



13th Annual Report 2004-05

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Jet Airways (India) Limited

Board of Directors

Mr. Naresh Goyal

Chairman

Mr. Ali Ghandour

Mr. Victoriano P. Dungca

Mr. Charles A. Adams

Mr. J. R. Gagrat

Mr. Javed Akhtar

Mr. I. M. Kadri

Mr. P. R. S. Oberoi

Mr. Aman Mehta

Dr. Vijay L. Kelkar

Mr. S. G. Pitroda

Mr. Saroj K. Datta

Executive Director

Statutory Auditors

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

Chaturvedi & Shah
Chartered Accountants
Laxmi Towers,
'A' Wing, Bandra Kurla Complex,
Mumbai 400 051

Legal Advisors

Gagrats
Nirmal, 12th Floor,
Nariman Point,
Mumbai 400 021

Registered Office

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

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad 500 034

Bankers to the Company

Abu Dhabi Commercial Bank
Corporation Bank
HDFC Bank Limited
The Hongkong & Shanghai Banking Corporation Limited
ICICI Bank Limited
Industrial Development Bank of India Limited
ING Vysya Bank Limited
Standard Chartered Bank
State Bank of India
UTI Bank Limited

Management

(as on 27th August 2005)

Mr. Wolfgang Prock-Schauer	<i>Chief Executive Officer</i>
Mr. Saroj K. Datta	<i>Executive Director</i>
Mr. Peter Luethi	<i>Chief Operating Officer</i>
Lt. Gen. (Rtd.) I. K. Varma	<i>Executive Vice President</i>
Capt. Ray Heiniger	<i>Executive Vice President – Flight Operations & Technical</i>
Mr. Carl Saldanha	<i>Chief Financial Officer</i>
Mr. Raja Parthasarathy	<i>Executive Vice President – Finance</i>
Capt. Gustav Baldauf	<i>Vice President – Flight Operations</i>
Mr. B.P. Baliga	<i>Vice President – Support Services</i>
Mr. Sitham Nadarajah	<i>Vice President – Technical</i>
Capt. K. Mohan	<i>Vice President – Flight Operations – Special Projects</i>
Mr. P.K. Sinha	<i>Vice President – Passenger & Cargo Sales</i>
Dato K. Jeyakanthan	<i>Vice President – Engineering Services</i>
Mr. Prasun Sengupta	<i>Vice President – Corporate Administration</i>
Ms. Nandini Verma	<i>Vice President – Corporate Affairs & Public Relations</i>
Mr. Rajesh Verma	<i>Vice President – Inflight & Customer Services</i>
Mr. Rajesh Sharma	<i>Vice President – Controller</i>
Mr. Ashok K. Barimar	<i>General Counsel & Vice President – Legal</i>
Ms. Ragini Chopra	<i>Vice President – North India</i>
Mr. Gaurang Shetty	<i>Vice President – Marketing</i>
Ms. Sonu Kriplani	<i>Vice President – Passenger Sales</i>
Mr. Sarat Chandran	<i>Vice President – Human Resources & Development</i>
Mr. Anind Datta	<i>Vice President – Purchase & Properties</i>
Mr. V. Raja	<i>Vice President – South East Asia</i>

Company Secretary

Mr. A. R. Rajaram



Notice

Notice is hereby given that the **Thirteenth Annual General Meeting** of the Members of Jet Airways (India) Limited will be held on Tuesday, 27th September, 2005, at 3:30 p.m. at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 2005.
3. To appoint Auditors to hold office from the conclusion of the 13th Annual General Meeting to the conclusion of the 14th Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. **Appointment of Mr. Javed Akhtar as a Director**

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

"RESOLVED THAT Mr. Javed Akhtar, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Javed Akhtar as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Appointment of Mr. Saroj K. Datta as a Director**

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

"RESOLVED THAT Mr. Saroj K. Datta, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Saroj K. Datta as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Appointment of Mr. J. R. Gagrat as a Director**

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

"RESOLVED THAT Mr. J. R. Gagrat, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the

Companies Act, 1956 signifying his intention to propose Mr. J. R. Gagrath as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. Appointment of Mr. Ali Ghandour as a Director

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

“RESOLVED THAT Mr. Ali Ghandour, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Ali Ghandour as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. Appointment of Mr. Victoriano P. Dungca as a Director

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

“RESOLVED THAT Mr. Victoriano P. Dungca, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Victoriano P. Dungca as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

9. Appointment of Mr. I. M. Kadri as a Director

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

“RESOLVED THAT Mr. I. M. Kadri, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. I.M. Kadri as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

10. Appointment of Mr. Charles A. Adams as a Director

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

“RESOLVED THAT Mr. Charles A. Adams, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Charles A. Adams as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”



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11. Appointment of Mr. P. R. S. Oberoi as a Director

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

“RESOLVED THAT Mr. P. R. S. Oberoi, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. P.R.S. Oberoi as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

12. Appointment of Mr. Aman Mehta as a Director

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

“RESOLVED THAT Mr. Aman Mehta, who had been appointed as a Director of the Company with effect from 29th September, 2004 and who holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Aman Mehta as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

13. Appointment of Dr. Vijay L. Kelkar as a Director

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

“RESOLVED THAT Dr. Vijay L. Kelkar, who had been appointed as a Director of the Company with effect from 18th November, 2004 and who, in terms of Section 260 of the Companies Act, 1956, holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Dr. Vijay L. Kelkar as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

14. Appointment of Mr. S. G. Pitroda as a Director

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

“RESOLVED THAT Mr. S. G. Pitroda, who had been appointed as a Director of the Company with effect from 24th December, 2004 and who, in terms of Section 260 of the Companies Act, 1956, holds office of directorship up to the 13th Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. S.G. Pitroda as a candidate for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”



15. **Reappointment and remuneration of Executive Director**

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

“RESOLVED THAT pursuant to provisions of Sections 198, 269 read with Schedule XIII, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members of the Company be and is hereby accorded to the reappointment of Mr. Saroj K. Datta as Executive Director of the Company, for a period of one year from the conclusion of the 13th Annual General Meeting to the conclusion of the 14th Annual General Meeting or 30th September, 2006, whichever is earlier, upon the terms and conditions as set out in the Explanatory Statement annexed hereto, with authority to the Board of Directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the Board of Directors and Mr. Saroj K. Datta.”

16. **Payment of sitting fees to Directors and compensation to Non-executive Directors**

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

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 1956 and the Listing Agreement executed with the Stock Exchanges, or any amendment or re-enactment thereof, the consent of the Members be and is hereby accorded for payment of sitting fees of Rs. 20,000/- (Rupees Twenty Thousand) or such other amount as may be approved by the Board of Directors, subject to the ceiling prescribed under the Companies Act, 1956, or the Rules framed thereunder and amended from time to time, as sitting fees for each Meeting of the Board of Directors or any Committee thereof, attended by the Directors of the Company.

RESOLVED FURTHER THAT pursuant to Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory approvals as may be necessary, the Non-executive Directors of the Company, be paid for the Financial Year 2005-06, an amount not exceeding 1% of net profits of the Company, subject to an individual ceiling of Rs.6,00,000 (Rupees six lacs) per Non-executive Director in pursuance of the provisions of Section 309(4) of the Companies Act, 1956 or any amendment or modification thereof, in addition to the sitting fees for attending the Meetings of the Board of Directors or any Committee thereof.”

17. **Authorization of borrowing limit under Section 293(1)(d) of the Companies Act, 1956**

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

“RESOLVED THAT the consent of the Members be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to



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time such sum or sums of money as they 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 of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 5,500 Crores (Rupees Five Thousand Five Hundred Crores)."

18. Appointment of Branch Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to appoint Branch Auditors of any branch office of the Company, whether existing or which may be opened/acquired hereafter, in consultation with the Statutory Auditors of the Company, any person(s) qualified to act as Branch Auditor within the provisions of the said Section 228 and to fix their remuneration."

19. Appointment of Mrs. Anita Goyal as Executive Vice President – Marketing and Sales

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

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the Central Government, the consent of the Members be and is hereby accorded to the appointment of Mrs. Anita Goyal, a relative of Mr. Naresh Goyal, Chairman of the Board of Directors of the Company, to hold and continue to hold an Office or Place of Profit as Executive Vice President – Marketing and Sales of the Company (or any other designation which the Board of Directors of the Company may decide from time to time) on such remuneration, terms and conditions as set out in the Explanatory Statement attached to this Notice."

By Order of the Board of Directors

A. R. RAJARAM
Company Secretary

Dated : 27th August, 2005

Registered Office:

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

Notes

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 4 to 19 of the Notice is annexed hereto. The relevant details of persons seeking appointment as Directors under Item Nos. 4 to 14 above, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are also annexed.
2. A Member entitled to attend and vote, is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. Proxies, in order to be effective, must be duly filled, stamped, signed and should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority as applicable, issued on behalf of the appointing organization.
3. The Register of Members and the Share Transfer Books of the Company will be closed from 16th September, 2005 to 27th September, 2005, both days inclusive. The dividend, if declared, at the Meeting, will be paid on or after 3rd October, 2005 but within the statutory time limit of 30 days, to those Members entitled thereto whose names appear on the Register of Members of the Company at the close of business hours on 15th September, 2005. In respect of Equity Shares held in dematerialized form in the Depository System, dividend thereon will be payable to the beneficial owners of the Equity Shares as at the close of business hours on 15th September, 2005 as per details furnished by the Depositories for this purpose.
4. Members holding Equity Shares in dematerialized form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrar cannot act on any request received directly from the Members holding Equity Shares in dematerialized form, for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
5. Members holding Equity Shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited. Members holding Equity Shares in dematerialized form must send advise about change in address to their respective Depository Participants and not to the Company.
6. All correspondence regarding Equity Shares of the Company should be addressed to the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited [UNIT: Jet Airways (India) Limited], at Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad 500 034.
7. As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members, in respect of the Equity Shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agents.
8. 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.
9. Members who wish to obtain information concerning the Accounts or Operations of the Company may send their queries at least 7 days before the Annual General Meeting, to the Company Secretary at the Registered Office of the Company.



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10. Copies of all documents referred to in the Notice and Explanatory Statement annexed thereto are available for inspection at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days till the date of the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statements set out all material facts relating to Items Nos. 4 to 19 of the accompanying Notice.

Item Nos. 4 to 14

In terms of Article 49 read with Article 48 of the Articles of Association of the Company as applicable, prior to the date of conversion i.e., on 28th December, 2004, into a Public Company, excepting Mr. Naresh Goyal, the Permanent Chairman, all the remaining Directors hold office till the date of the 13th Annual General Meeting ("AGM"). In accordance therewith Mr. Javed Akhtar, Mr. Saroj K. Datta, Mr. J. R. Gagrat, Mr. Ali Ghandour, Mr. Victoriano P. Dungca, Mr. I. M. Kadri, Mr. Charles A. Adams, Mr. P. R. S. Oberoi, Mr. Aman Mehta, Dr. Vijay L. Kelkar and Mr. S. G. Pitroda presently hold office as Directors till the date of the 13th AGM and are eligible for appointment. Notices have been received from Member(s) under Section 257 of the Companies Act, 1956, for their respective appointments as a Director of the Company, alongwith the requisite deposit. If appointed, the said Directors shall hold office as such and their respective office will be liable to determination by retirement of Directors by rotation.

Details of the aforesaid Directors and their brief resume are given in the Annexure attached to this Notice. Keeping in view the experience and expertise of these persons, their appointment as Directors of the Company is recommended.

All aforesaid Directors may be deemed to be interested in the Resolution relating to their respective appointments.

Item No. 15

Mr. Saroj K. Datta has been a Director of the Company since March, 1993 and has been reappointed as Executive Director from time to time. His present term as Executive Director of the Company expires on the conclusion of the 13th Annual General Meeting.

Subject to the approval of the Members at the 13th Annual General Meeting, the Board of Directors approved the reappointment of Mr. Saroj K. Datta as Executive Director of the Company for a period of one year, from the conclusion of the 13th Annual General Meeting to the conclusion of the 14th Annual General Meeting or 30th September, 2006, whichever is earlier.

Mr. Saroj K. Datta holds a Masters degree in Economics from Delhi University and has over 40 years of experience in Civil Aviation in India and abroad. Mr. Saroj K. Datta has been involved with the Company since its inception. Keeping in view the qualification and experience of Mr. Saroj K. Datta, the Board of Directors is of the view that his reappointment as Executive Director will be beneficial to the Company.

The remuneration payable to Mr. Saroj K. Datta on his reappointment as approved by the Remuneration and Compensation Committee of the Board is as follows:

- i. Salary and Allowances:
 - Basic Salary : Rs. 211,750 /- per month
 - Other Allowances : Not exceeding Rs. 96,800/- per month

ii. Perquisites:

In addition to the Salary and Allowances aforesaid, Mr Saroj K.Datta shall be entitled to Perquisites (evaluated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) such as free furnished accommodation, use of Company's car, telephone at residence, medical reimbursement, leave and travel benefits, provident fund, gratuity and all other benefits, in accordance with the Rules of the Company.

iii. Minimum remuneration:

Notwithstanding anything to the contrary herein contained, where in the financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites as specified above.

iv. The Executive Director shall also be entitled to sitting fees for each Meeting of the Board of Directors or any Committee, attended by him.

In compliance with provisions of Section 309 of the Companies Act, 1956, the terms and conditions of reappointment of Mr. Saroj K.Datta, as specified above are now being placed before the Members for approval.

This statement may be treated as an abstract of the terms and conditions governing the reappointment and payment of remuneration of the Executive Director pursuant to Section 302 of the Companies Act, 1956.

