

## "Jet Airways (India) Limited Q1 FY17 Post Results Conference Call"

August 12, 2016







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MANAGEMENT: MR. AMIT AGARWAL -CFO & CEO (ACTING) - JET

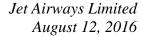
AIRWAYS (INDIA) LIMITED

Mr. N. RAVICHANDRAN – VP FINANCE - JET AIRWAYS

(INDIA) LIMITED

Mr. Jayaraj - Senior VP - Jet Airways (India)

LIMITED





**Moderator:** 

Ladies and gentlemen, good evening and welcome to Jet Airways (India) Limited Q1 FY17 post results conference call hosted by SBICAP Securities. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "\*" then "0" on your touchtone phone. I now hand the conference to Mr. Mahantesh Sabarad from SBICAP Securities. Thank you and over to you Sir!

**Mahantesh Sabarad:** 

Good evening to all, on behalf of SBICAP Securities; it gives me great pleasure to welcome you all to the Q1 FY17 post results conference call of Jet Airways. We have with us the senior management of Jet Airways represented by Amit Agarwal – CEO (Acting) and CFO. I now handover the call to Amit for his opening remarks. Over to you, Amit!

N Ravichandran:

Thank you. Mahantesh. Very good evening to all. This is N Ravichandran. Before we begin, kindly note that certain statements made during this call in relation to our future business, financial performance and future events or developments may be construed as forward-looking statements, which involves number of risks and uncertainties that could cause the actual results to differ materially from those in such forward-looking statements. Now let me hand this over to our CFO and Acting CEO, Mr. Amit Agarwal!

**Amit Agarwal:** 

Thank you Ravi. This is Amit, CFO and Acting CEO of Jet Airways, and I am pleased to extend a very warm welcome to the earnings call organized by SBICAP Securities. I am extremely grateful to all for your time and the interest shown in our company. It is a pleasure to be here with our team and I am accompanied by Mr. Jayaraj – Senior VP and Ravi VP Finance.

I would like to commence with overview on our first quarter of fiscal 2017 results. We achieved yet another profitable quarter on a consolidated level and reported a net profit of Rs.126.3 Crores. More importantly, our operating profit for this quarter improved by more than 124% to Rs.219 Crores. What is important is the total CASK (cost per available seat kilometer) in the first quarter of fiscal 2017 declined 7% vs. CASK in first quarter of fiscal 2016 due to lower fuel rates and cost reduction initiatives undertaken by the company. It is noteworthy that in spite of inflationary pressure and weakening of INR against US dollar by almost 6%, our non-fuel CASK was lower by 4 paise or 1.2% in the current quarter vis-à-vis the same quarter last year.

Our continued network optimization resulted in overall improvement in aircraft utilization of Boeing 737, which is the backbone of our fleet, by more than 5% from 13 hours in the first quarter of fiscal 2016 to 13.6 hours this quarter. Improved utilization of our fleet lifted ASKM by over 7% in domestic and close to 4% over the entire network, resulting in a total ASKM in this quarter of 12.8 billion.



On the back of positive operating and financial performance, we have been able to utilize cash generated from operations to reduce our net debt by Rs.358 Crores in the current quarter. This quarter witnessed a growth of 13% in overall code share traffic and the code share traffic with our strategic partner Etihad Airways and its partner Airlines grew by 41%.

We are also happy to share that Jet Airways has been adjudged as the International Cargo Airlines of the Year at the Fourth GMR Indira Gandhi International Airport Awards 2016 held in New Delhi to recognize Airline's Excellence in cargo sales.

It is also heartening to note that Jet Privilege, the loyalty and rewards management and frequent flier program of Jet Airways crossed a significant milestone of 5 million members.

The Jet Privilege program is the key differentiator for Jet Airways and our frequent flier get tremendous benefits as members of this award-winning program. Reaching the milestone of five million members is a testament to the programs popularity and underscores the value of its service offering and exclusive privileges offered to its members.

Let me now take you through some of the financial and operating highlights. I will give you the highlights for the consolidated Jet Group. Compared to the previous period last year, Jet group's domestic capacity grew in terms of seats by 3.6% and in terms of ASKM by 7.4%. Domestic passenger numbers grew by 5.3% in first quarter of fiscal 2017. At the same time in the international business, the airline registered a 1.6% growth in capacity and in terms of seat and 1.6% growth in capacity in terms of ASKM. The total capacity put together between domestic and international in terms of seats grew by 3% and in ASKM growth of 3.8%. The number of passengers flown by the airline grew by 4.4% in fiscal 2017 vis-à-vis first quarter of fiscal 2016.

