mehta**  
**Victoriano P. Dungca**  
**Javed Akhtar**  
**I. M. Kadri**

Directors

**Gaurang Shetty**  
**Arun Kanakal**

Director & Manager  
Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai



## Consolidated Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2013

Particulars	Note No.	(₹ in lakhs)	
		For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
<b>Cash flow from Operating Activities :</b>			
Net (Loss) Before Tax		<b>(77,858)</b>	(143,992)
Adjustment for :			
Depreciation and Amortization	24	<b>92,935</b>	94,462
Marked to Market-Derivatives (Gain)		<b>(2,834)</b>	(1,384)
Contribution Receivable from Lessors	27	-	(20,323)
Provision for Stock Obsolescence		<b>5,417</b>	6,580
Profit on Sale of Fixed Assets (Net)		<b>(33,424)</b>	(7,404)
Loss on Scrapping of Fixed Assets		<b>575</b>	318
Profit on Sale of Investments / Dividend on Current Investments		-	(16)
Finance Cost	25	<b>119,429</b>	100,579
Interest on Income Tax Refund		<b>(901)</b>	(829)
Interest on Bank and Other Deposits		<b>(5,956)</b>	(4,190)
Excess Provision No Longer Required		<b>(7,388)</b>	(5,849)
Provision for Doubtful Debts No Longer Required Written Back		<b>(512)</b>	(113)
Provision for Compensated Absences and Gratuity	22	<b>3,523</b>	2,049
Exchange Difference on Translation (Net)		<b>4,211</b>	4,391
Provision for Doubtful Debts		<b>4,600</b>	1,219
Provision for Doubtful Deposit		<b>319</b>	-
Bad Debts Written Off		<b>137</b>	111
Provision for Wealth Tax		<b>13</b>	13
Inventory Scrapped during the year		<b>1,311</b>	2,822
<b>Operating Profit Before Working Capital Changes</b>		<b>103,597</b>	28,444
Adjustment for :			
Inventories		<b>(5,900)</b>	(12,725)
Trade Receivables		<b>(1,453)</b>	(33,743)
Loans and Advances		<b>(46,480)</b>	4,810
Trade Payables		<b>141,180</b>	219,454
<b>Cash Generated from Operations</b>		<b>190,944</b>	206,240
Direct Taxes (Paid) / Refund (net)		<b>(2,926)</b>	23,078
<b>Net cash from Operating Activities</b>		<b>188,018</b>	229,318
<b>Cash Flow from Investing Activities :</b>			
Purchase of Fixed Assets (Including Capital Work-in-Progress)		<b>(20,773)</b>	(6,607)
Proceeds from Sale of Fixed Assets		<b>209,904</b>	22,972



## Consolidated Cash Flow Statement for the Year Ended 31<sup>st</sup> March, 2013

(₹ in lakhs)			
Particulars	Note No.	For the Year Ended 31 <sup>st</sup> March, 2013	For the Year Ended 31 <sup>st</sup> March, 2012
Purchase of Current Investments		-	(19,000)
Purchase of Non-Current Investments		(3)	-
Sale of Current Investments		-	27,018
Changes in Fixed Deposits with Banks (Refer note 2 below)		(26,378)	2,866
Interest Received on Bank and Other Deposits		4,583	3,712
<b>Net Cash Flow From / (Used in) Investing Activities</b>		<b>167,333</b>	<b>30,961</b>
<b>Cash Flow from Financing Activities</b>			
Net (Decrease) / Increase in Short Term Loans		(12,635)	441
Proceeds from Long Term Loans during the year		58,903	50,000
Repayment of Long Term Loans during the year		(287,092)	(219,179)
Finance Cost		(107,138)	(99,446)
Unclaimed Dividend Paid		(3)	-
<b>Net Cash used for Financing Activities</b>		<b>(347,965)</b>	<b>(268,184)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>7,386</b>	<b>(7,905)</b>
Cash and Cash Equivalents at the beginning of the year (Refer note 1 below)	18	7,151	15,056
Cash and Cash Equivalents at end of the year (Refer note 1 below)	18	14,537	7,151

### Notes :

- 1) Cash and Cash Equivalents for the year ended 31<sup>st</sup> March, 2013 includes unrealized Gain (net) of ₹ 3,148 lakhs (Previous Year ₹ 2,244 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 aggregating to ₹ 75,364 lakhs (Previous Year ₹ 48,986 lakhs) are not included in Cash and Cash Equivalents.

### As per our attached report of even date

**For DELOITTE HASKINS & SELLS** For **CHATURVEDI & SHAH**  
Chartered Accountants Chartered Accountants

**R. D. Kamat**  
Partner

**C. D. Lala**  
Partner

### On behalf of Board of Directors

**Naresh Goyal** Chairman

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

**Gaurang Shetty** Director & Manager  
**Arun Kanakal** Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013

### 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 Subsidiaries viz. Jet Lite (India) Limited, Jet Privilege Private Limited and Jet Airways Training Academy Private 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 Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company, viz. 31<sup>st</sup> March, 2013.
- b) The consolidated financial statements present the consolidated accounts of Jet Airways (India) Limited with the following Subsidiaries :

Name of the Subsidiary Company	Country of Incorporation	Extent of Holding as on 31 <sup>st</sup> March, 2013	Extent of Holding as on 31 <sup>st</sup> March, 2012
Jet Lite (India) Limited	India	100%	100%
Jet Privilege Private Limited (w.e.f. 5 <sup>th</sup> December, 2012)	India	100%	-
Jet Airways Training Academy Private Limited (w.e.f. 14 <sup>th</sup> December, 2012)	India	100%	-

#### B. PRINCIPLES OF CONSOLIDATION :

- a) The financial statements of the Holding Company and its Subsidiary Companies 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 Companies over the Holding Company's portion of the equity of the Subsidiary Companies 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### E. EXPORT INCENTIVE :

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

### F. COMMISSION :

As in the case of revenue, the commission paid / payable on sales including any over-riding commission is 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 the 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 Installments). 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 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. However, any impairment loss on a revalued asset is recognized directly against the revaluation surplus held for the asset to the extent that the impairment loss does not exceed the amount held in revaluation surplus for the same asset. 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.

### L. 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.

### 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 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) under reserves and surplus and amortized in the Statement of Profit and Loss over the balance term of the long term monetary item.
- 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

- 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 Realizable 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), 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.

### **U. PRELIMINARY EXPENSES :**

Preliminary expenses are written off in the period in which they incurred.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 2. SHARE CAPITAL

(₹ in lakhs)

Particulars		As at 31 <sup>st</sup> March,		
		2013	2012	
<b>Authorised</b>				
180,000,000 Equity Shares of ₹ 10/- each		<b>18,000</b>	18,000	
(Previous Year 180,000,000 Equity Shares of ₹ 10/- each)				
20,000,000 Preference Shares of ₹ 10/- each		<b>2,000</b>	2,000	
(Previous Year 20,000,000 Preference Shares of ₹ 10/- each)				
		<b>20,000</b>	20,000	
<b>Issued, Subscribed and Paid Up :</b>				
86,334,011 Equity Shares : Face value of ₹ 10/- each fully paid up		<b>8,633</b>	8,633	
(Previous Year 86,334,011 Equity Shares of ₹ 10/- each fully paid up)				
<b>TOTAL</b>		<b>8,633</b>	8,633	
<b>a. Reconciliation of Number of Shares</b>				
Particulars	As at 31 <sup>st</sup> March,			
	2013		2012	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Equity Shares : Face value of ₹ 10/- each</b>				
As at the beginning of the year	<b>86,334,011</b>	<b>8,633</b>	86,334,011	8,633
As at the end of the year	<b>86,334,011</b>	<b>8,633</b>	86,334,011	8,633
<b>b. Shareholders holding more than 5% of equity share capital and shares held by Holding / Ultimate Holding Company</b>				
Name of the Shareholder	As at 31 <sup>st</sup> March,			
	2013		2012	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Tail Winds Limited (Holding Company) and its nominee	<b>69,067,205</b>	<b>80.00%</b>	69,067,205	80.00%
<b>c. Terms / Rights attached to Equity Shares</b>				
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 to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 3. RESERVES AND SURPLUS