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

Except Mr. Saroj K. Datta, none of the other Directors of the Company is in any way, concerned or interested in the Resolution.

Item No. 16

The Securities and Exchange Board of India ("SEBI") has issued a Circular dated 29th October, 2004 to the Stock Exchanges advising them to amend the respective Listing Agreements by inserting the revised Clause 49 relating to Corporate Governance requirements to be fulfilled by the Companies. The said amendment in the Listing Agreement will be effective from 1st January, 2006. One of the requirements stipulated under the revised Clause 49 is that all fees/compensation payable to Non-executive Directors including the Independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the Members in General Meeting.

At present, the Company is paying to all the Directors of the Company including the Executive Director who is in the employment of the Company, sitting fees of Rs.5,000/- for each of the Meetings of the Board of Directors or any Committee thereof attended by them.

In view of the revised Clause 49 of the Listing Agreement, the approval of Members is sought for payment of sitting fees to all the Directors of the Company including the Executive Director who is in the employment of the Company. The Board of Directors recommends adoption of the Resolution by the Members.

In order to remunerate the Non-executive Directors of the Company for increased responsibilities entrusted upon them under the law, the current trends and commensurate with the time devoted and the contribution made by them, the Board of Directors of the Company, at their Meeting held on 20th July, 2005 has approved, subject to such statutory approvals as may be necessary, payment of commission to be paid for the Financial Year 2005-06, an amount not exceeding 1% of net profits of the Company, subject to an individual ceiling of Rs.6,00,000



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(Rupees six lacs) per Non-executive Director in pursuance of the provisions of Section 309(4) of the Companies Act, 1956 or any amendment or modification thereof, in addition to the sitting fees paid for attending the Meetings of the Board of Directors or any Committee thereof.

Section 309(4) of the Companies Act, 1956 requires a Special Resolution to be passed by the Members of the Company in General Meeting for payment of remuneration to Non-executive Directors of the Company.

All Directors of the Company are concerned or interested in the Resolution to the extent of the remuneration and / or sitting fees that may be received by them.

Item No. 17

In accordance with the Resolution passed by the Members of the Company at the 8th Annual General Meeting held on 25th September, 2000, the amount outstanding consequent to loans borrowed by the Company cannot exceed Rs. 4,000 crores (Rupees Four Thousand Crores) at any point of time. In view of the growth in the business and activities of the Company, it may be necessary to borrow monies consequent to which the amount outstanding could exceed the said limit of Rs. 4,000 crores.

The Board of Directors accordingly recommends the Resolution to enhance the borrowing limit to Rs. 5,500 crores (Rupees Five Thousand Five Hundred Crores) for approval of the Members.

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

Item No. 18

The Company has offices in India and abroad and may also open new branches in future. It may be necessary to appoint Branch Auditors for carrying out the audit of accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint Branch Auditors in consultation with the Statutory Auditors of the Company and to fix their remuneration.

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

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

Item No. 19

The expansion of the Company's operations particularly in international markets requires a full-time senior executive for the Company's Marketing and Sales operations, with a global perspective. The Board of Directors recommends the appointment of Mrs. Anita Goyal as Executive Vice President – Marketing and Sales.

Mrs. Anita Goyal, 52, an Indian National, holds a B.A. (Honours) degree with specialization in Political Science and Sociology. Mrs. Anita Goyal has over 25 years of experience in Marketing and Sales in the Airline Industry.

Mrs. Anita Goyal was associated with the Company since its inception. Mrs. Anita Goyal's last assignment was Vice President–Marketing and Sales of the Company which she held from 1998 till 2004. She was in charge of the Company's Marketing and Sales function.

During her past tenure with the Company, Mrs. Anita Goyal was largely instrumental in the emergence of the Company as India's leading domestic carrier within a decade of its inception. Her key roles included:

- Responsibility for achieving the Company's operating revenues
- Pricing and fare strategies
- Establishing the Company's marketing strategy and building the Jet Airways brand for which she was intimately involved in product development
- Reservations, sales and distribution in India and overseas
- Network planning and scheduling for which she was closely involved in the planning and growth of the fleet
- Advertising
- Establishing a professional and highly motivated team in the Company's Marketing and Sales function

Mrs. Anita Goyal's achievements are reflected by the spectacular growth in the network and of the operations of the Company. Her contribution has helped the Company to maintain its 'Most Preferred Airline' status, due to the high quality of its product, convenient flight timings and connections, the innovative customer loyalty programme and various fare schemes. The many awards won by the Company in India and abroad include a significant number specifically related to Marketing and Sales.

Before her previous tenure with the Company, Mrs. Anita Goyal had a distinguished career with Jetair Private Limited, India's largest General Sales Agent ("GSA") which represents 19 foreign airlines in India and is also the GSA in India for the Company. She joined Jetair Private Limited in 1975 and rose to head the Sales function of Jetair Private Limited.

The Board of Directors of the Company constituted a Selection Committee, under Section 314 of the Companies Act, 1956, to consider the selection and appointment of Mrs. Anita Goyal as Executive Vice President –Marketing and Sales to be based in the Company's Global Marketing Branch Office in London, U.K. The Selection Committee, comprising Mr. Javed Akhtar, Mr. Aman Mehta, Independent Directors and Mr. Ashok Vaish, former Director-Planning, Air India Limited, Independent Expert, considered and approved the appointment of Mrs. Anita Goyal and recommended the following terms, conditions of appointment and remuneration:

(i) **Designation :**

Executive Vice President – Marketing and Sales.

(ii) **Duties and Responsibilities :**

The duties and responsibilities would, inter alia, include but not be limited :

- a) to develop advertising, marketing and branding strategies for the Company and to implement the same, including international operations
- b) to develop the Company's relations with other airlines, including international operations
- c) to establish and further the Company's relations internationally with civil aviation and airport authorities, travel and trade organizations and tourism ministries, authorities and tourism boards
- d) to work closely with the Company's offices and general sales agents, internationally in devising marketing strategies and in developing and improving the Company's presence globally
- e) to assist with the setting-up of new offices and stations internationally and select key personnel for such offices/stations



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- f) to promote the Company's business in the United Kingdom, Europe and elsewhere globally
 - g) to keep track of the marketing and promotional policies adopted and implemented by other International Airlines and to advise the Company of the same
 - h) to do all such other acts as are necessary and which will enable the Company to grow globally
- (iii) **Location :**
In view of the global nature of the work, the position will be located at the Company's Global Marketing Branch Office at London, U.K.
- (iv) **Reporting Line :**
She will report to the Chief Operating Officer of the Company.
- (v) **Term :**
Five (5) years with effect from 1st October, 2005 or the date of approval of the Central Government, whichever is later. The contract of employment may be terminated by giving three months notice in writing by the Company or Mrs. Anita Goyal.
- (vi) **Salary and Benefits :**
- a) The proposed Basic Salary is Rs. 96,00,000 (Rupees ninety six lacs) per annum equivalent to £ 120,000 (Pounds Sterling one hundred and twenty thousand) per annum in the scale of £ 120,000 – £ 240,000 or such Rupee amount equivalent to the Pounds Sterling payable according to the Exchange Rate prevalent from time to time, with authority to the Board of Directors of the Company to give annual increment not exceeding 20% of the immediately previously drawn Basic Salary.
 - b) Mrs. Anita Goyal will also be entitled to perquisites and benefits, the monetary value of which will be subject to a ceiling of 25% of the Basic Salary.

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

No Director, except Mr. Naresh Goyal, is in any way concerned or interested in the Resolution.

By Order of the Board of Directors

A. R. RAJARAM
Company Secretary

Dated : 27th August, 2005

Registered Office:

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

Details of the Directors seeking appointment at the Annual General Meeting

Particulars	Mr. Ali Ghandour	Mr. Victoriano P. Dungca	Mr. Charles A. Adams	Mr. J. R. Gagrat
Date of Birth	28th May, 1931	23rd April, 1936	12th April, 1940	20th July, 1932
Date of Appointment	19th February, 1998	25th January, 1999	20th September, 2003	28th March, 1994
Qualifications	Aeronautical Engineer from New York University, U.S.A.	MBA from Cornell University, U.S.A. and is a Certified Public Accountant from the U.S.A.	Bachelor of Science in Marketing from the University of Hartford, U.S.A.	Law degree from Bombay University and a Solicitor of the High Court of Bombay and a Solicitor of the Supreme Court of England
Expertise in specific functional area	Mr. Ghandour has over 50 years of experience in the civil aviation industry. He was an advisor to the late King Hussein of Jordan and was earlier the Chairman of the Royal Jordanian Airlines. He has also been associated with the development of a number of airlines in the Middle East.	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. Adams has 40 years of experience in the aviation industry. After a distinguished career in the United States Army, Mr. Adams joined Trans World Airlines, or TWA, in 1965 and held numerous management positions with TWA in the U.S.A., Europe and Asia. He joined United Parcel Service, or UPS in 1991 as the Executive Vice President for UPS Yamato Japan. He retired from UPS in 2003 as President, Asia Pacific.	Mr. Gagrat is a Solicitor of the High Court of Bombay, a Solicitor of the Supreme Court of England, an Advocate of the Supreme Court of India and a Notary of the Union of India. Mr. Gagrat is a Partner in the law firms of Gagrats, Mumbai, Gagrat & Co. New Delhi in India, and Gagrat & Gardi in Dubai. A former President of the Bombay Incorporated Law Society, he has also served as a director of various financial institutions, banks, public and private limited companies and he is also a trustee of various public and private trusts. Between 1995 and 2002, Mr. Gagrat was a member of the committee constituted to review the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1994. Mr. Gagrat has also been a member of the Rules Committee of the Bombay High Court, an Honorary Secretary of the International Law Association (India Branch), Bombay Centre and the Chairman of the Indirect Taxation Committee of the Indian Merchants Chambers.
Directorships held in other public companies (excluding foreign and private companies)	None	None	None	→ Phil Corporation Limited
Memberships/ Chairmanships of committees in other public companies	None	None	None	None

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Jet Airways (India) Limited

Details of the Directors seeking appointment at the Annual General Meeting

Particulars	Mr. Javed Akhtar	Mr. I.M. Kadri	Mr. P.R.S. Oberoi	Mr. Aman Mehta
Date of Birth	17th January, 1945	1st December, 1929	3rd February, 1929	1st September, 1946
Date of Appointment	1st March, 1993	19th February, 2000	29th March, 2004	29th September, 2004
Qualifications	Bachelor of Arts	Bachelors degree in Engineering from Pune University	Graduate in Hotel Management from Lausanne, Switzerland	Bachelors degree in Economics from Delhi University
Expertise in specific functional area	<p>Mr. Akhtar is a well-known poet, lyricist, screenplay and scriptwriter and is a famous media personality. Mr. Akhtar has won the Filmfare Award thirteen times, and is a five-time National Award winner for the best lyricist.</p>	<p>Mr. Kadri is a Member of the Council of Architecture, New Delhi and a Fellow of the Indian Institute of Architects and a fellow of the Indian Institute of Interior Design. Mr. Kadri set up his practice as an architect in 1960 and is actively involved with the problems relating to rebuilding of dilapidated buildings in Mumbai and exploring technological solutions for mass housing schemes. He was also a member of the Steering Committee appointed by the Government of Maharashtra to suggest strategies for solving the housing problems of Mumbai. Mr. Kadri was awarded a citation in 1993 as an Outstanding Architectural Engineer by the Institution of Engineers in India. He is also the General Secretary of the prestigious Nehru Centre in Mumbai.</p>	<p>Mr. Oberoi is the Chairman and Chief Executive Officer of EIH Limited and also the Chairman of Oberoi Hotels Private Limited. Besides providing leadership for the management of Oberoi hotels across six countries, Mr. Oberoi has been instrumental in pioneering the development of new Oberoi hotels and resorts. Mr. Oberoi is credited with placing India on the international luxury traveller's map and redefining architectural and design standards in luxury hospitality.</p>	<p>Mr. Mehta joined the HSBC group in 1968. He subsequently held several senior positions with the HongKong & Shanghai Banking Corporation 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, and of the Indian Council for Research and International Economic Relations, New Delhi. Mr. Mehta serves as an independent director on the boards of several companies in India as well as in the UK, Hong Kong and Singapore.</p>

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Details of the Directors seeking appointment at the Annual General Meeting

Particulars	Mr. Javed Akhtar	Mr. I.M. Kadri	Mr. P.R.S. Oberoi	Mr. Aman Mehta
Directorships held in other public companies (excluding foreign and private companies)	None	→ Indian Resort Hotels Limited	<ul style="list-style-type: none"> → EIH Limited → EIH Associated Hotels Limited → Indus Hotels Corporation Limited → Nandi Hills Hotels & Resorts Limited → Mashobra Resort Limited → Mercury Car Rentals Limited → Mercury Travels Limited → Mumtaz Hotels Limited → Island Hotel Maharaj Limited → Oberoi Camarco Limited → Oberoi Kerala Hotels & Resorts Limited → Rajgarh Palace Hotels & Resorts Limited → Mercury Himalayan Explorations Limited 	<ul style="list-style-type: none"> → Tata Consultancy Services Limited → Wockhardt Limited → Max Healthcare Institute Limited
Memberships/ Chairmanships of committees in other public companies	None	Audit Committee → Indian Resort Hotels Limited (Member)	Security Transfer and Security Holders'/ Investors' Grievances Committee → EIH Limited (Member) Shareholders'/ Investors' Grievances Committee → EIH Associated Hotels Limited (Chairman)	Audit Committee → Tata Consultancy Services Limited (Chairman) → Wockhardt Limited (Member) → Max Healthcare Institute Limited (Member) Investors' Grievances Committee → Tata Consultancy Services Limited (Chairman) → Wockhardt Limited (Member) Remuneration Committee → Tata Consultancy Services Limited (Member)