Our overall seat factor is 81% on the increased capacity. Despite improvement in number of passengers, our consolidated gross revenues declined 1.9% to Rs.5,406 Crores in the current quarter vs. Rs.5,508 Crores in the same quarter last year. This was primarily attributable to lower yield, which has been under pressure in this quarter mainly due to increased capacity, which led to a competitive fair drop. The drop in the domestic average fare was close to 10% whereas on the international front the drop in the average fare is to the tune of 2.5%.

Revenue per ASKM or RASK reduced from 4.47 in Q1 FY2016 to 4.22 in the current quarter, which shows a reduction of 5.5%. Our total CASK reduced from 4.51 in fiscal Q1 2016 to 4.19 in the current quarter, which reflects a reduction of over 7%. More importantly the CASK excluding fuel reduced by 1.2% from 3.24 in fiscal Q1 2016 to 3.20 in the current quarter representing improved efficiencies and cost reduction. Operating EBITDA improved from Rs.520 Crores last year, same quarter to Rs.663 Crores in the current quarter and EBITDA margins also shown an improvement from 9.2% to 11.9% in the same period.



Our operating profit improved by 124% to Rs.219 Crores in fiscal 2017 first quarter. Our consolidated net profit after tax in this quarter was Rs.126 Crores. We have commenced inducting cockpit and cabin crew in view of the proposed capacity inductions due to wide bodies coming back into the fleet. Further inflationary increments were also given to large category of employees starting this quarter.

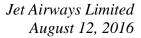
Now let me talk about the operational highlights of Jet Airways on a standalone basis. We carry 5.65 million passengers in first fiscal of 2016 to 5.84 million in Q1 an increase of 3.4%. ASKM surged 3.4% compared to last year. Gross revenue decreased 2.1% to Rs.5,112 Crores in the current quarter from Rs.5,220 Crores in the last quarter last year.

The reported profit after tax was Rs.103 Crores for first quarter fiscal 2017 and operating profit improved from Rs.109 Crores in the first quarter of fiscal 2016 to Rs. 197 Crores in first quarter of fiscal 2017. Domestic operations account for 44% of total revenue for the quarter. Total domestic revenue declined 4% to Rs.2,386 Crores compared to Q1 of last year. The passenger revenue from domestic operations reduced 5% to Rs.2,118 Crores in the current quarter. The domestic average fare reduced by ~10% in the current quarter as compared to first quarter fiscal 2016. ASKM rose 7.4% when compared to the last year first quarter. Domestic load factors were close to 80% at the increased capacity.

Now moving on to the international revenues, which constitutes to the tune of 56% in the quarter. Our passenger revenue from international operations decreased marginally to Rs.2,501 Crores in the current quarter. ASKM increased by 1.6% compared to Q1 of last year. International average fares reduced 2.5% in the current quarter vs. fiscal Q1 in 2016. Overall seat factors in the international market was 81.8% and the seat factors for the key international routes in this quarter are UK 82%, Asean 86%, Gulf 82%, SAARC 72%, Abu Dhabi Gateway 81.6%, Amsterdam close to 84% and Paris 69%.

Let me also talk about the JetLite. JetLite recorded a profit of Rs.23 Crores in first fiscal 2017 as compared to a profit of Rs4.7 Crores in the last-year period. Total revenue declined marginally to Rs.318 Crores. ASKM grew 11.5% compared to Q1 of last year. Overall seat factors came at 78.2% in this quarter. Overall CASK improved by 20% to 3.65 vs. 4.58 in last year.

Let me also take you through the details of the debt situation at Jet Group. As on June 30. 2016 our debt amounted to Rs.10,805 Crores or USD 1.6 billion, our total debt comprises aircraft debt of Rs.4,244 Crores and approximately 85% of our debt is denominated in US dollar. During the current quarter, our net debt declined Rs.358 Crores, our net debt as at June 30, 2016 stood at Rs.9,783 Crores as compared to Rs.9,963 Crores as at March 31, 2016; however, the net debt reduction reflects a reduction of Rs.180 Crores, primarily due to the depreciation of INR vis-à-vis the Dollar.