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Capital Reserve</b> (Refer note 14)		
As per last Balance Sheet	199	*
Add : Depository Certificates / Shares received free of cost		
# ₹ 347	#	199
* ₹ 17,924	199	199
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	5,558	5,558
<b>Securities Premium Account</b>		
As per last Balance Sheet	141,418	141,418
<b>Revaluation Reserve</b>		
As per last Balance Sheet	172,031	176,764
Less : Adjustment / Reversal during the year on sale, sale and lease back of aircraft	(21,696)	-
Less : Adjustment / Reversal during the year on reassessment of revaluation of Leasehold Land (Refer note 12)	(83,004)	-
Less : Depreciation for the year on amount added on Revaluation transferred to the Statement of Profit and Loss	(3,534)	(4,733)
	63,797	172,031
<b>Foreign Currency Monetary Item Translation Difference Account (Deficit) in Statement of Profit and Loss</b>	(9,649)	(14,094)
<b>As per last Balance Sheet</b>	(314,747)	(172,734)
Add : (Loss) for the year	(77,980)	(142,013)
	(392,727)	(314,747)
<b>TOTAL</b>	(191,404)	(9,635)



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 4. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,			
	2013		2012	
	Current	Non-Current	Current	Non-Current
<b>Secured Loans / Borrowings :</b>				
<b>Term loans</b>				
<b>From Banks</b>				
Rupee Term Loan (Refer note (a) below)	24,172	27,907	20,004	24,993
Foreign Currency Term Loans (Refer note (a) and (b) below)	89,010	35,806	68,004	93,010
<b>From Others</b>				
Rupee Term Loan (Refer note (c) below)	20,200	-	21,667	10,833
Foreign Currency Term Loan (Refer note (d) below)	-	40,954	-	38,382
<b>Unsecured Loans :</b>				
Rupee Term Loan	4,120	-	-	-
Long Term Maturities of Finance Lease Obligations (Refer note (e) below)	105,274	582,193	115,411	710,140
<b>TOTAL</b>	<b>242,776</b>	<b>686,860</b>	<b>225,086</b>	<b>877,358</b>

#### Security and Salient Terms :

- a. Rupee Term Loan of ₹ 52,079 lakhs (Previous Year ₹ 44,997 lakhs) and Foreign Currency Term Loan ₹ 55,469 lakhs (Previous Year ₹ 79,437 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.

Of the above, charge for a Rupee Term Loan amounting to ₹14,950 lakhs is pending creation.

An installment of Foreign Currency Term Loan amounting to ₹ 941 lakhs due for repayment on 31<sup>st</sup> March, 2013 has since been discharged but after seeking appropriate extension of time from the Bank. The same has been discharged within the stipulated extension of time and before the adoption of accounts by the Board of Directors.

Interest rates are linked to respective Banks' Prime Lending Rate / Base Rate / LIBOR plus Margin and are repayable in installments starting from May, 2011 and ending in February, 2017.

- b. Foreign Currency Term Loans of ₹ 69,347 lakhs (Previous Year ₹ 81,577 lakhs) are secured by way of a pari-passu charge on all the current and future international credit card realizations, as per the Merchant establishment agreement, received into the Trust and Retention Account (Debt Service Reserve Account) maintained with the Banks together with First mortgage charge on the four flight simulators and on the land located at Vadgaon, Pune and at Pali, Raigad.

Interest rates are linked to LIBOR plus Margin and are repayable in instalments starting from September, 2010 and ending in June, 2015.

- c. Rupee Term Loan from a Financial Institution of ₹ 20,200 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 together with a negative lien on one of the Boeing Narrow body aircraft.

Interest rate is linked to Institutions Benchmark Rate plus Margin and is repayable in quarterly instalments by September 2013. There is a continuing default in repayment of instalments amounting to ₹ 9,371 lakhs and interest thereon amounting to ₹ 218 lakhs.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

- d. Foreign Currency Term Loan from a financial institution of ₹ 40,954 lakhs (Previous Year ₹ 38,382 lakhs) 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. The aforesaid charge is pending creation.

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

- e. (i) Finance Lease obligation for six aircraft are secured by Corporate Guarantee given by the Subsidiary Company of ₹ 386,721 lakhs equivalent USD 7,124 lakhs (Previous Year ₹ 362,429 lakhs equivalent USD 7,124 lakhs).
- (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)

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2013	2012
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	75,451	104,978
<b>Deferred Tax Asset</b>		
Other Disallowances under Income Tax Act	5,188	5,609
Unabsorbed Depreciation / Business Loss (Refer note below)	70,263	99,369
<b>Net Deferred Tax Liability at the end of the year</b>	-	-

#### Note :

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.

### 6. OTHER LONG TERM LIABILITIES

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March, 2013	2012
Deposit / Advance from Customers / Developer (Refer note below)	36,500	42,239
<b>TOTAL</b>	<b>36,500</b>	<b>42,239</b>

#### Note :

During the previous 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 received a sum of ₹ 50,000 lakhs which included an advance of ₹ 36,500 lakhs, disclosed as 'Other Long Term Liabilities' above and the balance towards :

- a) Reimbursement of expenses which were charged to the Statement of Profit and Loss in earlier years amounting to ₹ 10,286 lakhs. The same was credited to the Statement of Profit and Loss during the previous year included in 'Other Non-Operating Income' under 'Other Income' (Refer note 21).
- b) Reimbursement of certain cost incurred on such land and carried as Capital Work-in-Progress amounting to ₹ 3,214 lakhs



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 7. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,			
	2013		2012	
	Current	Non-Current	Current	Non-Current
<b>a) Provision for Employee Benefits (Refer note 32)</b>				
Provision for Gratuity	542	6,996	504	5,634
Provision for Compensated Absences	750	2,955	701	2,469
<b>b) Other Provisions</b>				
Redelivery of Aircraft	1,894	5,144	3,275	4,105
<b>TOTAL</b>	<b>3,186</b>	<b>15,095</b>	<b>4,480</b>	<b>12,208</b>

#### 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. 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	For the Year	
	2012-13	2011-12
<b>Opening Balance</b>	<b>7,380</b>	5,800
Add : Additional Provisions during the year*	<b>1,829</b>	2,166
Less : Amounts used during the year	<b>(2,171)</b>	-
Less : Unused amounts reversed during the year	-	(586)
<b>Closing Balance</b>	<b>7,038</b>	<b>7,380</b>

\* Additions include adjustment of ₹ 107 lakhs (Previous Year ₹ 738 lakhs) on account of exchange fluctuation loss / (gain) consequent to restatement of liabilities denominated in foreign currency.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

Year	2013		2012	
	No. of Aircraft	Amount (₹ in lakhs)	No. of Aircraft	Amount (₹ in lakhs)
2012-13	-	-	23	3,275
2013-14	12	1,894	5	679
2014-15	6	783	6	576
2015-16	20	2,410	20	1,909
2016-17	5	874	3	462
2017-18	3	200	3	131
2018-19	1	65	1	46
2019-20	2	111	2	74
2020-21	22	550	14	203
2021-22	6	93	4	25
2022-23	10	58	-	-
<b>Total</b>	<b>87</b>	<b>7,038</b>	<b>81</b>	<b>7,380</b>

### 8. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Secured :</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks</b>		
Rupee Loans (Refer note (a) (b) (c) & (f) below)	128,805	105,915
Foreign Currency Loans (Refer note (a) (b) & (f) below)	61,930	56,284
<b>From Others</b>		
Rupee Loans (Refer note (d) & (f) below)	-	25,000
<b>Buyers Credit</b> (Refer note (e) & (f) below)	10,425	9,770
<b>Unsecured :</b>		
<b>Loans Repayable on Demand</b>		
<b>From Banks</b>		
Rupee Loans (Refer note (f) below)	9,400	14,944
Foreign Currency Loans (Refer note (f) below)	2,520	13,802
<b>TOTAL</b>	<b>213,080</b>	<b>225,715</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### Security and Salient Terms :