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Jet Airways (India) Limited

Details of the Directors seeking appointment at the Annual General Meeting

Particulars	Dr. Vijay L. Kelkar	Mr. S.G. Pitroda	Mr. Saroj K. Datta
Date of Birth	15th May, 1942	4th May, 1942	3rd May, 1936
Date of Appointment	18th November, 2004	24th December, 2004	1st March, 1993
Qualifications	Ph.D. from the University of California, Berkeley, U.S.A.	Masters degree in Physics from India and Masters degree in Electrical Engineering from the Illinois Institute of Technology, Chicago, U.S.A.	Masters degree in Economics from Delhi University
Expertise in specific functional area	Dr. Kelkar was a senior faculty member of the Administrative Staff College of India at Hyderabad. Dr. Kelkar joined the Planning Commission in 1973 and was Economic Advisor in the Ministry of Commerce in 1977. He was Secretary to the Economic Advisory Council to the Prime Minister between 1985 to 1988 and Director-International Trade, UNCTAD, Geneva between 1991 to 1994. He was subsequently Petroleum Secretary between 1994 to 1997 and Finance Secretary between 1998 to 1999. Dr. Kelkar has been an Executive Director of the International Monetary Fund, overseeing its operations in India and South Asia between 1999 to 2002. He was also the Chairman of the Tariff Commission and an Advisor to the Finance Minister, holding the rank of a Minister of State in the Government of India.	Mr. Pitroda began his illustrious career at GTE and formed Wescom Switching Inc. In 1980 Wescom was acquired by Rockwell International where Mr. Pitroda became Vice President, overseeing Rockwell's telecom business worldwide. In 1984, Mr. Pitroda returned to India and founded the Centre for Development of Telematics. In 1987 he became an advisor to the Prime Minister of India, with the rank of a Minister, on national technology missions relating to drinking water, literacy, immunization, oil seeds, milk and telecom. Mr. Pitroda was the founding Chairman of the Telecom Commission in India, responsible for national and international telecommunication operations, policies and administration. Mr. Pitroda has recently been appointed a member of the National Advisory Council, in the Prime Minister's Office in India under the Chairmanship of Ms. Sonia Gandhi. Currently, Mr. Pitroda is the Chairman of WorldTel Limited. Mr. Pitroda holds over 50 worldwide patents.	Mr. Datta has over 40 years of experience in civil aviation in India and abroad. He joined Air India in 1962 and rose to the position of Deputy Director, Planning and International Relations in 1977. In 1987, he left Air India to join in a senior position in Kuwait Airways. He has been involved with the Company since its inception and is currently the Executive Director of the Company.
Directorships held in other public companies (excluding foreign and private companies)	<ul style="list-style-type: none"> → IDFC Asset Management Company Limited → Tata Chemicals Limited → Hero Honda Motors Limited → Development Credit Bank Limited 	None	None
Memberships/ Chairmanships of committees in other public companies	<p>Audit Committee</p> <ul style="list-style-type: none"> → Tata Chemicals Limited (Member) 	None	None

Directors' Report

To The Members,

- Your Directors have pleasure in presenting their Thirteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2005.

HIGHLIGHTS

- The Financial/Operational Highlights for the year under review compared to the previous financial year are given below:

Financial Highlights

	Year ended 31st March, 2005 Rs. lac	Year ended 31st March, 2004 Rs. lac
GROSS REVENUE	442,017	356,574
Profit before Interest, Depreciation & Tax	129,282	98,243
Interest	25,369	28,914
Profit before Depreciation & Tax	103,913	69,329
Depreciation	45,700	51,515
Profit before Taxation & Adjustments	58,213	17,814
Provision for Tax	4,604	1,503
Deferred Tax Credits	14,410	–
Profit after Taxation	39,199	16,311
(Loss) brought forward	(11,801)	(28,112)
Profit available for Appropriation/(Loss)	27,398	(11,801)
APPROPRIATIONS		
Transfer to Capital Redemption Reserve	5,558	–
Transfer to General Reserve	3,920	–
Proposed Dividend	2,590	–
Income Tax on Dividend	363	–
Transfer to Balance Sheet	14,967	(11,801)
	27,398	(11,801)

Note: 1 lac = 100,000



Operational Highlights

	Year ended 31st March, 2005	Year ended 31st March, 2004
Number of Departures	96,417	90,667
Available Seat Kilometers (ASKMs) - Millions	9,808	9,164
Revenue Passenger Kilometers (RPKMs) - Millions	6,992	5,852
Passenger Load Factor (%)	71.3%	63.9%
Revenue Passengers	8,142,739	6,907,629
Average fleet size during period	41.33	40.44
Average Head Count		
Gross	7,082	6,608
Net	5,652	5,310

CAPITAL

3. The Company became a public limited company on 28th December, 2004 and subsequently made a successful domestic Initial Public Offering of 17,266,801 Equity Shares (consisting of a fresh issue of 14,245,111 Equity Shares and an Offer for Sale of 3,021,690 Equity Shares) of Rs.10 each for cash at a price of Rs.1100 per Equity Share, aggregating Rs.18,993 million. The IPO was oversubscribed 16.2 times and was priced at the upper end of the price band. On 14th March, 2005, the Equity Shares were listed on National Stock Exchange of India Limited and The Stock Exchange, Mumbai. After the IPO, the holding of Tail Winds Limited (of which the Company was hitherto a 100% subsidiary) is now 80%.
4. International Finance Corporation, Washington DC ("IFC") had been issued 69,828,750 5% Cumulative Convertible Redeemable Preference Shares (CCRPS) in the Financial Year 2000-01. In terms of the agreement with IFC dated 8th February, 2001, IFC had an option to convert these CCRPS into Equity Shares of the Company at the time of the Company's Initial Public Offering. IFC did not exercise this option, and agreed with the Company to redeem the CCRPS from the proceeds of the Initial Public Offering, at an annualized return of 18% less the dividend paid so far. The CCRPS were accordingly redeemed on 22nd March, 2005.

DIVIDEND

5. The Board of Directors has recommended a dividend of Rs.3 per Equity Share. The dividend together with the tax on distributed profits will absorb a sum of Rs.2953 lacs (Previous Year : Rs. Nil) and will be paid to those Members whose names appear on the Register of Members of the Company as at the close of business hours on 15th September, 2005.
6. No preference dividend has been provided for in the Annual Accounts in view of what has been stated in paragraph 4 above.

REVIEW OF OPERATIONS

7. The commendable financial performance of the Company reflects the continued growth of domestic travel within India, propelled by a buoyant economy, and increased tourist traffic both domestic and international. The number of revenue passengers carried by the Company increased from 6.91 million to 8.14 million, an increase of 17.9%. The Company's increased profitability reflects both increase in yields and revenues as well as control in costs despite the increase in Aviation Turbine Fuel costs. This has been reviewed in detail in the Management Discussion and Analysis.
8. The Company commenced operations to Kathmandu, Nepal in May 2004.

9. The Company remained the market leader among domestic airlines with an estimated market share of 42.9%.
10. The Company has taken steps to increase the size of its fleet to meet both domestic and international expansion and to replace older aircraft over the years. During the year under review, the Company entered into lease agreements for eight Boeing 737-800 aircraft to be delivered between November 2004 and December 2005. Out of these aircraft, two aircraft were delivered during the financial year (see also post balance sheet events). The Company also entered into purchase agreements with the Boeing Corporation for delivery of ten Boeing 737 Next Generation aircraft between March 2006 and October 2007.

POST BALANCE SHEET EVENTS

11. The Company commenced operations Mumbai-Singapore on 14th April, 2005, Chennai-Kuala Lumpur on 18th May, 2005 and inaugurated its maiden long haul flight to London on 23rd May, 2005. The performance of international operations in a highly competitive environment can be considered satisfactory.
12. The Government of India has designated the Company to operate a daily flight to Newark, New Jersey, United States of America via Brussels, and these will commence after receiving all approvals from the United States and Indian authorities.
13. Subject to receiving statutory approvals, the Company intends to expand its international operations both by increasing frequencies on its existing operations, and introducing new routes as demand builds up.
14. The Company has taken delivery of four more Boeing 737-800 aircraft in terms of the leases mentioned in paragraph 10.
15. The Company has entered into lease agreements for the lease of two Boeing 737-700 aircraft one of which will be delivered in August 2005 and the other in August 2007.
16. The Company entered into lease agreements with South African Airways for three Airbus A340-300E aircraft for its long haul international operations. Two of these aircraft were delivered in May 2005 and one in June 2005.
17. The Company is currently finalizing purchase agreements for the acquisition of aircraft for its future international operations. The Company is finalizing the detailed purchase agreements with the Boeing Corporation for ten Boeing 777 aircraft to be delivered between 2007 and 2009 with options for ten more aircraft. The Company is also having detailed discussions with Airbus S.A.S for the purchase of ten Airbus 330 -200/300 aircraft, for delivery between 2007 and 2009 with options for ten more aircraft.
18. The Company has entered into agreements dated 18th July, 2005 with Jet Enterprise Private Limited. ("JEPL") whereby JEPL has transferred and assigned to the Company, JEPL's right, title and interest in the "Jet Airways" trademark and other related trademarks, which were hitherto licensed by JEPL to the Company. The consideration agreed to is the rupee equivalent of US\$7,000,000 [INR 30,44,30,000]. The licence agreements between JEPL and the Company have accordingly come to an end.
19. The Company has fully repaid to Infrastructure Development Finance Company Limited, the Subordinated Rupee Debt aggregating to Rs. 2,640 million.
20. As of 31st March, 2005, the Audit Committee of the Board consisted of Mr. Aman Mehta, Chairman and Dr. Vijay L. Kelkar and Mr. Victoriano P. Dungca as its Members. On 20th July, 2005 Mr. Javed Akhtar, Independent Director was inducted as the fourth member.
21. As of 31st March, 2005, the Remuneration Committee of the Board consisted of Dr. Vijay L. Kelkar, Chairman and Mr. Victoriano P. Dungca and Mr. Charles A. Adams as its Members. On 20th July, 2005, the Committee was renamed the "Remuneration and Compensation Committee" and Mr. Javed Akhtar and Mr. Aman Mehta, both Independent Directors, were inducted as fourth and fifth members.



Jet Airways (India) Limited

DIRECTORS' RESPONSIBILITY STATEMENT

22. As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:
- i. in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
 - ii. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and the Profit of the Company for that year;
 - iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - iv. the Directors have prepared the Annual Accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

23. The particulars as prescribed pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of these items is given below:
- a. **Conservation of Energy:**
The Company has taken adequate steps to conserve energy in various areas of its operations, wherever feasible. The Company monitors fuel consumption of its aircraft on an on-going basis. In order to achieve savings in aviation fuel consumption, new aircraft being ordered by the Company are being fitted with winglets.
 - b. **Technology Absorption – Training of Pilots:**
During the year under review, the Company's pilots were given endorsement and refresher training for Boeing Aircraft at the Company's Simulator Training Centre at Mumbai. The training was conducted by the Company's own instructors. For its ATR fleet, the Company's Pilots were given endorsement and refresher training, at ATR's Simulator facility at Bangkok. The training was also conducted by the Company's own instructors.
 - c. **Foreign Exchange Earnings and Outgo:**
The particulars of Foreign Exchange Earnings and utilization during the year under review are given in Note No. 15.2 of Schedule 'R' of the Accounts.

DIRECTORS

24. Mr. Javed Akhtar, Mr. Saroj K. Datta, Mr. J. R. Gagrat, Mr. Ali Ghandour, Mr. Victoriano P. Dungca, Mr. I. M. Kadri, Mr. Charles A. Adams, Mr. P.R.S. Oberoi, Mr. Aman Mehta, Dr. Vijay Kelkar and Mr S.G. Pitroda hold office as Directors till the date of the 13th Annual General Meeting and offer themselves for appointment.
25. The Directors recommend the reappointment of Mr. Saroj K. Datta as an Executive Director who holds office till the conclusion of the 13th Annual General Meeting.

AUDITORS

26. At the 13th Annual General Meeting, Members will be requested to appoint Statutory Auditors for the Financial Year 2005-06 and to fix their remuneration. Members will also be requested to authorise the Board of Directors to appoint Branch Auditors in consultation with the Statutory Auditors of the Company.

PARTICULARS OF EMPLOYEES

27. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time forms part of this Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members excluding

the Statement containing the particulars of Employees to be provided under Section 217(2A) of the Act. Any Member interested in obtaining such particulars may inspect the same at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days till the date of the 13th Annual General Meeting.

CORPORATE GOVERNANCE

28. Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement relating to Corporate Governance. A separate section on Corporate Governance forms part of the Annual Report and the Certificate from the Company's Statutory Auditors on compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

29. The Company supports an inflight collection programme viz. "The Magic Box" to support "SAVE THE CHILDREN", a voluntary organization wholly committed to the welfare, survival, protection, participation and development of the underprivileged children of India.
30. The Company contributed significantly to the relief of victims of the Tsunami, which affected Sri Lanka and southern parts of India on 26th December, 2004.
- The Company contributed over Rs.1.28 crores to the Prime Minister's Relief Fund for Tsunami victims. This amount included voluntary contributions from the staff and management personnel.
 - A sum of USD 55,000 was contributed to the Relief Fund of President of Sri Lanka for the rehabilitation of the Tsunami victims.
 - The Company ferried over 50,000 kilos of medical and relief supplies dispatched by Governmental and recognized voluntary agencies from different parts of India to the Tsunami ravaged Tamil Nadu, Kerala and the Andaman & Nicobar Islands.
 - Over 1,600 stranded residents and tourists from the Andaman and Car Nicobar islands were evacuated on 18 flights operated by the Company from Port Blair to Chennai and Kolkata in the immediate aftermath of the tragedy. 50 per cent rebate on tickets was offered on 30 seats to the needy in the Economy Class and all cancellation charges were waived off.