Turning to the current quarter, Q2 is generally considered as a comparatively lean period in the aviation market. Increase in fuel prices, which happened in Q1 FY2017, became subdued to some extent and provided a breather in a usually low demand quarter. Domestic fares continued to witness pressure and our focus would be to continue on improved utilization, enhanced product and Guest service. Our wide body aircraft, which was given on lease to Etihad, returned to Jet fleet and are being operationalized. Based on the market conditions, our plan is to use this incremental incoming capacity for capacity enhancement in the market where we operate.

In line with this strategy we have upgraded some of our routes such as Mumbai-Singapore, Mumbai-Dubai frequencies to 777 and plan to upgrade Mumbai-Amsterdam route with 777 effective October 2016. Enhancing our presence further in Gulf, we have introduced additional frequencies to Dammam from Mumbai and Delhi from June. We further planned to introduce new frequencies Dammam and Sharjah in the coming quarter. Continuing with our commitment to the "Guest First" philosophy we recently launched Jet Advance where the guests have the flexibility to change their booking to an earlier flight.

More importantly, we are introducing a new flexible fare structure allowing guests more choice and freedom when booking their flights. The new fare structure called 'Fare Choices' will be introduced effected August 17, 2016 and will provide significant benefit to our guests. With its launch Jet Airways joins a select group of airlines worldwide offering a branded fare structure, which offers flexibility and transparencies.

A total of eight new fare choices will be introduced across economy and premium allowing guests to tailor their booking to their individual needs. Guests travelling in economy for instance will have the option of choosing from the Deal, Saver, Classic or Flex fare categories, likewise premium includes Saver, Classic and Flex while in first class there will be only one fare family which is first. Fare choices are transparent and differ in flexibility and tailored benefits that otherwise need to be purchased separately. Some guests for instance may want flexibility in changing travel date other might want to accrue more Jet Privilege miles. Fare choices will give them the ability to customize their travel experience according to their needs.

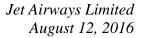
Ladies and gentlemen, let me now open the call to the questions, operator.

**Moderator:** 

Thank you so much. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Sanket Bahate from GeeCee Investments. Please go ahead.

Sanket Bahate:

Good evening Sir. Thank you for giving me opportunity. Sir as you said in the last call that the fleet will be returning back in Q1 and we would not be having any revenue from the lease aircraft so as of now is they have not started to make a comeback?





Amit Agarwal: In terms of the fleet what we had leased to Etihad only one has returned in June out of six aircraft.

The rest will be coming back progressively, so the lease income continues to be earned in this quarter and over the full year depending upon the time when the aircraft return to our fleet for

operationalization.

Sanket Bahate: Sir how much time does that take when the fleet comes from a leased and then you have to convert

into your own routes so how much transition time will it takes?

Amit Agarwal: Yes, see generally what we do is we perform certain checks and it takes anything between two to

three weeks to operationalize on our fleet.

Sanket Bahate: Okay, and Sir one more question. What are the pricing pressure do you see going forward in domestic

as well as international market?

**Amit Agarwal:** Okay, in terms of the domestic market as I mentioned earlier that due to the increased capacity in the

domestic market we see the pricing pressure continues. However, we need to also understand that second quarter, which is this monsoon quarter, continues to be a seasonally weak quarter and therefore on the domestic market the pressure on yield is coupled because of the seasonally weak

quarter as well as the large capacity deployment in the market place.

**Sanket Bahate:** Thank you that is it from my side.

Moderator: Thank you. Next question is from Anshuman Dave from ICICI Securities. Please go ahead.

Anshuman Dave: I have basically two questions: one is regarding your employee cost so I just wanted to understand

that as you mentioned that there were certain additional payments; kindly give clarity on the

employee cost.

Amit Agarwal: First of all let me tell you that what I mentioned was that we have been consistently focused on

as cabin crew, due to that we have focused and employed the cabin crew and the cockpit crew which translates into an increase in the employee cost line item. The second thing is compared to last year, inflationary growth has been also given to our people and that has been also reflected. Third, since we are getting back our 777 into our fleet we have also started to increase number of pilots for 777 and

increasing the utilization of our aircraft and that would require the increased number of pilots as well

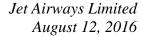
cabin crew that also has added to the cost. So these are the three broad reasons for the cost in this

quarter vis-à-vis last quarter.

**Anshuman Dave:** Sir, that is very helpful and one more thing regarding fare distribution; do you find that weakness in

fares particularly domestic fares across all sectors or do you have any like metros or non-metros any

kind of differentiation between the typical routes?