- a) (i) Loans aggregating to ₹ 163,352 lakhs (Previous Year ₹ 150,901 lakhs) are secured by way of hypothecation of Inventories (excluding Aircraft fuel), Debtors / receivable (excluding credit card receivables, receivables from aircraft subleased and claim receivables from aircraft lessors), Ground Support Vehicles / Equipment (excluding trucks, jeeps and other motor vehicles), Spares (including engines), Data Processing Equipment and other current assets and a subservient charge on the aircraft owned by the Company either on hire purchase / finance lease. The Company to escrow the entire IATA collection with the lead bank for facilitating interest servicing and regularisation in case of any irregularity. The Company has committed to infuse equity capital by 31<sup>st</sup> May, 2013 failing which the Chairman of the Company will have to furnish his personal guarantee.
- Of the above, charge for a Rupee Term loan amounting to ₹ 5,000 lakhs is pending creation.
- (ii) Rupee loan from banks amounting to ₹ 12,821 lakhs (Previous Year ₹ 11,298 lakhs) 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) (i) Foreign Currency Loans amounting to ₹ 4,460 lakhs (Previous Year ₹ Nil lakhs) and Rupee Loan amounting to ₹ 3,600 lakhs (Previous Year ₹ Nil lakhs) are secured by a second charge on five of its Boeing wide body aircraft. Further, the same is also secured by a charge on the profits of the Company after deduction of taxes, dividends, repayment Instalment, payment under any guarantees and / or any other dues payable and Escrow of the Thai lease rentals upto November, 2013.
- (ii) Rupee Loan of ₹ 3,000 lakhs (Previous Year Nil lakhs) is secured by a third pari-passu charge on four of its Boeing wide body aircraft and a second pari-passu charge on one Boeing wide body aircraft. Of these, the second pari-passu charge is pending creation.
- c) Rupee loan of ₹ 3,502 lakhs (Previous Year Nil lakhs) is secured by way of a second charge on two Boeing narrow body aircraft which is pending creation.
- d) Rupee Loan of ₹ Nil lakhs (Previous Year ₹ 25,000 lakhs) was secured by an undertaking from the Company to remit the balance sale proceeds from sale and lease back of four (4) Aircraft.
- e) Buyer's credit of ₹ 10,425 lakhs (Previous Year ₹ 9,770 lakhs) is secured by exclusive charge over two New CFM Engines and Quick Engine Change kits.
- f) The rates of interest for the loans listed in (a) to (e) above ranges from 180 base points to 850 base points over LIBOR plus Margin for Foreign Currency Loans and 12 % to 15 % for Rupee Loans.

### 9. TRADE PAYABLES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Trade Payables</b>		
Total outstanding dues to Micro and Small Enterprises	435	123
Others for Goods and Services	542,286	428,417
<b>TOTAL</b>	<b>542,721</b>	<b>428,540</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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 is given below :

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
A. Principal amount remaining unpaid as on 31 <sup>st</sup> March	435	123
B. Interest due thereon as on 31 <sup>st</sup> 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 31 <sup>st</sup> 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	-	-

### 10. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Current Maturities of Long Term Secured Loans (Refer note 4)	137,502	109,675
Current Maturities of Finance Lease Obligation (Refer note 34)	105,274	115,411
Interest Accrued but Not Due on Loans / Borrowings	5,106	3,887
Forward Sales (Net) [Passenger / Cargo]	199,121	204,910
Income Received in Advance from Sub Lease	2,299	2,155
Unclaimed Dividend *	9	12
Balance with Banks - Overdrawn as per Books	12,975	2,501
Statutory Dues Payable	17,092	10,690
Airport Dues Payable	12,197	6,540
Deposit / Advance From Customer / Vendors	19,993	3,981
Other Payables	646	686
<b>TOTAL</b>	<b>512,214</b>	<b>460,448</b>

#### \* 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 31<sup>st</sup> March, 2013, Company had deposited ₹ 3 lakhs (Previous Year ₹ Nil lakhs) to the Investor Education and Protection Fund towards Unclaimed Dividend.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 11. SHORT TERM PROVISIONS

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
<b>a) Provision for Employee Benefits (Refer note 32)</b>		
Gratuity	542	504
Compensated Absences	750	701
<b>b) Others</b>		
Wealth Tax (net of advance payment of tax)	17	14
Income Tax (net of advance payment of tax)	301	267
Redelivery of Aircraft (Refer note 7)	1,894	3,275
Frequent Flyer Programme	8,196	4,564
Provision for Aircraft Maintenance	77	86
<b>TOTAL</b>	<b>11,777</b>	<b>9,411</b>

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.

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 :

Particulars	(₹ in lakhs)	
	For the Year	
	2012-13	2011-12
Opening Balance	4,564	5,081
Add : Additional provision during the year	3,778	669
Less : Amounts used during the year	(147)	(753)
Less : Unused amounts reversed during the year	1	(433)
<b>Closing Balance</b>	<b>8,196</b>	<b>4,564</b>





**Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)****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 provisions made in the earlier years until AS-29 became effective for such costs are as under :

(₹ in lakhs)

Particulars	For the Year	
	2012-2013	2011-2012
Opening Balance	86	157
Add / (Less) : Adjustments during the year *	5	19
Less : Amounts used during the year	-	(90)
Less : Unused Amounts reversed during the year	(14)	-
<b>Closing Balance</b>	<b>77</b>	<b>86</b>

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



Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

## 12. TANGIBLE ASSETS

Nature of Asset	Gross Block (At Cost / Valuation)			Depreciation		Impairment	Net Block	
	As at 1 <sup>st</sup> April, 2012	Additions / Adjustments during the year	Deductions / Adjustments during the year	As at 31 <sup>st</sup> March, 2013	As at 1 <sup>st</sup> April, 2012	For the year	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>Owned Tangible Asset</b>								
Freehold Land	11	21	-	32	-	-	32	11
Plant and Machinery	768	-	-	768	207	36	525	561
Furniture and Fixtures	4,969	134	587	4,516	2,445	294	2,159	2,524
Electrical Fittings	2,873	36	280	2,629	933	134	1,719	1,940
Data Processing Equipment	9,527	305	861	8,971	7,891	639	7,683	1,636
Office Equipment	5,427	39	417	5,049	2,163	249	2,891	3,264
Ground Support Equipment	7,981	242	401	7,822	3,232	380	4,466	4,749
Vehicles	905	25	215	715	501	68	285	404
Ground Support Vehicles	8,804	165	513	8,456	5,581	768	2,605	3,223
Simulators	22,187	-	-	22,187	7,696	1,245	13,246	14,491
<b>Leased Assets</b>								
Leasehold Land	193,001	-	-	193,001	10,256	2,458	97,283	182,745
Aircraft and Spare Engine (Narrow Body)	516,477	20,145	322,797	213,825	201,174	20,520	130,283	315,303
Aircraft and Spare Engine (Wide Body)	1,078,781	44,812	-	1,123,593	252,791	64,513	806,289	825,990
Improvement on Leased Aircraft	17,431	9,194	10,037	16,588	13,409	1,597	11,619	4,022
Improvement on Leased Property	4,721	1,445	-	6,166	4,430	894	842	291
<b>TOTAL</b>	<b>1,873,863</b>	<b>76,563</b>	<b>336,108</b>	<b>1,614,318</b>	<b>512,709</b>	<b>93,795</b>	<b>1,075,532</b>	<b>1,361,154</b>
<b>Previous Year Capital Work-in-progress</b>	<b>1,768,551</b>	<b>127,811</b>	<b>22,499</b>	<b>1,873,863</b>	<b>422,091</b>	<b>97,231</b>	<b>1,361,154</b>	<b>207</b>

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 ₹ 55,049 lakhs [Net loss] (Previous Year ₹ 110,567 lakhs (Net Loss)) on account of Exchange Loss / (Gain) (Refer note 30).