ACKNOWLEDGEMENTS

31. Your Directors place on record their appreciation for the contributions of the members of the Management team and all employees in achieving an impressive performance, during the year under review.
32. Your Directors would also like to place on record their appreciation for the support rendered by the Company's General Sales Agents and Travel Agents without whose efforts it would not have been possible to achieve the improved working results.
33. Your Directors also take this opportunity to thank the Ministry of Civil Aviation, Government of India, the DGCA and the Airports Authority of India for their support and guidance. Your Directors are also grateful to the Reserve Bank of India, the Ministry of Finance, Government of India, National Stock Exchange of India Limited, The Stock Exchange, Mumbai, IFC Washington D. C., the US Exim Bank, Financial Institutions and Banks, the Boeing Company, Avion de Transport Regionale and the Lessors of our aircraft for their support, and look forward to their continued support.

For and on behalf of the Board of Directors

NARESH GOYAL
Chairman

Date : 20th July, 2005
Place : Mumbai



Management Discussion and Analysis

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

- 1.1 2004-05 was another encouraging year for the Indian economy. GDP grew 6.9% following an annual growth rate of 8.2% in the previous Fiscal year. The easing of tensions in the region and continued political stability at home contributed to the favourable business environment.
- 1.2 Propelled by these favourable conditions, domestic air travel grew by over 24% in 2004-05 compared to the previous financial year. The year also witnessed - for the second successive year - a growth in both domestic and foreign tourism. Increased disposable incomes and innovative fare schemes, offered by new and existing airlines, contributed to an explosion in air travel.
- 1.3 The Government's policies with regard to civil aviation continued to be positive. Pursuant to the recommendations of the Naresh Chandra Committee, many of which were implemented in the previous financial year, the Government announced its policy with regard to private domestic carriers flying on long-haul international routes. India signed revised agreements with a number of countries, which included the United States, the United Kingdom and major European countries expanding the available opportunities and enabling the privately-owned domestic carriers (and Indian Airlines) to enter these markets.
- 1.4 The Government has also given priority to improve the required airport infrastructure. The Airports Authority of India has taken steps to improve the facilities at the airports in Mumbai and Delhi, the country's main hubs. The emergence of the other major metro airports as national hubs will offer passengers more direct connectivity and ease the pressure on Mumbai and Delhi Airports.
- 1.5 The liberalization of aviation policies and the current favourable economic climate will give rise to opportunities for continued growth in the air travel market in India, both domestic and international.

2. HIGHLIGHTS

2.1 The performance of the main traffic parameters are summarized below :

Traffic Parameter	Apr'04 -Mar'05	Apr'03 -Mar'04	Variance (%)
Number of departures	96,417	90,667	6.3 %
ASKMs Million	9,808	9,164	7.0 %
RPKMs Million	6,992	5,852	19.5 %
Passenger Load Factor	71.3 %	63.9 %	7.4 points
Block Hours	153,857	140,908	9.2 %
Revenue Passengers (Million)	8.14	6.91	17.9 %
Cargo Tonnage (Million Tonnes)	98.84	86.75	13.9%

2.2 In the domestic market, we increased capacity offered by 7.0% in fiscal 2005 compared to fiscal 2004, and we will increase capacity offered significantly in fiscal 2006. We have inaugurated services to Singapore, Kuala Lumpur and London in the first quarter of fiscal 2006, in addition to our existing services to Kathmandu and Colombo. We have also been designated as an Indian carrier for operations to the United States and we propose to fly to Newark via Brussels.

2.3 The Financial Highlights for the year under review compared to the previous financial year are given below:

	Year ended 31st March, 2005 Rs. lac	Year ended 31st March, 2004 Rs. lac
GROSS REVENUE	442,017	356,574
Profit before Interest, Depreciation & Tax	129,282	98,243
Interest	25,369	28,914
Profit before Depreciation & Tax	103,913	69,329
Depreciation	45,700	51,515
Profit / (Loss) before Taxation & Adjustments	58,213	17,814
Provision for Tax	(4,604)	(1,503)
Deferred Tax Credits	(14,410)	–
Profit / (Loss) after Taxation	39,199	16,311

2.4 International operations accounted for 1.3% of our revenue in the Financial Year 2004-05 compared to 0.01% in the Financial Year 2003-04.

3. ANALYSIS OF OPERATIONAL PERFORMANCE IN FISCAL 2005 COMPARED TO FISCAL 2004

3.1 Passenger revenues grew 26.8% year-on-year. This reflects both the increase in passenger volumes, and the two increases in domestic fares designated in Indian Rupees, implemented in June and in October 2004. Domestic fares designated in United States Dollars were also increased in October 2004. Related revenues in the form of excess baggage and courier increased by 47% year-on-year owing to increased passenger numbers as well as increased courier business.

3.2 Cargo revenues increased 7.9% year-on-year. Our increasing presence in the cargo market has established a reputation for customer-friendly service. During fiscal 2005, the Company continued to improve its cargo infrastructure, implemented new systems to track cargo, as well as other marketing initiatives. We will continue to lay emphasis on our cargo operations, particularly on international routes.

3.3 Other revenues increased by 8.5% year-on-year essentially because of the increase in income from cancellation charges on our discounted fares. Passenger Service Fee handling charges increased from



Jet Airways (India) Limited

Re.1 to Rs.5 per passenger with effect from 1st April, 2004, and there was accordingly a corresponding increase in income. The increase was partly offset by the fact that there were no revenues from handling charges on the Inland Air Travel Tax (IATT) in fiscal 2005 pursuant to the withdrawal of IATT by the Government in January 2004.

3.4 Non-operating revenues decreased by 30.6% from Rs.1,183 Million in Fiscal 2004 to Rs.822 Million in Fiscal 2005. The principal reasons for the variance are:

- Gains from foreign exchange decreased by 97.9 % from Rs.335 Million in Fiscal 2004 as compared to Rs.7 Million in Fiscal 2005 primarily because of the appreciation of the Rupee against the Dollar;
- In fiscal 2004 there was a profit on sale and hire purchase of engines of Rs.171 Million and profit on sale of Aircraft of Rs.266 Million. There was no corresponding income in Fiscal 2005.

However, the above was partly offset by:

- increase in interest on bank and other deposits by 22.0% from Rs.251 Million in Fiscal 2004 to Rs.306 Million in Fiscal 2005;
- increase in profit on sale of investments by 358.3% from Rs. 24 Million to Rs. 110 Million;
- increase in dividend on investments by 64.7% from Rs. 17 Million to Rs.28 Million and
- increase in other Income by 58.8 % from Rs.114 Million to Rs. 181 Million; and
- write-back of certain provisions amounting to Rs.188 Million in fiscal 2005.

3.5 Fuel costs for Fiscal 2005 were 41.8% higher than Fiscal 2004. The average rate of fuel per litre was 30.7% higher than the previous year. At the beginning of Fiscal 2005, Aviation Turbine Fuel prices were Rs.20.82 per litre and at the close of the year it was Rs.26.72 per litre. Fuel consumption was 9.2% higher year-on-year, because of the increase in the scale of operations.

3.6 Other Operating Expenses decreased by 4.08% to Rs.9,062 Million in Fiscal 2005 from Rs.9,433 Million in Fiscal 2004 as per details given below:

3.6.1 Maintenance and repair costs decreased from Rs.3,064 Million in Fiscal 2004 to Rs.2,874 Million in Fiscal 2005 primarily due to the introduction of the Accounting Standard, AS-29 effective 1st April, 2004. Under this Accounting Standard, certain maintenance costs, which were previously accrued on the basis of hours flown, are now accounted for on an incurred basis. If this standard had not been introduced, the expenditure for the current fiscal year would have been higher by Rs. 820 Million.

3.6.2 Variable rentals decreased by 32.1% from Rs.1,024 Million in fiscal 2004 to Rs.695 Million in fiscal 2005. Reduction in these costs was also principally because of the discontinuation of the accrual of certain provisions in accordance with Accounting Standard AS-29, effective 1st April, 2004.

- 3.6.3 Landing, navigation and other airport charges increased by 14.5% year-on-year from Rs.2,085 Million in Fiscal 2004 to Rs.2,388 in Fiscal 2005. This was primarily due to the increase in the number of flights operated in Fiscal 2005 over Fiscal 2004.
- 3.6.4 Insurance costs increased by 39.4% from Rs.352 Million in Fiscal 2004 to Rs.491 Million in Fiscal 2005. This was primarily due to the fact that costs on account of passenger insurance had, during the previous financial year, been “netted off” against the collection of insurance surcharge. However, this surcharge was merged into passenger fares with effect from June 20, 2004, in the case of domestic passengers and 1st October, 2004, in the case of passengers originating outside India. Accordingly, there was no netting off from these dates. However, we achieved lower insurance rates in Fiscal 2005 compared to Fiscal 2004.
- 3.6.5 General and administrative costs increased by 17.6% from Rs.2,538 Million in Fiscal 2004 to Rs.2,985 Million in Fiscal 2005 essentially reflecting cost increases due to the increase in passengers.
- 3.7 Employee costs increased 32.8% reflecting both the increase in head-count and the review of salaries during the year. (See Item No. 6 below “Human Resources”)
- 3.8 Selling and distribution costs increased by 31.1% from Rs 4,264 Million for Fiscal 2004 to Rs.5,591 Million in Fiscal 2005. The key elements were:
- expenses relating to our Central Reservation System (CRS) and to our Global Distribution System suppliers increased 16% in Fiscal 2005 over Fiscal 2004 in proportion to the increase in passenger volumes;
 - expenses on account of commissions to general sales agents and travel agents increased from Rs.3,063 Million to Rs.4,208 Million owing to increased passenger and cargo revenues, as well as new productivity-based incentives for the travel trade introduced in Fiscal 2005; and
 - an increase in advertisement expenses in Fiscal 2005, in part due to the launch of our operations to Kathmandu, Nepal.
- 3.9 Aircraft rentals decreased year-on-year by 12.4% from Rs.2,266 Million in Fiscal 2004 to Rs.1,986 Million in Fiscal 2005 owing to the full impact of the reduction in lease rentals that we negotiated with the lessors of two of our Boeing 737 aircraft and five of our ATR 72-500 aircraft in Fiscal 2004.
- 3.10 Depreciation decreased by 11.3% from Rs.5,152 Million in Fiscal 2004 to Rs.4,570 Million in Fiscal 2005 owing to the reduced written down value of aircraft and other depreciable assets.
- 3.11 Interest expenses decreased by 12.3% from Rs.2,891 Million in Fiscal 2004 to Rs.2,537 Million in Fiscal 2005, owing to decrease in loans and borrowings, and also the lower rates of interest prevalent in Fiscal 2005 compared to Fiscal 2004.

4. INITIATIVES

- 4.1 As part of our continuing commitment to service excellence we implemented a unique programme, “Seamless Customer Care”. The objective of the programme is to make every employee aware of his or



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her role in achieving customer satisfaction – including of the internal customer. The elements of the programme are:

- To make all employees aware of the interrelationships of their respective roles with the customer and with other parts of the organization.
- Employees are encouraged to identify areas, which need to be addressed to ensure excellence of service in all areas of our operation.
- Implementation of these and other ideas through a group of “Quality Champions” representing every area of our operations, who report directly to senior management.

The programme has been rolled out in all our offices and stations throughout the network and covers all our employees.

- 4.2 We monitor levels of service through regular quality audits and passenger feedback. During the year under review, we redesigned our “Service Tracker” form distributed in-flight to passengers, which evaluates every aspect of our service. Based on the analysis of over 500,000 service trackers during the year, over 95% of our passengers ranked our service “good” or “excellent”. Technical dispatch reliability has been at over 99% for the second year running.
- 4.3 On-line bookings were introduced in April 2004, whereby passengers can book, pay and print electronic tickets (e-tickets) through our website. Our system has been carefully customized to ensure the highest international standards of both user-friendliness and of the security of transactions.
- 4.4 Our loyalty programme “Jet Privilege” was revamped during the year.
 - Members have more opportunities to earn “mileage” on tie-ups with international airlines, hotels, car rental agencies and other service providers.
 - The levels of membership have been increased from three to five, which has made the programme more flexible for members, and given them enhanced opportunities to earn mileage with the frequency of their travel, and also additional benefits commensurate to the level.
 - Members can interactively access their accounts online.
 - The “Dynamic Tier Review” feature enables us to upgrade the level of membership as soon as a member has crossed the respective threshold.

As on 31st March, 2005, the programme had over 440,000 members.

5. OUTLOOK

- 5.1 We carried over 16% more domestic passengers in the first quarter of Fiscal 2006 compared to the first quarter of Fiscal 2005. Our strategic objective in the domestic market will be to maintain our service standards at the highest international levels. At the same time we will strive to maintain our market leadership by offering a restricted part of our capacity on a dynamic fare basis, with the help of our advanced Yield Management System, which became fully operational in 2004-05. This will enable us to improve the revenue we earn from each flight.