**Amit Agarwal:** 

Domestic pressure on pricing continues on practically all the sectors. I would not say that any particular sector is impacted. There will be some sectors where the pressure will be more depending upon the day when you travel because there are some leisure sectors, some business sectors, corporate sectors so depending upon the day and time, the sector and the pricing varies. So that pressure throughout the country and I cannot say one specific place that you can see pricing pressure or not.

**Anshuman Dave:** 

Right, Sir one last question if I may, I was just tracking the fares of various airlines; what we have seen is that typical demand spurts like the long weekend that we had right now due to the Independence Day where we have seen very significant increase in build up to that weekend in average fair prices so I am just trying to think whether we are in Q3 or in Q4 whether as an airline industry are we moving towards more pricing centric centered on particular weekends or particular demand spurt rather than general trend of an increasing demand if I may appraise like would it be more determined by festivities or certain special events or long weekends going ahead, is that a consorted strategy?

**Amit Agarwal:** 

Let me tell you Anshuman, this is nothing new in this sector. It has been the phenomenon all across and we have witnessed this over the time every time during the Christmas, New Year. That is the reason why for us if you look from an India perspective we have Diwali, Dussehra all these holidays plus the Christmas, New Year that shows traditionally the Q3 has been a strongest quarter in terms of traffic and yields in the year. So you are absolutely right that this period when these activities festivities or holidays come around then you will see a strengthening of a fare.

**Anshuman Dave:** 

Thanks a lot Sir.

**Moderator:** 

Thank you. We take the next question from Sanket Baheti from GeeCee Investments. Please go ahead.

Sanket Baheti:

Just wanted to know the gross debt numbers I just missed that?

Amit Agarwal:

Rs.10,805 Crores.

Sanket Baheti:

Okay and net debt?

**Amit Agarwal:** 

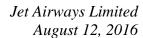
Net debt is 9,783.

Sanket Baheti:

Okay Sir, thank you.

**Moderator:** 

Thank you. The next question is from Santhosh Hirdesai from Edelweiss. Please go ahead.





Santhosh Hirdesai: Thanks for the opportunity. Sir in terms of the aircrafts which are coming back so if I understand it

right, for entire Q1, we were operating with 108 at the standalone and the balance; JetLite as well as

Jet we were operating about 108 and few more are expected in the coming quarter is that right?

Amit Agarwal: Yes, that is true.

Santhosh Hirdesai: Sir what is the schedule like I mean you said through the year but is it going to kind of more of H2

phenomenon or we will see something coming in this quarter and then few more in the second half,

because I understanding we are getting six of them back right?

Amit Agarwal: Yes, we are getting six back. So as I mentioned end of June we got one and so now to give you the

specifics I can tell you, two, we are getting in this quarter and another two we are going to get in Q3

and one we are going to get in the last quarter.

Santhosh Hirdesai: Okay, and Sir since these are all wide bodies so would it be fair to assure that they will get deployed

largely on the international sector, so essentially a capacity on international routes should be going

up?

Amit Agarwal: Yes, that is correct and that is why if you see I mentioned that in the winter schedule we are going to

upgrade to our Amsterdam to 777.

Santhosh Hirdesai: Thanks.

**Moderator:** Thank you.

Mahantesh Sabarad: Sir this is Mahantesh. Amit, maybe I can ask a question before we move on, and may be you can give

us a guidance of what are the aircraft inductions that you are foresee in the months ahead for this

fiscal year?

Amit Agarwal: In terms of the inductions of the wide bodies which I talked about which are our returning aircrafts

that I have mentioned. Other than that primarily we are not seeing any major narrow body increases in this year and what we are going to do in terms of our ASKM growth is primarily on account of our

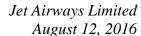
de-bottlenecking and improving the utilization of the aircraft.

**Mahantesh Sabarad:** Great, then we can move on to the next question.

**Moderator:** Thank you. The next question is from Sanket Baheti from GeeCee Investments. Please go ahead.

Sanket Baheti: Sir one more question. Is there any further possibility of reduction of cost per ASKM going forward

or this is what the best can be or there is always an improvement?





**Amit Agarwal:** 

There is always a scope and our endeavor will be always to focus on a cost reduction and you see consistently the company, with the focused approach has been able to reduce CASK excluding fuel quarter-over-quarter but at the same juncture., We must also realize that a significant portion of our cost is Dollar denominated. Further, you need to provide for the inflationary increases in most of the expense contracts. Therefore offsetting these increases and then to achieve a reduction in costs shows the focus which the company is deploying in cost reduction initiatives. So our endeavor will be clearly there to continue on that journey and that is our focus.