3) Details of Revaluation

- Leasehold Land taken from MMIRDA situated at Bandra Kurla Complex was revalued on 31<sup>st</sup> March, 2008 with reference to the then current market prices; amount added on revaluation is ₹ 148,119 lakhs and the revalued amount substituted for historical cost was ₹ 184,500 lakhs. Pursuant to signing of the agreement for development of the plot, the Company has as at the year end reassessed the value of the Land together with its entitled share of the building based on the project cost estimated by Godrej Buildcon Private Limited and an impairment loss of ₹ 83,004 lakhs has been adjusted as on 31<sup>st</sup> March, 2013 against the revaluation reserve.
- Narrow Body Aircraft were revalued on 31<sup>st</sup> 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 31<sup>st</sup> March, 2008 was ₹ 346,396 lakhs. Revalued amount as on 31<sup>st</sup> March, 2013 was ₹ 8,138 lakhs (Previous Year ₹ 31,477 lakhs).



# Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

## 13. INTANGIBLE ASSETS

(₹ in lakhs)

Nature of Asset	Gross Block			Amortization			Net Block	
	As at 1 <sup>st</sup> April, 2012	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at 31 <sup>st</sup> March, 2013	As at 1 <sup>st</sup> April, 2012	For the year	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Software	9,783	699	-	10,482	6,325	1,495	2,662	3,458
Landing Rights	22,432	-	22,432	-	8,204	864	-	14,228
Trademarks	3,146	-	-	3,146	2,100	315	731	1,046
<b>TOTAL</b>	<b>35,361</b>	<b>699</b>	<b>22,432</b>	<b>13,628</b>	<b>16,629</b>	<b>2,674</b>	<b>3,393</b>	<b>18,732</b>
<b>Previous Year</b>	<b>31,927</b>	<b>3,434</b>	<b>-</b>	<b>35,361</b>	<b>14,665</b>	<b>1,964</b>	<b>18,732</b>	<b>-</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 14. NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Long Term Investments</b>		
<b>Trade Investments (Unquoted and at cost)</b>		
6,648 Shares (Previous Year 5,133 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	10	7
56 Shares (Previous Year 55 Shares) in Societe Internationale de Telecommunications Aeronautiques SC (SITA) of Euro 5 each #	*	*
326,194 (Previous Year 326,194) Depository Certificates in SITA Group foundation of USD 1.20 each #	199	199
<b>TOTAL</b>	<b>209</b>	<b>206</b>

\* ₹ 18,272 (Previous Year ₹ 17,924)

# 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 31 <sup>st</sup> March,	
	2013	2012
<b>Unsecured and Considered Good unless otherwise stated</b>		
Capital Advances	22,766	23,998
Deposits to Related Parties	2,352	2,360
Security Deposits with Airport Authorities and Others :		
Considered good	16,494	16,883
Considered doubtful	92	92
Less : Provision for doubtful deposit	(92)	(92)
	16,494	16,883
Advance Tax and Tax Deducted at Source (Net of Provisions for tax)	16,202	12,473
Contribution Receivable From Lessors (Refer note 33)	48,541	49,597
CENVAT Credit Receivable	-	3,436
Balances with Customs Authorities	19	19
<b>TOTAL</b>	<b>106,374</b>	<b>108,766</b>

**Note :**

Deposits include ₹ 2,352 lakhs (Previous Year ₹ 2,360 lakhs) amount placed with private limited companies in which the Holding Company's Director is a Director / Member.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 16. INVENTORIES (At lower of cost or net realizable value)

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
a) Rotables, Consumable Stores and Tools	113,431	109,616
Less : Provision for Obsolescence / Slow and Non-Moving Items (Refer note 1(n))	(33,092)	(29,122)
	80,339	80,494
b) Fuel	550	572
c) Other Stores Item	4,158	4,809
Less : Provision for Slow and Non-Moving items (Refer note 1(n))	(33)	(33)
	4,125	4,776
<b>TOTAL</b>	<b>85,014</b>	<b>85,842</b>

### 17. TRADE RECEIVABLES

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Unsecured</b>		
a) Outstanding for a period exceeding six months from the date they are due for payment :		
Considered Good	8,506	8,256
Considered Doubtful	5,874	4,034
Less : Provision for Doubtful Debts	(5,874)	(4,034)
	8,506	8,256
b) Others		
Considered Good	122,648	127,514
Considered Doubtful	2,162	-
Less : Provision for Doubtful Debts	(2,162)	-
	122,648	127,514
<b>TOTAL</b>	<b>131,154</b>	<b>135,770</b>

#### Note :

Debtors include ₹ 7,337 lakhs (Previous Year ₹ 8,199 lakhs) due from private company in which the Holding Company's Director is a Director / Member.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 18. CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Cash and Cash Equivalents</b>		
Balances with Banks :		
i. In Current Account	14,386	4,833
ii. In Fixed Deposit Account (maturities less than three months)	-	2,166
Cash on Hand	151	152
	<b>14,537</b>	<b>7,151</b>
<b>Other Bank Balances :</b>		
Unpaid Dividend	9	12
Margin Deposits * [Including Interest accrued ₹ 2,653 lakhs (Previous Year ₹ 1,280 lakhs)]	78,017	50,266
<b>TOTAL</b>	<b>92,563</b>	<b>57,429</b>

\*Margin Deposits include a sum of of ₹ 6,042 lakhs (Previous Year ₹ 3,416 lakhs) having a maturity of more than 12 months.

### 19. SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Unsecured and Considered Good unless otherwise stated</b>		
Security Deposits with Lessors / Vendors		
- Considered Good	18,340	13,045
- Considered Doubtful	534	1,214
Less : Provision for Doubtful Deposits	(534)	(1,214)
	<b>18,340</b>	<b>13,045</b>
Contribution Receivable from Lessors (Refer note 33)	41,837	20,790
Claims Receivable from Lessors / Insurers	36,319	4,413
CENVAT Credit and SFIS Receivable	5,857	9,793
Deposit with Service Tax Department	31	31
Payment to SICCL as per Court Order (Refer note 29(A)(b)(x))	11,643	11,643
Advance and Other Receivable from Suppliers	25,763	25,084
Prepaid Expenses	12,602	11,557
Advance and Other Receivable from Related Parties	53	-
Others	1,553	3,216
<b>TOTAL</b>	<b>153,998</b>	<b>99,572</b>

#### Note :

Advance and Other Receivable include ₹ 11 lakhs (Previous Year ₹ Nil lakhs) amount placed with private limited companies in which the Company's Director is a Director / Member.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 20. REVENUE FROM OPERATIONS

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March,	
	2013	2012
<b>Sale of Services</b>		
Passenger	1,673,832	1,483,382
Less : Service Tax	(51,355)	(45,438)
	<b>1,622,477</b>	1,437,944
Cargo	148,459	137,293
Less : Service Tax	(5,576)	(3,287)
	<b>142,883</b>	134,006
Excess Baggage	16,023	10,594
<b>Other Operating Revenues</b>		
Cancellation Charges	35,461	27,941
Export Incentives	-	4,000
Revenue from Leasing of Aircraft and Engines	50,559	45,212
Provision No Longer Required Written Back (Refer note 39)	7,900	5,962
Other Revenue	8,753	4,663
<b>TOTAL</b>	<b>1,884,056</b>	1,670,322

### 21. OTHER INCOME

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Interest Income on Fixed Deposit	5,956	4,190
Interest Income on Income Tax Refund	901	829
Profit on sale of Aircraft	3,100	-
Profit on Sale and Lease Back of Landing Rights	24,695	-
Profit on Sale and Lease Back of Aircraft / Engines (net)	5,653	7,609
Net Gain on Sale of Current Investments	-	16
Other Non-Operating Income (Refer note 6)	16,559	23,738
<b>TOTAL</b>	<b>56,864</b>	36,382

**Note :**

Profit on Sale and Leaseback of Aircraft and Landing Rights during the year ended 31<sup>st</sup> March, 2013 was ₹ 30,348 lakhs (Previous Year ₹ 7,609 lakhs).