5.2 Our international strategy is a natural extension of our domestic operations. We are in a position to take full advantage of the liberalization of international skies and grow in a planned and disciplined manner. Our brand is recognized worldwide. We have established a marketing and distribution system in 74 countries that will also market our new destinations. We offer convenient connectivity to our network in India. Our mission is to be the most preferred airline in the destinations we fly at home and abroad.

5.3 Our fleet position is summarized below :-

	31st March, 2003		31st March, 2004		31st March, 2005		20th July, 2005	
	Owned	Leased	Owned	Leased	Owned	Leased	Owned	Leased
Boeing 737-400	4	4	3	3	3	3	3	3
Boeing 737-700	8	4	8	4	8	4	8	4
Boeing 737-800	11	2	11	2	11	3	11	8
Boeing 737-900	–	–	2	–	2	0	2	–
Airbus 340-300E	–	–	–	–	–	–	–	3
ATR72-500	–	8	–	8	–	8	–	8
	23	18	24	17	24	18	24	26

5.4 We will be inducting additional aircraft into our fleet during Fiscal 2006 to meet the growing market requirements in both the domestic and international sectors.

6. HUMAN RESOURCES

6.1 Industrial relations throughout the network remained cordial during Fiscal 2005. During the year, we concluded 3-year wage agreements with unions at Mumbai, Delhi and Kolkata. We have also entered into 3-year wage agreements with Pilots and also arrived at salary revisions for the next three years with Engineers and Cabin Crew, in consultation with such staff. We also revised, during the course of the year, the salary structure of other employees, commensurate with market conditions.

6.2 The total number of employees as on 31st March, 2005 was 7082 compared to 6608 as on 31st March, 2004. The increase in head count was primarily due to the staff recruited in our operating departments to meet growth during the year and for our future operational requirements.

6.3 We are enhancing our in-house training facilities to meet our future manning requirements. New engineering training facilities will be located at the hangar at Mumbai Airport, due to be commissioned in the second half of Fiscal 2006. The commissioning of the hangar will also significantly enhance our in-house maintenance facilities for aircraft.

6.4 We plan to augment our training facilities for Pilots and Cabin Crew to meet the requirements arising out of the proposed expansion of our fleet. We are in the process of finalizing the order for our second Boeing 737 Next Generation Full Flight Simulator to meet pilot training needs of our existing and future Boeing 737 aircraft. An integrated training centre is being planned to meet the training requirements of Pilots and Cabin Crew.



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7. AWARDS

7.1 The Company has continued to receive recognition for the excellence, innovation and reliability of its service. During the year under review, the Company received the following awards:

- In October 2004, the Company was conferred the 'Most Respected Company' award in the Travel and Hospitality sector of the leading business magazine Businessworld, for the second consecutive year.
- In October 2004, the Company was voted the 'Best Domestic Airline' by the readers of Travel Trade Gazette (TTG)-Asia and TTG-China, for the second consecutive year.
- In November 2004, the Company received the prestigious Galileo-Express Travel & Tourism Award for 'India's Best Domestic Airline' for the second consecutive year.

7.2 In April 2005, in our first year of participation in the prestigious Freddie Awards (which are awarded to airlines worldwide for their frequent flier programmes based on travellers' choice), the Company was awarded the 'Industry Impact Award' for the newly introduced 'Dynamic Tier Review' in our Jet Privilege Programme. The Programme came third in two other categories – Best Programme and Best Customer Service.

8. INTERNAL CONTROL SYSTEMS

8.1 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.

8.2 The Internal Audit Division reviews the adequacy and efficacy of the internal controls. The scope of the audit activity is guided by the annual audit plan, which is approved by the Audit Committee of the Board.

8.3 The Company's Audit Committee comprises four Non-executive Directors: Mr. Aman Mehta (Chairman), Dr. Vijay L. Kelkar, Mr. Victoriano P. Dungca and Mr. Javed Akhtar. One of the objectives of the Audit Committee is to review the Reports submitted by the Internal Audit Department and to monitor follow-up and corrective action by Management.

8.4 The Company has a corporate compliance procedure to ensure that all laws, rules and regulations applicable to our industry are complied with. Based on confirmation from all departmental heads, the Chief Executive Officer places a Corporate Compliance Certificate at every Board Meeting.

8.5 The Company Secretary is the designated Compliance Officer to ensure compliance with SEBI regulations and with our Listing Agreement with National Stock Exchange of India Limited and The Stock Exchange, Mumbai.

- 8.6 The Executive Director is the Compliance Officer with regard to the 'Jet Airways Code of Conduct for Prevention of Insider Trading' and Public Spokesman for the 'Jet Airways Code of Corporate Disclosure Practices for Prevention of Insider Trading'.
- 8.7 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.
- 8.8 We are reviewing the management of operational, financial and strategic risks with particular reference to our proposed expansion plan.

9. CONCERNS

- 9.1 Our principal concern and that of the airline industry remains the high price of oil, which is impacting aviation turbine fuel prices worldwide. As mentioned earlier, the impact of fuel costs in Fiscal 2005 was absorbed by fare increases as well as increased traffic. Aviation fuel prices have continued to rise from April 2005 onwards. However, the effective cost of aviation fuel purchased for international operations in India is lower than that purchased for domestic operations as excise duty is not charged and further the purchase of fuel by designated carriers is exempt from the payment of sales tax. We propose to approach the authorities for permission to hedge the fuel we purchase for our international operations.
- 9.2 The airline business is affected by economic cycles and by internal or external political events. We believe that the economic growth in India and the region will continue to be buoyant over the next few years. At the same time, socio-political and natural calamities, events such as terrorism and terrorist threats, regional conflicts, epidemics and floods can affect or disrupt our business and financial performance. We will, therefore, continue our strategy of cost management with the objective of maintaining and reducing unit costs. We will continue to pursue productivity improvements, the judicious use of technology, proactive policies for the purchase of goods and services, the continuous monitoring of our sales and distribution costs and outsourcing non-core activities.

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.



Corporate Governance Report

(Clause 49 of the Listing Agreement with the Stock Exchanges on Corporate Governance became effective from 14th March, 2005 when the Company's Equity Shares were listed on the Stock Exchanges. Accordingly, the information in the report on Corporate Governance relating to the period prior to 14th March, 2005 is given voluntarily.)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

2.1 Composition

The Board of Directors consists of 12 Directors inclusive of 4 Independent Directors. Mr. Naresh Goyal is the Chairman and Mr. Saroj K. Datta is the Executive Director. The Board of Directors including the Independent Directors comprise of senior, competent and highly respected persons from their respective fields. Brief biographies of our Directors are given below:

Mr. Naresh Goyal, 56, a non-resident Indian national, is the Chairman of the Company. He is also the Chairman of the Board of Directors. Mr. Goyal holds a Bachelors Degree in Commerce and after completing his education in 1967, Mr. Goyal joined the travel business and underwent extensive practical training with several foreign airlines.

Mr. Naresh Goyal has more than 35 years of experience in the civil aviation industry. Immediately after graduation in Commerce in 1967, Mr. Goyal joined the travel business with the General Sales Agents ("GSA") for Lebanese International Airlines. Subsequently, Mr. Goyal was appointed the Public Relations Manager of Iraqi Airways in 1969 and from 1971 to 1974 was the Regional Manager for ALIA, Royal Jordanian Airlines. During this period, Mr. Goyal also worked with the Indian offices of Middle Eastern

Airline (MEA) where he gained experience in various areas including ticketing, reservations and sales. During this period, he underwent extensive training in all facets of the travel business and undertook considerable international travel on business. With the wide experience, expertise and technical know-how Mr. Goyal acquired, he founded Jetair Private Limited (then known as Jetair Transportation Private Limited) in 1974 with the objective of providing sales and marketing representation to foreign airlines in India. Shortly thereafter in 1975, he was appointed Regional Manager of Philippine Airlines in India where he handled the commercial operations of the Airline in India.

In Jetair, Mr. Goyal was directly involved in marketing studies and traffic development in the Far East, Middle East, and Europe, the U.K. and the U.S.A. Mr. Goyal has also been involved in developing studies of traffic patterns, route structures, operational economies and flight scheduling, all of which have made him an authority in the world of aviation and travel.

As Chairman of the GSA company, Jetair Private Limited and the other promoter group companies such as International Cargo Carriers Limited, National Travel Service and France Air Private Limited, he has imparted expertise to these companies and further refined his knowledge of the operation of passenger and cargo services and promotion and development of tourism.

In 1992, as part of the ongoing diversification of his business interests, Mr. Goyal promoted Jet Airways for operating scheduled air services in India.

In recognition of his achievements, Mr. Goyal has been the recipient of several national and international awards. In 2000, he received the 'Entrepreneur of the Year Award' for Services from Ernst & Young and the 'Distinguished Alumni Award' for distinguished performance as an entrepreneur. Other awards conferred on Mr. Goyal include the 'Outstanding Asian Indian' award for leadership and contribution to the global community given by the Indian American Centre for Political Awareness in 2003, the Qimpro Gold Standard Award in 2002 and the Aerospace Laurels Award for outstanding achievement in the field of commercial air transport, which has been awarded to him twice, in April 2000 and February 2004. Mr. Goyal has also been elected to the Board of Governors of IATA in June 2004.

Mr. Ali Ghandour, 74, a Jordanian national, has been a Director of the Company since February 1998. Mr. Ghandour is a qualified aeronautical engineer from New York University, U.S.A. Mr. Ghandour has over 50 years of experience in the civil aviation industry. He was an advisor to the late King Hussein of Jordan and was earlier the Chairman of the Royal Jordanian Airlines. He has also been associated with the development of a number of Airlines in the Middle East.

Mr. J. R. Gagrat, 73, an Indian national, has been a Director of the Company since March 1994. Mr. Gagrat holds a law degree from Bombay University and has also qualified as a Solicitor of the High Court of Bombay, a Solicitor of the Supreme Court of England, an Advocate of the Supreme Court of India and a Notary of the Union of India. Mr. Gagrat is a Partner in the law firms of Gagrats, Mumbai Gagrat & Co. New Delhi in India, and Gagrat & Gardi in Dubai. A former President of the Bombay



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Incorporated Law Society, he has also served as a director of various financial institutions, banks, public and private limited companies and he is also a trustee of various public and private trusts. Between 1995 and 2002, Mr. Gagrat was a member of the committee constituted to review the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1994. Mr. Gagrat has also been a member of the Rules Committee of the Bombay High Court, an Honorary Secretary of the International Law Association (India Branch), Bombay Centre and the Chairman of the Indirect Taxation Committee of the Indian Merchants Chambers.

Mr. Victoriano P. Dungca, 69, an American national, has been a Director of the Company since January 1999. Mr. Dungca holds an MBA from Cornell University, U.S.A. and is a Certified Public Accountant from the U.S.A. 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. Javed Akhtar, 60, an Indian national has been a Director of the Company since March 1993. Mr. Akhtar holds a Bachelor Degree in Arts. Mr. Akhtar is a well-known poet, lyricist, screenplay and scriptwriter and is a famous media personality. Mr. Akhtar has won the Filmfare Award thirteen times, and is a five-time National Award winner for the best lyricist.

Mr. I. M. Kadri, 75, an Indian national, has been a Director of the Company since February 2000. Mr. Kadri holds a Bachelors degree in Engineering from Pune University. He is a member of the Council of Architecture, New Delhi and a Fellow of the Indian Institute of Architects and a Fellow of the Indian Institute of Interior Design. Mr. Kadri set up his practice as an architect in 1960 and is actively involved with the problems relating to rebuilding of dilapidated buildings in Mumbai and exploring technological solutions for mass housing schemes. He was also a member of the Steering Committee appointed by the Government of Maharashtra to suggest strategies for solving the housing problems of Mumbai. Mr. Kadri was awarded a citation in 1993 as an Outstanding Architectural Engineer by the Institution of Engineers in India. He is also the General Secretary of the prestigious Nehru Centre in Mumbai.

Mr. Charles A. Adams, 65, an American national, has been a Director of the Company since September 2003. Mr. Adams holds a Bachelors of Science degree in Marketing from the University of Hartford, U.S.A. and has 40 years of experience in the aviation industry. After a distinguished career in the United States Army, Mr. Adams joined Trans World Airlines, or TWA, in 1965 and held numerous management positions with TWA in the U.S.A., Europe and Asia. He retired from TWA in 1991 and subsequently joined United Parcel Service, or UPS, as the Executive Vice President for UPS Yamato Japan. He retired from UPS in 2003 as President, Asia Pacific.

Mr. P. R. S. Oberoi, 76, an Indian national, has been a Director of the Company since March 2004. He is a graduate in Hotel Management from Lausanne, Switzerland. He is the Chairman and Chief Executive Officer of EIH Limited and he is also the Chairman of Oberoi Hotels Private Limited and the major shareholder of EIH Limited. Besides providing leadership for the management of Oberoi hotels across six countries, Mr. Oberoi has been instrumental in pioneering the development of new Oberoi hotels

and resorts. Mr. Oberoi is credited with placing India on the international luxury traveller's map and redefining architectural and design standards in luxury hospitality.

Mr. Aman Mehta, 58, an Indian national, has been a Director of the Company since September 2004. Mr. Mehta holds a Bachelors degree in Economics from Delhi University. He joined the HSBC group in 1968. He subsequently held several senior positions with the Hong Kong and Shanghai Banking Corporation 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, and of the Indian Council for Research and International Economic Relations, New Delhi. Mr. Mehta serves as an independent director on the boards of several companies in India as well as in the UK, Hong Kong and Singapore.