Sanket Baheti:

So Sir, what will be the, almost a ballpark number for the total cost will be in dollar denominated what will be the number?

**Amit Agarwal:** 

Close to 50%-55% of our cost is in dollar denominated.

Sanket Baheti:

Okay and Sir the benefit of switching the center to Amsterdam the benefit has started coming in?

**Amit Agarwal:** 

Yes, absolutely, so as I mentioned to you, we moved our operations on March 27, 2016 and already we are seeing Amsterdam Gateway first quarter seat factor reaching the 84%. This shows an excellent achievement that this Gateway is working very well plus the other advantage is also the quality of the revenues which we are getting is also far better because of the traffic we are getting with our code share partners delta, Air France and KLM. That gives us good quality load. Including in our business class we are getting a much better pricing on Amsterdam Gateway, so that has really, really worked quite well and as I mentioned to you also that from the winter schedule we are upgrading to 777 which has a much larger belly so we believe that the cargo capacity in Amsterdam is also going to help us as Amsterdam is one of the largest cargo hub.

Sanket Baheti:

Thank you and all the best.

**Moderator:** 

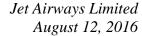
The next question is from Kaustav Bubna from SKS Capital and research. Please go ahead.

**Kaustav Bubna:** 

I just wanted to ask do you have confidence in your company to maintain profitability if fuel hike up and goes back to \$60?

**Amit Agarwal:** 

First of all as the company we are very confident on what we are operating at this juncture. Secondly, in terms of saying \$60 because \$60 is one part of the story you have to also see what happens on the yield, what happens also on the seat factor and there are various parameters to define the profitability of the business. It is not just one factor on the fuel; however, we will continued to stay focused and the benefits which as a company we derive on is a fair mix between international operations and domestic operations., To give you a perspective, on our flight when we are carrying a passenger from Amsterdam of the 340 passengers, we are getting 280 passengers from different parts of the world not just from Amsterdam so that shows how a network carrier can get benefit by connecting passenger





from different parts of the world so to that extent I can say we will be slightly better insulated than the peers.

Kaustav Bubna:

Okay, just to get an idea, the reason I was asking this question is based on looking at your total expenses on your standalone statement it makes up right now in this quarter make over 95%-97% of your total sales but in previous quarters, you made up around 92% of your total sales so I just wanted to get and correct me if I am wrong, there was a 15% hike in fuel prices so what are the other factors in can I ask, because I feel that is a vast percentage scheme. What I was saying was that Q4 FY2016 and Q1 FY2017 in Q1 FY2017 your total expenses as the percentage total sales was about 97% and in Q4 FY2016 your total expenses was about 92% so that is why I was generally a little concerned about I mean looking at the company's history of not being profitable when oil was at such higher prices that is why I was just concerned you know like if oil goes back will it be profitable so can you like just give me some solid assurance in terms of numbers or something?

**Amit Agarwal:** 

First of all we are not giving any guidance. Let me tell you that. Second thing in terms of a solid assurance, it is very difficult for anyone because as we see it does not seem like that the fuel is moving very quickly in this quarter so I can talk about this quarter because we cannot talk about the Q3, Q4 and how things will move. For us the focus will be on the non-fuel CASK. I look at what I can control and that is in terms of aircraft utilization, network productivity, network rationalization that is the key task which we will undertake and derive benefits out of that.

Kaustav Bubna:

So you do your main No.1 objective does remain to improve operational efficiency right?

**Amit Agarwal:** 

Absolutely.

Kaustav Bubna:

So can you give me one or two main ways you will try to improve operational efficiencies your first two most important ways that you would try to improve operational efficiencies?

**Amit Agarwal:** 

No, as I said the aircraft utilization is one of the fundamental. If you see we started our journey from 11-hour reaching to 13.6 hours and we see a further potential with our network that we can enhance that. To give you a ballpark understanding what it does, taking 11.2 to 13.6 translates into an equivalent close to 12 aircrafts of capacity and for 12 aircraft capacity you are not deploying any capital and you are sweating your assets better. So that shows very clearly that the cost advantage which you have got is only on a variable nature which you need to incur for the incremental flying.