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 22. EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Salaries, Wages, Bonus and Allowances	155,948	163,529
Contribution to Provident Fund and Other Funds	3,822	3,844
Provision for Gratuity	1,944	917
Provision for Compensated Absences	1,579	1,132
Staff Welfare Expenses	7,040	8,035
<b>TOTAL</b>	<b>170,333</b>	<b>177,457</b>

### 23. SELLING AND DISTRIBUTION EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Computerized Reservation System Cost	64,364	55,154
Commission	72,744	85,974
Others	12,243	8,492
<b>TOTAL</b>	<b>149,351</b>	<b>149,620</b>

### 24. DEPRECIATION AND AMORTIZATION

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
<b>Depreciation / Amortization</b>		
- On Tangible Assets (Refer note 12)	93,795	97,231
Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve	(3,534)	(4,733)
- On Intangible Assets (Refer note 13)	2,674	1,964
<b>TOTAL</b>	<b>92,935</b>	<b>94,462</b>

### 25. FINANCE COST

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Interest Expense	101,599	90,963
Other Borrowing Cost	17,830	9,616
<b>TOTAL</b>	<b>119,429</b>	<b>100,579</b>





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 26. OTHER EXPENSES

Particulars	(₹ in lakhs)	
	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Aircraft Variable Rentals (Refer note 34)	59,851	32,107
Aircraft Insurance and Other Insurance	9,287	9,047
Landing, Navigation and Other Airport Charges	139,221	136,467
Aircraft Maintenance (including Customs Duty and Freight, where applicable) :		
- Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul (Net)	128,693	86,852
- Lease of Aircraft Spares including Engine	12,632	9,794
- Consumption of Stores and Spares (Net)	12,700	14,709
- Provision for Spares Obsolescence	5,417	6,580
	159,442	117,935
Inflight and Other Pax Amenities	57,486	61,152
Communication Cost	5,701	5,244
Travelling and Subsistence	21,730	24,116
Rent	9,441	9,914
Rates and Taxes	309	244
Repairs and Maintenance :		
- Leased Premises	147	189
- Others	4,435	4,010
	4,582	4,199
Electricity	1,601	1,786
Director's Sitting Fees	9	10
Provision for Bad and Doubtful Debts	4,600	1,219
Provision for Doubtful Deposit	319	-
Bad Debts Written off	137	111
Net loss on Foreign Currency Transaction and Translation	23,789	16,909
Loss on Scrapping of Fixed Assets other than Aircraft Parts	575	318
Loss on Sale of Fixed Assets other than Aircraft (Net)	24	205
Loss on Assets held for sale	1,752	-
Miscellaneous Expenses (including Professional Fees, Audit Fees, Printing and Stationery, Cargo Handling and Bank Charges etc.)	38,945	26,778
<b>TOTAL</b>	<b>538,801</b>	<b>447,761</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
<b>(a) As Audit Fees</b>		
- Statutory audit fees	134	136
- Tax audit fees	10	10
<b>(b) As Advisors or in any other capacity in respect of</b>		
- Taxation Matters	56	55
<b>(c) In any other manner</b>		
- For other services such as quarterly limited reviews, certificates etc.	54	72
<b>(d) For Reimbursement of Expenses</b>	-	1
<b>TOTAL</b>	<b>254</b>	<b>274</b>

### 27. EXCEPTIONAL ITEMS (EXPENSE) / INCOME

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
Salary Arrears (Refer note (a) below)	(18,325)	-
Marked to Market - Derivatives (Refer note 31)	2,834	1,384
Unrealized Exchange (Loss) (Refer note (b) below and note 30)	(4,211)	(4,391)
Contribution Receivable from Lessors (Refer note 33)	-	20,323
Compensation Credit (Refer note (c) below)	29,314	-
<b>TOTAL</b>	<b>9,612</b>	<b>17,316</b>

#### Note :

- During the year, the Company has finalized the salary arrears of various categories of employees with retrospective effect.
- Due to unusual and steep depreciation in the value of the Rupee, the unrealized exchange loss (net) has been considered by the Company to be exceptional in nature. The unrealized exchange Gain / (Loss) refers to the Gain / (Loss) arising out of the restatement of the foreign currency monetary assets and liabilities (other than asset backed borrowings).
- During the year, the Company has received certain Compensation for delayed delivery of Aircraft from one of the Aircraft manufacturers.

### 28. EARNINGS PER SHARE (EPS)

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March,	
	2013	2012
(Loss) After Tax for the Year	(77,980)	(142,013)
(Loss) Attributable to Equity Share Holders <b>(A)</b>	<b>(77,980)</b>	<b>(142,013)</b>
Weighted Average Number of Equity Shares for Basic and Diluted EPS [nos.] <b>(B)</b>	<b>86,334,011</b>	<b>86,334,011</b>
Nominal Value of Equity Shares (₹)	10	10
Basic and Diluted EPS ₹ <b>(A/B)</b>	<b>(90.32)</b>	<b>(164.49)</b>



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 29. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

#### A. Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>(a) Guarantees :</b>		
i. Letters of Credit Outstanding	<b>191,360</b>	149,671
ii. Bank Guarantees Outstanding	<b>138,016</b>	126,640
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	<b>56,127</b>	53,598
- Outstanding Amounts against the Guarantee	<b>55,550</b>	53,074
<b>(b) Claims against the Company not acknowledged as debt (Refer note below) :</b>		
i. Service Tax Demands in Appeals	<b>200,620</b>	176,331
ii. Fringe Benefit Tax Demands in Appeals	<b>11,304</b>	10,630
iii. Pending Civil and Consumer Suits	<b>8,003</b>	5,849
iv. Inland Air Travel Tax Demands under Appeal	<b>426</b>	426
Amount deposited with the Authorities for the above Demands	<b>105</b>	105
v. Octroi	<b>2,899</b>	Nil
vi. Customs	<b>621</b>	143
vii. Income Tax Demands in Appeals	<b>35,798</b>	33,711
viii. Wealth Tax Demands in Appeals	<b>24</b>	21

ix. The Company has provided security by way of a mortgage on its 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 (excluding built up area of 75,000 square feet) for the aforesaid plot of land against the financial assistance of ₹ 75,000 lakhs (Previous Year ₹ 75,000 lakhs) provided by a financial institution to its co - developer Godrej Buildcon Private limited.

x. 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 30<sup>th</sup> 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 4<sup>th</sup> 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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.17<sup>th</sup> 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 4<sup>th</sup> May, 2011 and 17<sup>th</sup> 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.

Pending adjudication of the matter by the Hon'ble Supreme Court, the interest payment of ₹ 11,643 lakhs effected by the Holding Company on 5<sup>th</sup> 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.

## B. Commitments

Particulars	(₹ in lakhs)	
	As at 31 <sup>st</sup> March,	
	2013	2012
Estimated amount of Contracts remaining to be executed on capital account (net of advances), not provided for	1,500,880	1,407,182
<b>TOTAL</b>	<b>1,500,880</b>	<b>1,407,182</b>

## 30. FOREIGN EXCHANGE DIFFERENCES

- Uptill December, 2011, the Holding Company was following the option offered by notification of the Ministry of Corporate Affairs (MCA) dated 31<sup>st</sup> 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. On 29<sup>th</sup> December, 2011, the MCA issued a further notification extending the said option under Para 46 and providing additional option under Para 46A amending AS 11. The Holding Company opted to apply the provisions under Para 46A of AS 11 with effect from 1<sup>st</sup> 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 ₹ 9,649 lakhs (Previous Year ₹ 14,094 lakhs) is accumulated in Foreign Currency Monetary Item Translation Difference Account (FCMITDA) grouped under reserves and surplus. The amortized portion of foreign exchange loss (net) incurred on long term foreign currency monetary items for the year ended 31<sup>st</sup> March, 2013 is ₹ 5,429 lakhs (Previous Year ₹ 4,006 lakhs). Further, the amount of exchange difference adjusted to the tangible assets during the year is ₹ 55,049 lakhs -net loss (Previous Year ₹ 110,567 lakhs - net loss) and the unamortized balance (carried as a part of tangible asset), as at the year end, aggregates to ₹ 196,393 lakhs (Previous Year ₹ 201,216 lakhs).
- 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 Effects of Changes in Foreign Exchange Rates".



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 31. 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 31<sup>st</sup> March are as under :

Particulars	2013		2012	
	No. of Contracts	Amount	No. of Contracts	Amount
Interest Rate Swaps	2	113,999	2	106,838

(₹ in lakhs)

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 the principles of prudence as enunciated in Accounting Standard (AS-1) "Disclosure of Accounting Policies".