Dr. Vijay L. Kelkar, 63, an Indian national, was appointed as a Director of the Company in November 2004. Dr. Kelkar holds a Ph.D. from the University of California, Berkeley, U.S.A. He was a senior faculty member of the Administrative Staff College of India at Hyderabad. Dr. Kelkar joined the Planning Commission in 1973 and was Economic Advisor in the Ministry of Commerce in 1977. He was Secretary to the Economic Advisory Council to the Prime Minister between 1985 to 1988 and Director-International Trade, UNCTAD, Geneva between 1991 to 1994. He was subsequently Petroleum Secretary between 1994 to 1997 and Finance Secretary between 1998 to 1999. Dr. Kelkar has been an Executive Director of the International Monetary Fund, overseeing its operations in India and South Asia between 1999 to 2002. He was also the Chairman of the Tariff Commission and an Advisor to the Finance Minister, holding the rank of a Minister of State in the Government of India.

Mr. S. G. Pitroda, 63, an Indian national, was appointed a Director of the Company in December 2004. Mr. Pitroda holds a Masters degree in Physics from India and a Masters degree in Electrical Engineering from the Illinois Institute of Technology, Chicago, U.S.A. Mr. Pitroda began his illustrious career at GTE and formed Wescom Switching Inc. In 1980, Wescom was acquired by Rockwell International where Mr. Pitroda became Vice President, overseeing Rockwell's telecom business worldwide. He held this position until 1983.

In 1984, Mr. Pitroda returned to India and founded the Centre for Development of Telematics. In 1987, he became an advisor to the Prime Minister of India, with the rank of a Minister, on national technology missions relating to drinking water, literacy, immunization, oil seeds, milk and telecom. Mr. Pitroda was the founding Chairman of the Telecom Commission in India, responsible for national and international telecommunication operations, policies and administration, with over 500,000 employees. As the Chairman of the Commission, Mr. Pitroda revolutionized telecommunications in India and was successful in getting it accepted as a fundamental component of modernization of India.

In 2000, Mr. Pitroda was invited by the UN Secretary General to join a special Advisory Committee on Information and Communications Technology. Mr. Pitroda has recently been appointed a member of the National Advisory Council, in the Prime Minister's Office in India under the chairmanship of



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Ms. Sonia Gandhi. Currently, Mr. Pitroda is the Chairman of WorldTel Limited. He is also the Chairman and Founder of several high-technology start-up companies in the US, Europe and India. Mr. Pitroda is also the founding Chairman of a non-profit Foundation for "Revitalization of Local Health Traditions in India." Mr. Pitroda holds over 50 worldwide patents.

Mr. Saroj K. Datta, 69, an Indian national, has been a Director of the Company since March 1993. Mr. Datta holds a Masters degree in Economics from Delhi University. Mr. Datta has over 40 years of experience in civil aviation in India and abroad. He joined Air India in 1962 and rose to the position of Deputy Director, Planning and International Relations in 1977. In 1987, he left Air India to join in a senior position in Kuwait Airways. He has been involved with the Company since its inception and is currently Executive Director of the Company.

2.2 Other Directorships / Memberships

The Company has a Non-executive Chairman and the number of Independent Directors is one-third of the total strength of the Board. The Company has complied with the requirements of Clause 49 of the Listing Agreement as regards composition of the Board.

Name of Director	Position/Category	Other Directorships / Mandatory Committee memberships		
		Directorships in other Public Cos.	Committee Member	Committee Chairman
Mr. Naresh Goyal	Promoter & Non-executive Chairman	Nil	Nil	Nil
Mr. Ali Ghandour	Non-executive Director	Nil	Nil	Nil
Mr. Victoriano P. Dungca	Non-executive Director	Nil	Nil	Nil
Mr. Charles A. Adams	Non-executive Director	Nil	Nil	Nil
Mr. J. R. Gagrat	Non-executive Director	1	Nil	Nil
Mr. Javed Akhtar	Independent Director	Nil	Nil	Nil
Mr. I. M. Kadri	Non-executive Director	1	1	Nil
Mr. P.R.S. Oberoi	Non-executive Director	13	1	1
Mr. Aman Mehta	Independent Director	3	4	2
Dr. Vijay L. Kelkar	Independent Director	4	1	Nil
Mr. S. G. Pitroda	Independent Director	Nil	Nil	Nil
Mr. Saroj K. Datta	Executive Director	Nil	Nil	Nil

2.3 Attendance at the Board Meetings and the last Annual General Meeting

Name of Director	Attendance				
	Board Meetings				Annual General Meeting 29th September, 2004
	28th May, 2004	29th Sept., 2004	4th Nov., 2004	9th March, 2005	
Mr. Naresh Goyal	✓	✓	✓	X	✓
Mr. Ali Ghandour	✓	✓	✓	X	X
Mr. Victoriano P. Dungca	✓	✓	✓	X	X
Mr. Charles A. Adams	✓	✓	✓	X	X
Mr. J. R. Gagrat	X	X	X	✓	X
Mr. Javed Akhtar	X	✓	X	✓	X
Mr. I. M. Kadri	X	✓	✓	X	X
Mr. P. R.S. Oberoi	✓	X	X	X	X
Mr. Aman Mehta ¹	N. A	N. A	X	✓	X
Dr. Vijay L. Kelkar ²	N. A	N. A	N. A	X	N. A
Mr. S. G. Pitroda ³	N. A	N. A	N. A	X	N. A
Mr. Saroj K. Datta	✓	✓	✓	✓	✓
Mr. Dipankar Basu ⁴	X	✓	N. A	N. A	X
Mr. T. N.V. Ayyar ⁵	X	✓	N. A	N. A	X

✓ *Attended the meeting*

X *Did not attend the meeting*

N. A *Not Applicable as was not a Director on the date of Meeting*

1. *Appointed on 29th September, 2004*

2. *Appointed on 18th November, 2004*

3. *Appointed on 24th December, 2004*

4. *Did not seek reappointment at the 12th Annual General Meeting held on 29th September, 2004*

5. *Did not seek reappointment at the 12th Annual General Meeting held on 29th September, 2004*

3. AUDIT COMMITTEE

In terms of the Listing Agreement executed by the Company with Stock Exchanges, and pursuant to Section 292A of the Companies Act, 1956, the Company has complied with the requirements of Clause 49 of the Listing Agreement as regards composition of the Audit Committee.



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3.1 Terms of Reference

The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements before submission to the Board of Directors and also ensure compliance of internal control systems. In addition, the responsibilities of the Audit Committee shall include the following:

Financial statements

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that this financial statement is correct, sufficient and credible.
- Reviewing with management the annual financial statement before submission to the Board of Directors, focusing primarily on:
 - ❑ Any changes in accounting policies and practices
 - ❑ Major accounting entries based on exercise of judgment by management
 - ❑ Qualification in draft audit report
 - ❑ Significant adjustments arising out of audit
 - ❑ The going concern assumption
 - ❑ Compliance with Accounting Standards
 - ❑ Compliance with stock exchange and legal requirements concerning financial statements
 - ❑ Any Related Party Transactions as per Accounting Standard No. 18 and disclosures thereof in the financial statements.
- Reviewing the Company's financial and risk management policies
- Disclosure of contingent liabilities

Review of information

- Financial statements and draft audit report, including quarterly/ half yearly/yearly financial results statements/information.
- Management discussion and analysis of financial condition and results of operations.
- Reports relating to compliance with laws and to risk management.
- Management letters / letters/reports of internal control weaknesses issued by statutory / internal auditors.
- Records of Related Party Transactions



Internal Control

Reviewing with the management, external and internal auditors, the adequacy of internal control systems and mechanism to safeguard the assets of the Company and to detect fraud and other irregularities.

Internal Audit

- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Discussion with internal auditors of any significant findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors.

External Audit

- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditor before the audit commences, of the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

Related party transactions

A statement of all transactions with related parties, including their basis shall be placed before the Audit Committee for formal approval/ ratification with explanation where there are interested transactions.

Defaults

Looking into the reasons for substantial default in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.

Insurance

Without limiting its scope, the Audit Committee shall:

- review an annual detailed paper (to be prepared by the management) on the Company's insurance program with all material facts about the program including the level of cover, premium, principle terms and exclusions;
- review and approve any material new insurances, proposed cancellations or variations of existing policies;



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- be advised of any development in the Company or industry (including incidents or claims) which may materially affect the Company's insurance program; and
- be advised of each renewal (including details of the principal terms) of material insurances within the Company's insurance program.

Others

- Reviewing compliances as regards the Company's whistle blower policy
- Monitoring usage of proceeds from initial public offerings
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action of any instances of non-compliance)
- Review the findings of any examinations by regulatory agency and any audit observations
- Review the process for communicating the Jet Airways Code of Conduct to Company personnel, and for monitoring compliance therewith
- Obtain regular updates from Management and Company's General Counsel regarding compliance matters

3.2 Composition, name of members, chairman and attendance at meetings

The Audit Committee of the Board was constituted on 24th December, 2004. Members of the Audit Committee up to 31st March, 2005 were as under:

Name of the Member	Designation	Category/Position
Mr. Aman Mehta	Chairman	Independent Director
Dr. Vijay L. Kelkar	Member	Independent Director
Mr. Victoriano P. Dungca	Member	Non-executive Director

The Audit Committee did not hold any meeting in the Financial Year 2004-05.

4. REMUNERATION COMMITTEE

4.1 Terms of Reference

The Remuneration Committee shall determine the Compensation Policy and other benefits for Executive Directors.

4.2 Composition, name of members and chairman

The Remuneration Committee of the Board was constituted on 24th December, 2004. Members of the Remuneration Committee up to 31st March, 2005 were as under:

Name of the Member	Designation	Category/Position
Dr. Vijay L. Kelkar	Chairman	Independent Director
Mr. Victoriano P. Dungca	Member	Non-executive Director
Mr. Charles A. Adams	Member	Non-executive Director

The Remuneration Committee did not hold any meeting in the Financial Year 2004-05.

4.3 Remuneration Policy

At present, the Non-executive Directors of the Company are entitled only to sitting fees, which is decided by the Board of Directors. The remuneration payable to the Executive Director will be determined by the Remuneration Committee. The remuneration of Directors will be subject to approval by the Company at its Annual General Meeting.

4.4 Details of remuneration of Directors for the Financial Year 2004-05

Name of the Director	Basic Salary (Rs.)	Allowance (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Naresh Goyal	Nil	Nil	Nil	Nil	15,000	15,000
Mr. Ali Ghandour	Nil	Nil	Nil	Nil	15,000	15,000
Mr. Victoriano P. Dungca	Nil	Nil	Nil	Nil	15,000	15,000
Mr. Charles A. Adams	Nil	Nil	Nil	Nil	15,000	15,000
Mr. J. R. Gagrat	Nil	Nil	Nil	Nil	5,000	5,000
Mr. Javed Akhtar	Nil	Nil	Nil	Nil	10,000	10,000
Mr. I. M. Kadri	Nil	Nil	Nil	Nil	10,000	10,000
Mr. P. R. S. Oberoi	Nil	Nil	Nil	Nil	5,000	5,000
Mr. Aman Mehta	Nil	Nil	Nil	Nil	5,000	5,000
Dr. Vijay L. Kelkar	Nil	Nil	Nil	Nil	Nil	Nil
Mr. S. G. Pitroda	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Dipankar Basu	Nil	Nil	Nil	Nil	5,000	5,000
Mr. T. N. V. Ayyar	Nil	Nil	Nil	Nil	5,000	5,000
Mr. Saroj K. Datta	2,222,500	987,800	1,009,542	377,757	20,000	4,617,599

The Company paid Rs. 42,39,011 as Professional Fees to Law Firms in which Mr. J. R. Gagrat, Director of the Company, is a Partner.



5. INVESTORS' GRIEVANCE COMMITTEE

5.1 Composition, Name of Members and Chairman

The Investors' Grievance Committee of the Board was constituted on 24th December, 2004. Members of the Investors' Grievance Committee are as under:

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

The Investors' Grievance Committee did not hold any meeting in the Financial Year 2004-05.

5.2 Name and designation of Compliance Officer

Mr. A. R. Rajaram, Company Secretary is the Compliance Officer under Clause 47 of the Listing Agreement.

5.3 Details of Shareholders' complaints/queries

Opening Balance	Received	Attended To	Pending
Nil	315	315	Nil

6. SHARE TRANSFER COMMITTEE

A Share Transfer Committee was constituted on 9th March, 2005 to deal with all matters pertaining to transfers and transmissions of Equity Shares of the Company. The Members of the said Committee are:

Name of the Member	Designation	Category/Position
Mr. Wolfgang Prock-Schauer	Member	Chief Executive Officer
Mr. Saroj K. Datta	Member	Executive Director
Mr. Carl Saldanha	Member	Chief Financial Officer
Mr. Prasun Sengupta	Member	Vice President -Corporate Administration
Mr. Ashok K. Barimar	Member	General Counsel & Vice President -Legal
Mr. A. R. Rajaram	Member	Company Secretary

7. GENERAL BODY MEETINGS

7.1 Location and time for the last three Annual General Meetings:

Date	Venue	Time
28th June, 2002	72, Jupiter Apartments, Anstey Road, Off. Altamount Road, Mumbai 400 026	12:30 p.m.
20th September, 2003	S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai 400 059	5:00 p.m.
29th September, 2004	S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai 400 059	5:00 p.m.

7.2 Whether any special resolutions passed in the previous three Annual General Meetings:

Year	Subject
28th June, 2002	Amendment to Articles of Association of the Company
20th September, 2003	None
29th September, 2004	None

7.3 Whether special resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through postal ballot and procedures for postal ballot.

Not Applicable. There was no resolution which was required to be passed by a postal ballot.