Kaustav Bubna:

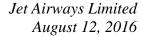
Okay, Yes, thank you.

**Moderator:** 

Thank you. The next question is from Santhosh Hirdesai from Edelweiss. Please go ahead.

Santhosh Hirdesai:

Sir just wanted to understand on the costing side, you have seen drop in the selling and distribution expenses in Q3 and Q4 but you know even though if we look at it from Q4 to Q1 we have not seen





material jump in terms of the number of volumes we have handled in the passenger but we have seen a sharp uptake in the cost going up there, so just wanted to understand I mean why would that we have seen the cost going back up in Q1 because we have seen a fair bit of correction or you know cost escalation which happened on that front?

**Amit Agarwal:** 

Yes, so if you look at it in terms of Q4 to Q1 basically there are few things now what is happening. Lot of people have started to use more and more credit cards and we have seen an certain surge in the credit card usage which used to be alternate through an agent which you should put the normally the other forms of payment through the BSP and because of our credit card increase in payments there is a credit card increase in commission. The other thing what you also see is which is minor but the service tax, now this has been increased in the month of May and June, plus the third thing we have also seen that I am sure that you all are aware that we have got the Get More campaign running in this quarter in the first quarter which is also the cost of advertisement which was very important to bring awareness that what Jet Airways provides as being a full service carrier and that was also relevant as we have not advertised for quite sometime to bring that awareness among our guests. So these were the broad reasons in terms of increase in the cost selling and distribution. And the other thing we also want to mention on the fiscal year basis you get certain increases on the central reservation system, which shows an increase on a quarter-over-quarter basis.

Santhosh Hirdesai:

Got it, Sir, essentially I was just trying to understand, going forward while there is some capacity enhancements which is happening. I want to understand on per kilometer of seat capacity, which is being deployed, where can we see reduction in the cost? Which heading we should probably kind of looking at some more rationalization happening going ahead?

**Amit Agarwal:** 

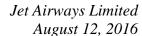
See, if you look at it, we are working on individual items in all the line items. For example in the fuel we are working with our fuel team in order to identify how the fuel consumption can be dropped. As I mentioned earlier that the APU usage we have seen consistently with our teams working on how the APU utilization can be reduced so that impact helps in the aircraft fuel expenses. In terms of what you call, aircraft maintenance expenses we have again seen a much focused approach how can I reduce the maintenance cost further. The third thing in terms of selling and distribution, our focus on direct sales continues which also results in a reduction in the GDS cost. So there are various initiatives the company has taken in different line items and we continue to look at them. Better aircraft utilization is also going to help because as we fly more, the direct cost of the pilots and the cabin crew are incurred and rest of the costs would get apportioned, so these are some of the various factors which we continue to work upon.

Santhosh Hirdesai:

Thanks a lot.

**Moderator:** 

Thank you. We will take the last question from the line of Anshuman Dave from ICICI Securities. Please go ahead.





**Anshuman Dave:** 

I wanted information regarding JetLite. We have seen a very strong performance this quarter as you said so I think it improved on the topline as well as cost so I am just wondering the topline improvement for JetLite is because of the average fare, as we dropped for JetLite; why did that happen and are there any further efficiencies that we can get in JetLite in particular?

**Amit Agarwal:** 

Yes, so what has happened is we operate Jet and JetLite practically under one umbrella so what was happening that we focused in this quarter primarily on the utilization of the JetLite fleet; if you see I have got 76 aircrafts of 737 across Jet and JetLite. So in this quarter particularly and through the maintenance cycle, the JetLite fleet demonstrated higher utilization and that led to improved profitability in JetLite. However, you are absolutely right that the fare drop is being reflected both in Jet and JetLite and we continue to integrate the operations between Jet and JetLite and derive synergies out there.

Anshuman Dave: Thank you Sir.

Moderator: That was the last question. I now hand the conference over to Mr. Mahantesh Sabarad for closing

comments.

Mahantesh Sabarad: I would like to thank the senior management team of Jet Airways for patiently taking the questions

from investors. I now handover to Amit again for any closing comments he may have.

Amit Agarwal: Thanks Mahantesh. We would like to thank all investors, analysts and participants on the call for

taking interest in the performance of the company and to SBICAP for hosting this call. Thank you

very much and wish you all a very happy Independence Day and good weekend ahead.

Moderator: On behalf of SBICAP Securities that concludes this conference call. Thank you for joining us and you

may now disconnect your lines.