On that basis, the changes in the fair value of the derivative instruments as at 31<sup>st</sup> March, 2013 of ₹ 2,834 lakhs (Previous Year ₹ 1,384 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 ₹ 938 lakhs (Previous Year ₹ 3,772 lakhs).

The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31<sup>st</sup> March, 2013 are as follows :

Particulars	INR Equivalent (₹ in lakhs)		USD Equivalent (USD in lakhs)	
	As at 31 <sup>st</sup> March,		As at 31 <sup>st</sup> March,	
	2013	2012	2013	2012
Current Assets	229,363	161,975	4,225	3,183
Current Liabilities	310,499	216,632	5,720	4,258
Interest Accrued but not due on Loans	4,172	3,450	77	68
Long Term Loans for purchase of Aircraft*	671,589	779,826	12,372	15,328
Other Loans Payable	240,646	279,252	4,433	5,489

\*including Loans Payable after 5 years - ₹ 206,487 lakhs (Previous Year ₹ 293,822 lakhs).

### 32. 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 ₹ 3,822 lakhs (Previous Year ₹ 3,844 lakhs) for provident fund contributions in the Statement of Profit and Loss.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 :

Particulars	(₹ in lakhs)	
	Gratuity (Non-Funded) As at 31 <sup>st</sup> March,	
	2013	2012
<b>Reconciliation in Present Value of Obligations (PVO) - Defined Benefit Obligation</b>		
PVO at the beginning of the year	6,138	5,707
Current Service Cost	574	392
Interest Cost	535	471
Actuarial Loss	835	54
Benefits Paid	(544)	(486)
<b>Closing Balance</b>	<b>7,538</b>	<b>6,138</b>
<b>Net Cost for the Year ended 31<sup>st</sup> March,</b>		
Current Service Cost	574	392
Interest Cost	535	471
Actuarial Loss	835	54
<b>Net Cost</b>	<b>1,944</b>	<b>917</b>
<b>Fair Value of Plan Assets</b>	<b>Nil</b>	<b>Nil</b>
<b>Experience Adjustment</b>		
Plan Liability Loss	377	559
Plan Assets Loss / (Gains)	Nil	Nil
<b>Actuarial Assumptions</b>		
Discount Rate (%)	8.00 to 8.25	8.50 to 8.75
Salary Escalation Rate (%)	5.00	5.00



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

Financial Year ended	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Amount	5,707	4,856	4,757

ii. The fair value of planned assets was for :

Financial Year ended	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Amount	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 ended	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Planned Liabilities Loss / (Gain)	377	(412) #	*
Plan Assets Loss / (Gain)	Nil	Nil	*

\*Not available in the valuation report for the financial year 2008-09 and hence not furnished.

# Not available in the valuation report for 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.

### C. Other Long Term Employee Benefit

The obligation of Compensated Absences (non-funded) for the year ended 31<sup>st</sup> March, 2013, amounting to ₹ 1,579 lakhs (Previous Year ₹ 1,132 lakhs) has been recognized in the Statement of Profit and Loss, based on actuarial valuation carried out using the Projected Unit Credit Method.

33. 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 for future engine shop visits. Subsequent to such arrangement, the Company expenses out the cost of PBTH at the rate specified in the contract with the service provider to the Statement of Profit and Loss and treats the variable rentals 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, such variable rent of ₹ 90,378 lakhs (Previous Year ₹ 70,387 lakhs) has been presented as "Contribution Receivable from Lessors" bifurcated into current and non-current based on expected engine shop visits in next 12 months and beyond. An amount of ₹ 20,323 lakhs was recognized as recoverable during the previous year against variable rentals of past years accrued up till 31<sup>st</sup> March, 2009 and was disclosed as an exceptional item in the Statement of Profit and Loss.

### 34. 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 :



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### A. Finance Leases / Hire Purchase (Aircraft)

Particulars	Future Minimum Lease Payments		Present Value of Future Minimum Lease Payments		Finance Charges	
	As at 31 <sup>st</sup> March,					
	2013	2012	2013	2012	2013	2012
Not later than one year	124,499	141,984	105,274	115,411	19,225	26,573
Later than one year and not later than five years	420,088	478,838	375,706	416,318	44,382	62,520
Later than five years	212,255	307,180	206,487	293,822	5,768	13,358
TOTAL	756,842	928,002	687,467	825,551	69,375	102,451

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

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

### B. Operating Leases

- 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 31<sup>st</sup> March, 2013 are as follows :

#### Commercial Premises and Amenities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Not later than one year	2,728	2,825
Later than one year and not later than five years	658	3,365
Later than five years	-	-
<b>TOTAL</b>	<b>3,386</b>	<b>6,190</b>





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

- b) The Company has taken on operating lease Aircraft and Spare Engines. The future minimum lease payments in respect of which, as at 31<sup>st</sup> March, 2013 are as follows :

### Aircraft and Spare Engines

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
Not later than one year	165,312	125,426
Later than one year and not later than five years	490,629	313,962
Later than five years	295,470	144,300
<b>TOTAL</b>	<b>951,411</b>	<b>583,688</b>

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 the 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.
  - These leases are non-cancellable.
- c) Details of future minimum lease income in respect of five (5) Aircraft [Previous Year five (5)] given on non-cancellable Dry Lease by the Holding Company, as at 31<sup>st</sup> March, 2013 are as follows :

### Aircraft

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March,	
	2013	2012
<b>Lease Income</b>		
Not later than one year	10,370	34,432
Later than one year and not later than five years	-	9,811
Later than five years	-	-
<b>TOTAL</b>	<b>10,370</b>	<b>44,243</b>

The Salient features of Dry Lease agreements are as under :

- 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 lease agreements.
- The Lessee neither has an option to buyback nor has an option to renew the leases.
- These dry leases are non-cancellable.



**Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)**

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

**Details of Leased Assets (Aircraft)**

(₹ in lakhs)

Particulars	For the year	
	2012-13	2011-12
Cost of Acquisition	382,387	367,671
Accumulated Depreciation	111,209	89,133
Depreciation Debited to Statement of Profit and Loss during the year on the above Leased Assets	22,076	19,907
Variable Lease Rental income recognized during the year on the Leased Assets	11,275	8,843

- d) The lease rental expense of ₹ 234,357 lakhs (Previous Year ₹ 172,228 lakhs) is recognized during the year.

**35. 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 :

- Domestic (air transportation within India)
- 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.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March	
	2013	2012
<b>Segment Revenue</b> (Primarily Passenger, Cargo, Excess Baggage and Leasing of Aircraft)		
Domestic	905,508	805,255
International	978,548	865,067
<b>Total</b>	<b>1,884,056</b>	<b>1,670,322</b>
<b>Segment result</b>		
Domestic	441,917	341,500
International	436,852	341,369
<b>Total</b>	<b>878,769</b>	<b>682,869</b>
Less : Finance Cost	119,429	100,579
Less : Depreciation and Amortization	92,935	94,462
Less : Other Un-Allocable Expenses	810,741	685,518
Add : Other Un-Allocable Revenue	56,866	36,382
Add : Exceptional Items (Net)	9,612	17,316
<b>(Loss) Before Tax</b>	<b>(77,858)</b>	<b>(143,992)</b>
Less : Tax (Benefits) / Expenses	122	(1,979)
<b>(Loss) After Tax</b>	<b>(77,980)</b>	<b>(142,013)</b>

### b) Secondary Segment : Business Segment

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

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March	
	2012-2013	2011-2012
<b>i) Segment Revenue from External Customers</b>		
Air Transportation	1,833,497	1,625,110
Leasing of Aircraft	50,559	45,212
<b>Total</b>	<b>1,884,056</b>	<b>1,670,322</b>
<b>ii) Total carrying amount of Segment Assets</b>		
Air Transportation	1,564,298	1,776,379
Leasing of Aircraft	271,178	278,538
<b>Total</b>	<b>1,835,476</b>	<b>2,054,917</b>
<b>iii) Total cost incurred during the period to acquire Segment Assets that are expected to be used for more than one period*</b>		
Air Transportation	22,210	20,665
Leasing of Aircraft	-	-
<b>Total</b>	<b>22,210</b>	<b>20,665</b>