8. DISCLOSURES

8.1 Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

8.2 Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

The Equity Shares of the Company were listed on 14th March, 2005. No penalties and strictures have been imposed on the Company. The Company has been regular in complying with the requirements specified by the Stock Exchanges, SEBI and other Statutory Authorities.



Shareholder Information

Date and time of Annual General Meeting	27th September, 2005 at 3:30 p.m.
Venue	Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018
Financial Year	1st April, 2004 to 31st March, 2005
Book Closure Date	Friday, 16th September, 2005 to Tuesday, 27th September, 2005 (both days inclusive) for Annual General Meeting and payment of dividend.
Dividend Payment Date	The Dividend, if declared, shall be paid on or after 3rd October, 2005, but within the statutory time limit of 30 days.
Registered Office	S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai 400 059
Compliance Officer	Mr. A. R. Rajaram, Company Secretary
Website Address	www.jetairways.com

1. FINANCIAL CALENDAR

The Company has announced/expects to announce the unaudited Quarterly Results for the year 2005-06, as per the following schedule:

- First Quarter : Announced on 20th July, 2005
- Second Quarter : On or before 31st October, 2005
- Third Quarter : On or before 31st January, 2006

The Audited Results of the Company for the Financial Year 2005-06 will be announced before 30th June 2006, which will include the results for the Fourth Quarter of the Financial Year 2005-06.

2. MEANS OF COMMUNICATION

2.1 Half-yearly/ Yearly Report sent to the household of each shareholder

The Company published Audited Results for the Financial Year ended 31st March, 2005, in The Economic Times, Maharashtra Times, Navbharat Times and in the Hindustan Times immediately after the same were approved by the Board of Directors. The results were also simultaneously posted on the Company's website. Hence, no separate report was mailed to the Shareholders.

2.2 Quarterly Results - which newspapers normally published in

The Financial Results will be published in The Economic Times and /or Business Standard and/or the Hindustan Times and in the Maharashtra Times and /or Navbharat Times.

2.3 Any website, where quarterly results are displayed; whether it also displays official news releases:

The quarterly results and official news are posted on the Company's website at www.jetairways.com.

2.4 The presentations made to institutional investors or to the analysts.

The Company selectively makes presentations to the Institutional Investors / Banks / Analysts after announcement of financial results.

2.5 Whether the Management Discussion and Analysis is a part of the annual report or not

Yes. This is provided elsewhere in the Annual Report.

3. LISTING ON STOCK EXCHANGES

The Company's Equity Shares are listed on the following stock exchanges, and the Company has paid the appropriate listing fees to the below mentioned Stock Exchanges:

National Stock Exchange of India Limited (NSE)

"Exchange Plaza"

Bandra-Kurla Complex, Bandra (East)

Mumbai – 400 051

The Stock Exchange, Mumbai (BSE)

Phiroze Jeejeebhoy Towers

Dalal Street, Fort,

Mumbai – 400 001

Listing fees for the Financial Year 2005-06 have been paid to both the stock exchanges where the Company's Equity Shares are listed.

4. STOCK CODE

National Stock Exchange of India Limited	JETAIRWAYS
The Stock Exchange, Mumbai	532617
ISIN Nos. in NSDL and CDSL	INE802G01018

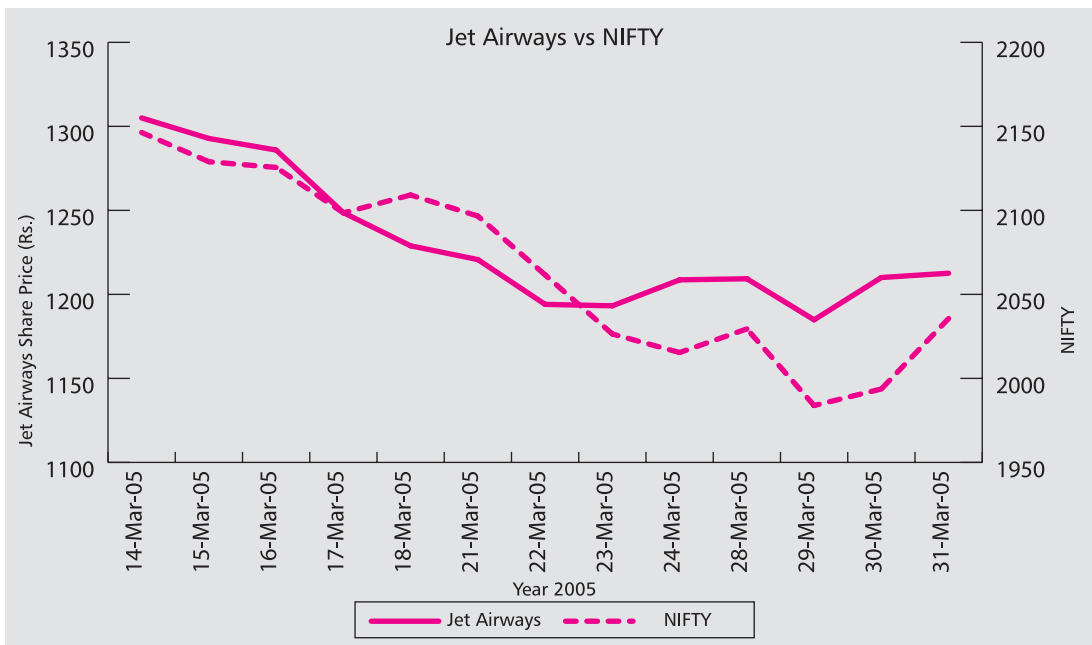
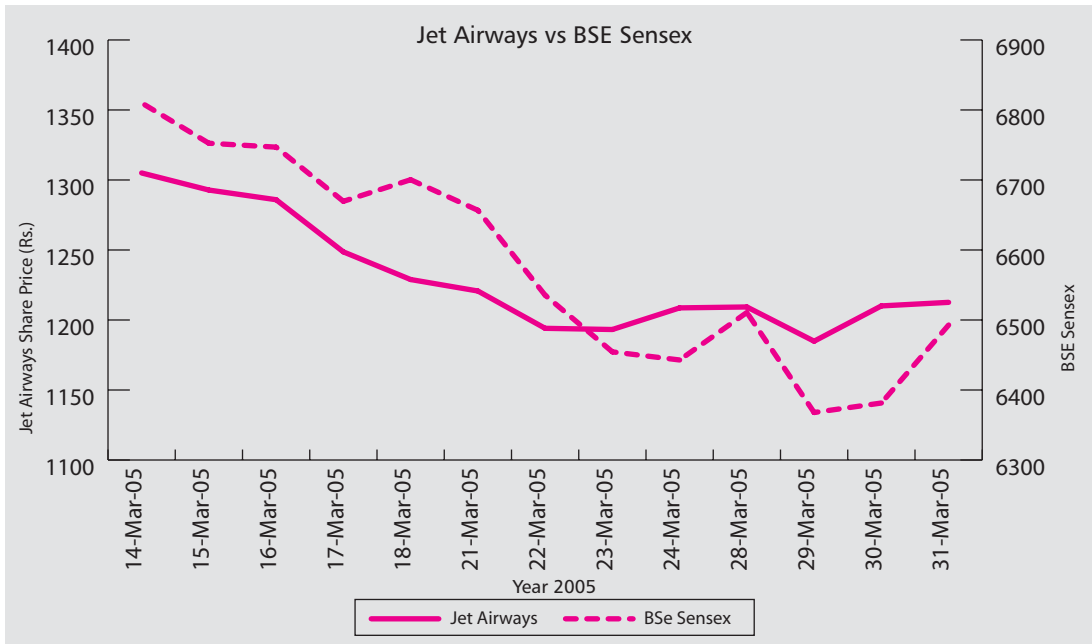
5. MARKET PRICE DATA (HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR)

Month	JET AIRWAYS on BSE			JET AIRWAYS on NSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
March 2005	1339.00	1168.35	12140948	1338.90	1155.00	24759920



Jet Airways (India) Limited

6. PERFORMANCE OF SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE AND NSE INDICES





7. REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
[UNIT: Jet Airways (India) Limited]
Karvy House,
46, Avenue 4,
Street No. 1,
Banjara Hills,
Hyderabad 500 034
Phone : 040 2338 8709
Fax : 040 2331 1968
E-mail : madusudhan@karvy.com
Contact Person : Mr. M. S. Madhusudan, Asst. General Manager

8. SHARE TRANSFER SYSTEM

99.99% of the issued Equity Shares of the Company are in the dematerialized form. Transfer of these shares are done through the Depositories with no involvement of the Company or its Registrar.

As regards transfer of Equity Shares held in physical form, the transfer documents can be lodged with the Company's Registrar- Karvy Computershare Private Limited at the above mentioned address or at the Registered Office of the Company.

Share transfers in physical form are considered for approval on a fortnightly basis by a Share Transfer Committee of the Company. Share transfers are processed within a maximum period of 20 days from the date of receipt of such requests, provided the documents submitted are in order.

The total number of Equity Shares in physical form, transferred during the Financial Year 2004-2005 was 5.

9. DEMATERIALIZATION OF SHARES AND SECRETARIAL AUDIT

The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), to facilitate holding and trading of the Company's Equity Shares in electronic form. Over 99.99% of the Company's Equity Shares are held in dematerialized form. The Company's Equity Shares are regularly traded on NSE and BSE.

For the quarter ended 31st March 2005, M/s. T. M. Khumri & Co., Company Secretaries, carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The Secretarial Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of Equity Shares in physical form and the total number of dematerialized Equity Shares held with NSDL and CDSL.



10. DISTRIBUTION SCHEDULE AS ON 31ST MARCH , 2005

Sr. No.	Category	Number of Shareholders	% of Shareholders	Amount (Rs.)	% of Amount
	From –To				
1	1-5000	267756	99.79	34268100	3.9692
2	5001-10000	226	0.08	1679230	0.1945
3	10001-20000	111	0.04	1642300	0.1902
4	20001-30000	49	0.02	1179680	0.1366
5	30001-40000	23	0.01	815710	0.0945
6	40001-50000	13	0.00	581100	0.0673
7	50001-100000	34	0.01	2673550	0.3097
8	100001 & above	128	0.05	820500440	95.0380
	Total :	268340	100.00	863340110	100.0000

11. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2005 AS PER CLAUSE 35 OF THE LISTING AGREEMENT

Sr. No.	Category	No. of Shares held	% of Shares
1.	PROMOTERS HOLDING		
	Promoters	69067205	80.00%
	Persons acting in concert	553	0.00%
2.	NON-PROMOTERS HOLDING		
	Institutional Investors		
	(a) Mutual Funds and UTI	820097	0.95%
	(b) Banks, Financial Institutions, Insurance, Companies (Central/State Govt. Institutions / Non-Governmental Institutions)	140472	0.16%
	(c) FIs	11196366	12.97%
3.	OTHERS		
	(a) Private Corporate Bodies	1275697	1.48%
	(b) Indian Public	3677980	4.27%
	(c) NRIs/OCBs	78251	0.09%
	(d) Any Other	77390	0.08%
	TOTAL	86334011	100.00%



12. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

As on 31st March, 2005, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

13. PLANT LOCATIONS

In view of the nature of the Company's business viz., provision of scheduled air services, the Company operates from various offices in India and abroad but does not have any manufacturing plant.

14. ADOPTION OF NON-MANDATORY REQUIREMENTS UNDER THE LISTING AGREEMENT

The Company has adopted the Non-mandatory requirement as regards provisions relating to Remuneration Committee and it will endeavour to adhere to norms relating to Postal Ballot as and when applicable. The quarterly results are extensively published in the financial newspapers, posted on the Company's website and sent to the Shareholders on request.

15. INVESTOR COMPLAINTS

Investor complaints are given top priority by the Company and are replied to promptly by the Registrar and Share Transfer Agents of the Company and also regularly monitored by the Secretarial Department of the Company. It is the policy of the Company that Investor Complaints are attended to within 48 hours of receipt. The Company has attended to all investors' grievances/correspondences.

16. ADDRESS FOR CORRESPONDENCE

Mr. A. R. Rajaram
Company Secretary
Jet Airways (India) Limited
S. M. Centre, Andheri-Kurla Road,
Andheri (East), Mumbai 400 059
Telephone : (022) 2852 7744
Fax : (022) 2852 7745
Email : arrajaram@jetairways.com
Website: www.jetairways.com



Jet Airways (India) Limited

Certificate

To the Members of
Jet Airways (India) Limited.

We have examined the compliance of conditions of corporate governance by Jet Airways (India) Limited, for the period ended on 31st March 2005, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges. The first public issue of the shares made by the Company was listed on the stock exchange on 14th March 2005 and accordingly our certificate covers the period from 14th March 2005 to 31st March 2005.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as certified by the Registrars & Share transfer agent of the Company.