\* Excludes Exchange Gain / Loss.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 36. 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.	Naresh Goyal	Controlling Shareholder of Holding Company
3.	Anita Goyal	Relative of controlling shareholder of Holding Company
4.	Nivaan Goyal	
5.	Namrata Goyal	
6.	Saroj K Datta (upto 29 <sup>th</sup> September, 2011)	Key Managerial Personnel
7.	Gaurang Shetty (w.e.f. 24 <sup>th</sup> May, 2012)	
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 Solution Private Limited	

#### Note :

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



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### ii. Transactions during the year ended 31<sup>st</sup> March, 2013 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
<b>Transaction during the Year</b>							
A.	Remuneration			145 (132)	51 (211)		196 (343)
B.	Sitting Fees		1 (1)				1 (1)
C.	Agency Commission					8,879 (17,039)	8,879 (17,039)
D.	Rent Paid					247 (252)	247 (252)
E.	Expenses Reimbursed (Staff Costs, Communication Costs, Rent)					1,991 (4,845)	1,991 (4,845)
F.	Other Selling and Distribution Cost					2,137 (2,317)	2,137 (2,317)
G.	Deposit Refunded					(8) ((-)216)	(8) ((-)216)
H.	Rent received					(-)7 ((-)16)	(-)7 ((-)16)
I.	Deposit Repaid / Received					Nil ((-)16)	Nil ((-)16)
J.	Software Purchased					Nil 3,050	Nil 3,050
K.	Expenses Reimbursement Received					Nil ((-)5)	Nil ((-)5)
<b>Closing Balance as on 31<sup>st</sup> March, 2013</b>							
A.	Advance					53 (Nil)	53 (Nil)
B.	Deposits (Received)					Nil ((-)16)	Nil ((-)16)
C.	Deposit for Leased Premises					2,352 (2,360)	2,352 (2,360)
D.	Trade Payables					(-)33,710 ((-)30,646)	(-)33,710 ((-)30,646)
E.	Trade Receivables					7,337 (8,199)	7,337 (8,199)
F.	Share Capital	6,907 * (6,907) *		0.10 (0.10)			6,907 (6,907)

(Figures in brackets are for the year ended 31<sup>st</sup> March, 2012)

\* includes ₹ 1 lakh (Previous Year ₹ 1 lakh) of nominee holding.



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

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

#### (a) Remuneration includes remuneration to :

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>(a) Relatives of controlling shareholder of Holding Company</b>		
Anita Goyal	127	118
Namrata Goyal	10	8
Nivaan Goyal	8	6
<b>(b) Directors</b>		
Gaurang Shetty	51	Nil
Saroj K. Datta #	Nil	211

# Ceased to be a Director w.e.f. 30<sup>th</sup> September, 2011.

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

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>Jetair Private Limited</b>		
Transactions during the Year		
- Agency Commission	2,728	3,052
- Rent Paid (including Service Tax)	180	186
- Expenses Reimbursed (Staff Costs, Communication Costs etc.)	342	3,138
- Rent Received	(7)	(16)
- Other Expense Recovery	Nil	(5)
- Deposit Repaid / (Received)	Nil	(16)
- Deposit Refunded (Given Earlier)	(8)	(216)
Closing Balance as on 31 <sup>st</sup> March,		
- Deposits for Leased Premises	152	160
- Trade Receivables	7,337	8,198
- Trade Payables	690	630
<b>Jet Airways LLC</b>		
Transactions During the Year :		
- Agency Commission	4,243	11,645
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	615	553
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	29,257	22,233



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

(₹ in lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March	
	2013	2012
<b>Trans Continental e Services Private Limited</b>		
Transactions During the Year :		
- Other Selling and Distribution Cost	2,137	2,317
- Expenses Reimbursed	61	Nil
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	Nil	148
- Advance	42	Nil
<b>Jet Enterprises Private Limited</b>		
Transactions During the Year :		
- Rent Paid	67	66
Closing Balance as on 31 <sup>st</sup> March,		
- Deposits for Leased Premises	2,200	2,200
- Advance	11	Nil
<b>Jet Airways of India Inc.</b>		
Transactions During the Year :		
- Agency Commission	1,908	2,342
- Reimbursement of Expenses (Staff Costs, Insurance Rent etc.)	971	1,141
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	3,148	4,828
<b>India Jetairways Pty Limited</b>		
Transactions During the Year :		
- Reimbursement of Expenses (Staff Costs, Communication Costs etc.)	2	13
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	1	3
<b>Jetair Tours Private Limited</b>		
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Receivables	Nil	1
<b>Global Travel Solutions Private Limited</b>		
Transactions During the Year :		
- Software Purchased	Nil	3,050
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	555	2,745
<b>Jet Airways Europe Services N.V.</b>		
Closing Balance as on 31 <sup>st</sup> March,		
- Trade Payables	59	59



## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

### 37. PRIOR PERIOD CREDITS / DEBITS IN RESPECT OF SUBSIDIARY COMPANY

Prior period debits included in the determination of net profit are toward Aircraft Maintenance ₹ 82 lakhs (Previous Year toward Hire charges ₹ 156 lakhs and Landing, Navigation and Other Airport Charges ₹ 328 lakhs).

38. During the year ended 31<sup>st</sup> March, 2013, the Company was under the obligation to return Aircraft taken earlier on operating lease, one of the engines of the said aircraft was damaged and became Beyond Economical Repair (BER) and in order to meet redelivery conditions, the Company has purchased an engine for ₹ 1,752 lakhs as "Asset Held for Sale" and later on swapped it against the BER engine with the Lessor. The loss on account of this swap charged to statement of profit and loss.
39. During the previous 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'.
40. The Ministry of Corporate Affairs, Government of India vide General circular No. 2 and 3 dated 8<sup>th</sup> February, 2011 and 21<sup>st</sup> February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of condition stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

Financial Information of Subsidiaries Company for the year ended 31<sup>st</sup> March, 2013 pursuant to the approval under section 212 (8) of the Companies Act, 1956 :

Sr. No	Name of Subsidiary Company	Wholly Owned Subsidiaries			
		Jet Lite (India) Limited		Jet Privilege Private Limited	Jet Airways Training Academy Private Limited
		31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2013
1.	Paid up Share Capital	79,612	79,612	1	1
2.	Reserves	(250,970)	(221,438)	103	(1)
3.	Total Asset	70,788	72,502	201	1
4.	Total Liabilities	70,788	72,502	201	1
5.	Investment included in Total Assets	110	110	Nil	Nil
6.	Turnover	198,797	188,731	159	Nil
7.	(Loss) / Profit before Tax	(29,462)	(18,459)	155	(1)
8.	Provision for tax	(70)	(56)	52	Nil
9.	(Loss) / Profit after tax	(29,532)	(18,403)	103	(1)
10.	Proposed Dividend	Nil	Nil	Nil	Nil





## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March, 2013 (Contd.)

41. (a) Goodwill on Consolidation pertains to the acquisition of 100% of the shareholding of Sahara Airlines Limited (now known as Jet Lite (India) Limited). Although the said subsidiary improved its operating revenue over the previous year, the results finally turned out to be negative and the subsidiary company continues to show negative net worth as on 31<sup>st</sup> March, 2013. An external reputed valuer, based on future business plans as approved by the Board of the subsidiary, has valued the equity interest in the subsidiary, which supports the carrying value of the assets including goodwill. The Holding Company is committed to support the subsidiary's operations and with the recent announcement of its tie up with a strategic partner pursuant to the announcement of the liberalised FDI policy, it expects to turn it around. The subsidiary's financial statements continue to be prepared on a "Going Concern" basis and based on the valuation of the equity interest in the subsidiary by a reputed valuer, no impairment of Goodwill is required to be recognized.
- (b) 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 Group resulting in substantial erosion of the net worth. With the recent announcement of a tie up with a strategic partner, the Management is optimistic of improving the operating cash flows through equity infusion, network synergy, expanded code sharing, cost synergies, leasing out Aircraft, exploring avenues of enhancing ancillary revenues etc. These measures are expected to result in sustainable cash flows and accordingly the 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.

### 42. PREVIOUS YEARS FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / presentation.

#### As per our attached report of even date

**For DELOITTE HASKINS & SELLS** For **CHATURVEDI & SHAH**  
Chartered Accountants Chartered Accountants

**R. D. Kamat**  
Partner

**C. D. Lala**  
Partner

#### On behalf of Board of Directors

**Naresh Goyal** Chairman

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

**Gaurang Shetty** Director & Manager  
**Arun Kanakal** Company Secretary & Associate Legal Counsel

Date : 24<sup>th</sup> May, 2013  
Place : Mumbai



## Notes

[illegible]

## Notes







**JET AIRWAYS (INDIA) LIMITED**

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

**ATTENDANCE SLIP**

**21<sup>st</sup> 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 21<sup>st</sup> Annual General Meeting of the Company held at Bhaidas Maganlal Sabhagriha, Bhaktivedanta Swami Marg, Juhu Vile Parle Development Scheme, Vile Parle (West), Mumbai 400 056, on Thursday, 8<sup>th</sup> August, 2013.

Name of the Shareholder / Proxy: .....

Registered Folio / Client ID Number: .....

DP ID Number: .....

Number of Shares held: .....

Signature: .....

- Notes:**
1. Shareholders / Proxies attending the Meeting are requested to bring this Attendance Slip and Annual Report with them.
  2. Duplicate Attendance Slip and Annual Reports will not be issued at the Annual General Meeting.
  3. Joint Shareholders may obtain additional slip on request.



**JET AIRWAYS (INDIA) LIMITED**

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

**PROXY**

**21<sup>st</sup> 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 21<sup>st</sup> Annual General Meeting of the Company to be held at Bhaidas Maganlal Sabhagriha,  
Bhaktivedanta Swami Marg, Juhu Vile Parle Development Scheme, Vile Parle (West), Mumbai 400 056 on Thursday, 8<sup>th</sup> August, 2013  
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 ..... 2013

Affix  
Revenue  
Stamp of  
15 paise

- 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.

The Proxy Form, completed in all respects, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



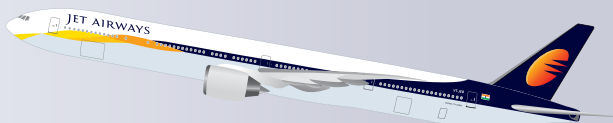
# Our growing fleet.

One of the youngest fleet in the world.

JET AIRWAYS  |  JetKonnnect

## Boeing 777-300ER

First Class Capacity : 08  
Première Capacity : 30  
Economy Capacity : 274  
No. of Aircraft : 10



## Airbus 330-300

Première Capacity : 34  
Economy Capacity : 259  
No. of Aircraft : 04



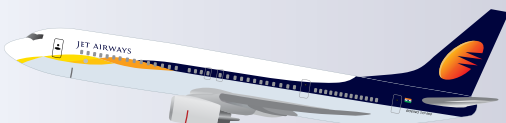
## Airbus 330-200

Première Capacity : 30/18  
Economy Capacity : 190/236  
No. of Aircraft : 10



## Boeing 737-900

Première Capacity : 08/28  
Economy Capacity : 178/138  
No. of Aircraft : 04



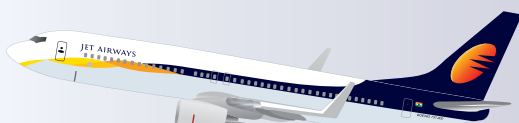
## Boeing 737 - 900

Première Capacity : n/a  
Economy Capacity : 202  
No. of Aircraft : 02



## Boeing 737-800

Première Capacity : 16/8  
Economy Capacity : 138/162  
No. of Aircraft : 46



## Boeing 737 - 800

Première Capacity : 08  
Economy Capacity : 162  
No. of Aircraft : 06



## Boeing 737-700

Première Capacity : 08  
Economy Capacity : 126  
No. of Aircraft : 07



## Boeing 737 - 700

Première Capacity : n/a  
Economy Capacity : 144/149  
No. of Aircraft : 05



## ATR 72-500

Première Capacity : n/a  
Economy Capacity : 62/68  
No. of Aircraft : 16



## ATR 72-600

Première Capacity : n/a  
Economy Capacity : 68  
No. of Aircraft : 01



JET AIRWAYS 

**JET AIRWAYS (INDIA) LIMITED**

Registered Office:

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

[www.jetairways.com](http://www.jetairways.com)

[www.sapprints.com](http://www.sapprints.com)



## FORM A

## Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Jet Airways (India) Limited
2	Annual financial statements for the year ended	March 31, 2013
3	Type of Audit observation	Matter of Emphasis
4	Frequency of observation	<b>For Standalone Financial Statements-</b>

1. Note 29 A (b) (ix) which describes the uncertainty related to the outcome of the continuing litigation with erstwhile shareholders of Jet Lite (India) Limited. During previous year, in terms of the order passed by the Honourable High Court of Bombay disposing off the claim, the Company had discharged Rs. 11,643 lakh as interest @ 9% p.a.. The counterparty's claim contesting this judgment seeking increased compensation and interest was dismissed by the Honourable High Court of Bombay. The Special Leave Petition filed by the parties is pending before the Honourable Supreme Court of India. Based on legal advice and pending final determination, the amount paid to the counter party has not been recognised as interest in the accounts- since FY 2008-09

2. Note 32 regarding amount of investments in and advances given to its wholly owned major subsidiary aggregating to Rs. 298,160 lakh as at 31st March 2013. The accumulated losses have fully eroded the net worth of the subsidiary in past and its negative net worth as at the year-end raised to Rs.



171,358 lakh. The estimation is critically dependent on the achievement of the projections of operating performance by the subsidiary as mentioned in the Note – since FY 2007-08.

3. Note 39 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 dependent upon implementation of the alliance with Strategic Partner and/or the Company's ability to raise requisite finance/generate cash flows in future to meet its obligations, including financial support to its subsidiary - since FY 2011-12

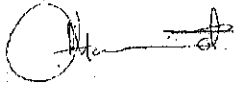
#### **For Consolidated Financial Statements**

1. Note 29(A)(b)(x) which describes the uncertainty related to the outcome of the continuing litigation with erstwhile shareholders of Jet Lite (India) Limited. During previous year, in terms of the order passed by the Honourable High Court of Bombay disposing off the claim, the Company had discharged Rs. 11,643 lacs as interest @ 9% p.a. The counterparty's claim contesting this judgment seeking increased compensation and interest was dismissed by the Honourable High Court of Bombay. The Special Leave Petition filed by the parties is pending before the Honourable Supreme Court of India. Based on legal advice and pending final determination, the amount paid to the counter party has not been recognised as interest in the accounts- Since FY 2008-09.

2. Note 41(a) regarding no impairment required for Goodwill on Consolidation for the reasons stated therein- Since FY 2008-09.



3. Note 41(b) regarding preparation of financial statements of the Group on going concern basis for the reasons stated therein. The appropriateness of assumption of going concern is dependent upon implementation of the alliance with Strategic Partner and/or the Group's ability to raise requisite finance/generate cash flows in future to meet its obligations- Since FY 2011-12.



Capt. Hameed Ali  
Acting Chief Executive Officer



Ravishankar Gopalakrishnan  
Chief Financial Officer



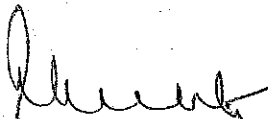
(Refer our audit report on Standalone and Consolidated financial statements of the Company)

For Deloitte Haskins & Sells  
Chartered Accountants

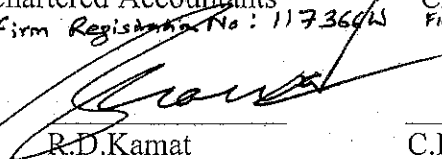
Firm Registration No: 117366W

For Chaturvedi & Shah  
Chartered Accountants

Firm Registration No: 101720W



Aman Mehta  
Audit Committee Chairman



R.D. Kamat  
Partner  
Membership No. 36822



C.D. Lala  
Partner  
Membership No. 35671

DATE: 22/07/2013