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

FOR DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner
M. No. 34004

Mumbai
Dated : 20th July, 2005

FOR CHATURVEDI & SHAH
Chartered Accountants

C.D. LALA
Partner
M. No. 35671

Auditors' Report

The Members of Jet Airways (India) Limited

We have audited the attached Balance Sheet of Jet Airways (India) Limited ("the Company") as at March 31, 2005, and the Profit and Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227(4A) of the Act, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
3. Further, to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on March 31, 2005, and taken on the record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;



Jet Airways (India) Limited

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India;
- i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005;
 - ii) in so far as it relates to the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner
M. No. 34004

Mumbai
Dated : 17th May, 2005

FOR CHATURVEDI & SHAH
Chartered Accountants

C.D.LALA
Partner
M. No. 35671

Annexure to the Auditors' Report

(Referred to in paragraph 2 of our report of even date)

- 1)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. *The Company is in the process of reconciling assets physically verified during the year with the book records.*
 - c) A substantial part of the fixed assets has not been disposed off during the year; accordingly provisions of clause 4 (i) (c) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 2)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- 3) According to the information and explanations given to us the Company has not granted/taken loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to rendering of services. There is no sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) In respect of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements have been entered in the register maintained under that section.
 - (b) Transactions 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.
- 6) According to information and explanations given to us, the Company has not accepted deposits from the public. Therefore the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



Jet Airways (India) Limited

- 7) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- 8) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956. Therefore the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- 9) In respect of Statutory dues:
- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues.
- b) According to the information and explanation given to us, no undisputed amounts, payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31, 2005 for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute *other than the following*:

Name of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
B.M.C. Act, 1988	Octroi Dues	Rs.289,892,554/-	2000-01	Mumbai High Court

- 10) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. There were no debentures issued during the year or outstanding at the beginning of the year.
- 12) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 13) In our opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- 14) The Company has not dealt, other than in units, or traded in shares, securities, debentures or other investments during the year. In our opinion and according to information and explanations given to us the Company has dealt in units of Mutual Funds for which the Company has maintained proper records of transactions and contracts. All the investments have been held by the Company in its own name.
- 15) In our opinion and according to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 16) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on 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.
- 18) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 19) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures and no debentures were outstanding at the beginning of the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 20) We have verified the end use of money raised by public issue and the same has been disclosed in the notes to the financial statements.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR DELOITTE HASKINS & SELLS

Chartered Accountants

R. SALIVATI

Partner

M. No. 34004

Mumbai

Dated : 17th May, 2005

FOR CHATURVEDI & SHAH

Chartered Accountants

C.D. LALA

Partner

M. No. 35671

Balance Sheet as at March 31, 2005

	Schedule No.	As at March 31, 2005 Rs. in lac	As at March 31, 2004 Rs. in lac
I. SOURCES OF FUNDS			
1. Shareholders' Funds :			
a) Share Capital	A	8,633	7,209
Equity		–	6,983
Preference		8,633	14,192
b) Reserves and Surplus	B	192,383	39,350
		201,016	53,542
2. Subordinated Debt (Ref. Note 10 of Schedule S)		33,411	30,808
3. Loan Funds :			
a) Secured Loans	C	6,000	6,034
b) Unsecured Loans	D	257,073	284,157
		263,073	290,191
4. Deferred Tax Liability (Ref. Note 18 of Schedule S)		19,485	5,075
Total		<u>516,985</u>	<u>379,616</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets :	E		
a) Gross Block		520,209	516,181
b) Less : Depreciation		259,346	205,021
c) Net Block		260,863	311,160
d) Capital Work-in-progress		3,202	1,519
		264,065	312,679
2. Investments	F	159,573	23,342
3. Current Assets, Loans and Advances :			
a) Inventories	G	33,252	34,744
b) Sundry Debtors	H	25,231	23,444
c) Cash and Bank Balances	I	122,424	36,994
d) Loans and Advances	J	23,533	18,034
		204,440	113,216
Less : Current Liabilities and Provisions			
a) Current Liabilities	K	77,317	53,569
b) Provisions	L	33,776	27,853
		111,093	81,422
Net Current Assets		93,347	31,794
4. Profit and Loss Account		–	11,801
Total		<u>516,985</u>	<u>379,616</u>
Significant Accounting Policies and Notes to Accounts	S		

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner

Mumbai
Dated : 17th May, 2005

For CHATURVEDI & SHAH
Chartered Accountants

C.D. LALA
Partner

For and on behalf of the Board

Javed Akhtar
Director

Saroj K. Datta
Executive Director

A. R. Rajaram
Company Secretary

Profit and Loss Account for the year ended March 31, 2005

	Schedule No.	Rs. in lac	For the Year ended March 31,2005 Rs. in lac	For the Year Ended March 31,2004 Rs. in lac
INCOME :				
Operating Revenues	M		433,801	344,742
Non-Operating Revenues	N		8,216	11,832
	Total		<u>442,017</u>	<u>356,574</u>
EXPENDITURE :				
Employees Remuneration and Benefits	O		37,474	28,224
Aircraft Fuel Expenses			105,173	74,178
Selling and Distribution Expenses	P		55,906	42,640
Other Operating Expenses (including Maintenance, Airport Charges, etc.)	Q		94,325	90,623
Aircraft Lease Rentals (Refer Note 5 of Schedule S)			19,857	22,664
Depreciation/Amortisation		54,721		63,247
Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve		<u>9,021</u>		<u>11,732</u>
Interest	R		45,700	51,515
	Total		<u>25,369</u>	<u>28,914</u>
			<u>383,804</u>	<u>338,760</u>
PROFIT BEFORE TAXATION			58,213	17,814
Provision for Taxation				
Current Tax (including provision for Wealth Tax Rs.4, Previous Year Rs.3)			4,604	1,503
Deferred Tax			14,410	-
PROFIT AFTER TAXATION			<u>39,199</u>	<u>16,311</u>
Balance Brought Forward			(11,801)	(28,112)
PROFIT AVAILABLE FOR APPROPRIATION			<u>27,398</u>	<u>(11,801)</u>
Less : Appropriations				
Transferred to Capital Redemption Reserve (Ref. Note 4 of Schedule S)		5,558		-
Transferred to General Reserve		<u>3,920</u>		-
			9,478	-
PROFIT AVAILABLE FOR DISTRIBUTION				
Proposed Dividend			2,590	-
Income Tax on Dividend			363	-
BALANCE CARRIED TO BALANCE SHEET			<u>14,967</u>	<u>(11,801)</u>
Earnings per share of Rs. 10 each (Ref. Note 17 of Schedule S)				
Basic (in Rupees)			52.29	21.37
Diluted (in Rupees)			8.72	4.37
Significant Accounting Policies and Notes to Accounts	S			

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered AccountantsR. SALIVATI
PartnerMumbai
Dated : 17th May, 2005For CHATURVEDI & SHAH
Chartered AccountantsC.D. LALA
Partner

For and on behalf of the Board

Javed Akhtar
DirectorSaroj K. Datta
Executive DirectorA. R. Rajaram
Company Secretary

Statement of Cash Flow for the year ended March 31, 2005

	Apr 04-Mar 05 Rs. in lac	Apr 03-Mar04 Rs. in lac
A. Cash Flow from Operating Activities		
Net Profit before tax	58,213	17,814
Adjustments for :		
Depreciation/Amortisation and Stock Obsolescence	47,527	53,310
Loss/(Profit) on sale of Fixed assets	345	(3,859)
Profit on sale of Investments/Dividend on Investments	(1,380)	(408)
Interest expense	25,369	28,914
Excess Provision no longer required	(1,882)	(54)
Provision for doubtful debts no longer required	(6)	–
Provision for Leave Encashment and Gratuity	735	474
Exchange difference on translation (Net)	(822)	(1,610)
Provision for doubtful debts	281	90
Inventory scrapped during the year	<u>3,446</u>	<u>1,899</u>
Operating profit before working capital changes	131,826	96,572
Changes in Inventories	(3,781)	(4,389)
Changes in Sundry Debtors	(1,272)	(1,780)
Changes in Fixed Deposits with Banks (Refer Foot note)	(36,385)	6,737
Changes in Loans and Advances	(853)	(1,148)
Changes in Current Liabilities and Provisions	<u>17,317</u>	<u>9,485</u>
Cash generated from operations	106,851	105,477
Income tax refunded/paid	(4,666)	93
Wealth tax paid	<u>(3)</u>	<u>(3)</u>
Net cash from operating activities	102,182	105,567
B. Cash Flow from Investing Activities		
Capital Expenditure - Aircraft and Others	(9,871)	(23,669)
Proceeds from sale of fixed assets	52	8,637
Purchase of Investments	(508,116)	(291,047)
Sale of Investments	372,985	273,913
Dividend Received	<u>280</u>	<u>171</u>
Net cash from investing activities	(144,670)	(31,995)
carried forward	(144,670)	(31,995)

Statement of Cash Flow for the year ended March 31, 2005 (continued)

	Apr 04-Mar 05 Rs. in lac	Apr 03-Mar04 Rs. in lac
brought forward	(144,670)	(31,995)
C. Cash flows from Financing Activities		
Proceeds from issue of Share Capital	156,696	–
Preference Shares repayment	(6,983)	–
Premium on Redemption of Preference Shares	(5,852)	–
Share Issue Expenses paid	(2,103)	–
Increase/(Decrease) in Term Loans	(27,558)	(46,775)
Interest paid	(22,668)	(30,290)
Net cash used from financing activities	91,533	(77,065)
Net change in cash (A+B+C)	49,045	(3,492)
Cash and cash equivalents at beginning of the year	1,356	4,848
Cash and cash equivalents at end of the year	50,401	1,356

Notes :

- 1) Cash and Cash equivalents includes unrealised loss of Rs. 83 lac, (Previous Year unrealised gain of Rs. 117 lac) on account of translation of foreign currency bank balances.
- 2) Fixed Deposits with banks with maturity period of more than three months including interest accrued thereon and Fixed Deposits under lien are not included in Cash and Cash equivalents.

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner

Mumbai
Dated : 17th May, 2005

For CHATURVEDI & SHAH
Chartered Accountants

C.D. LALA
Partner

For and on behalf of the Board

Javed Akhtar
Director

Saroj K. Datta
Executive Director

A. R. Rajaram
Company Secretary



Jet Airways (India) Limited

Schedules to the Balance Sheet as at March 31, 2005

	As at March 31,2005 Rs. in lac	As at March 31,2004 Rs. in lac
SCHEDULE A :		
SHARE CAPITAL		
Authorized		
130,000,000 (Previous Year 100,000,000) Equity Shares of Rs.10/- each	13,000	10,000
70,000,000 (Previous Year 100,000,000) Preference Shares of Rs. 10/- each	7,000	10,000
	<u>20,000</u>	<u>20,000</u>
Issued, Subscribed and Paid up		
Equity:		
86,334,011 Equity Shares (Previous Year - 72,088,900) of Rs. 10/- each fully paid up (69,067,210 Shares held by the holding company,Tail Winds Limited and its nominee. Previous Year 72,088,900 Shares)	8,633	7,209
(Of the above, 9,402,900 Shares are allotted as fully paid-up Bonus Shares by Capitalization of Profit, Previous Year - 9,402,900 Shares)		
Preference:		
NIL (Previous year - 69,828,750) 5% Cumulative Convertible Redeemable Preference Shares of Rs. 10/- each fully paid-up (Refer Note No. 4 of Schedule S)	-	6,983
Total	<u>8,633</u>	<u>14,192</u>



Schedules to the Balance Sheet as at March 31, 2005

	Rs. in lac	As at March 31,2005 Rs. in lac	As at March 31,2004 Rs. in lac
SCHEDULE B :			
RESERVES and SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet	*		-
Nominal Value of investments in SITA received free of cost (See Note 1 of Schedule 'F' - Investments) (*Rs. 2/-, Previous Year Re.1/-)	<u>*</u>		<u>*</u>
		*	*
Capital Redemption Reserve			
Transferred from Profit and Loss Account		5,558	-
Share Premium			
Received on issue of equity shares	155,272		-
Less : Adjustments			
a) Premium on redemption of Cumulative Convertible Redeemable Preference Shares	5,852		-
b) Share Issue Expenses	<u>8,002</u>		-
		141,418	-
Revaluation Reserve			
Balance as per Last Balance Sheet	38,757		54,087
Less : Adjustment/Reversal during the year	3,809		3,598
Less : Depreciation for the year on amount added on Revaluation transferred to Profit and Loss Account	<u>9,021</u>		<u>11,732</u>
		25,927	38,757
Contingency Reserve			
Balance as per Last Balance Sheet	593		593
Less : Transferred to General Reserve	<u>593</u>		-
		-	593
General Reserve			
Balance as per Last Balance Sheet	-		-
Add : Transferred from Contingency Reserve	593		
Add : Transferred from Profit and Loss Account	<u>3,920</u>		-
		4,513	-
Surplus Balance in Profit and Loss Account		14,967	-
Total		<u>192,383</u>	<u>39,350</u>



Schedules to the Balance Sheet as at March 31, 2005

	As at March 31,2005 Rs. in lac	As at March 31,2004 Rs. in lac
SCHEDULE C :		
SECURED LOANS		
From Banks (Loans from Banks are secured by hypothecation of Stocks and Debtors and/or by pledge of Fixed Deposits)	–	34
From Financial Institutions (Secured by hypothecation of Simulator and other accessories thereto)	6,000	6,000
Total	<u>6,000</u>	<u>6,034</u>
SCHEDULE D :		
UNSECURED LOANS		
From Banks Outstanding Hire Purchase/Finance Lease Instalments	–	354
From Others Outstanding Hire Purchase/Finance Lease Instalments [Instalments due within one year Rs. 27,841 (Previous Year - Rs. 27,050)]	257,073	283,803
Total	<u>257,073</u>	<u>284,157</u>

Schedules to the Balance Sheet as at March 31, 2005

SCHEDULE E
FIXED ASSETS

Rs.in lac

NATURE OF ASSETS	GROSS BLOCK (At Cost/Valuation)			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 01.04.2004	Additions during year	Deduction/ Adjustment	As at 31.03.2005	Upto 31.03.2004	For the year	Deduction	Upto 31.03.2005	As on 31.03.2005	As on 31.03.2004
FURNITURE AND FIXTURES	1,426	179	4	1,601	899	158	2	1,055	546	527
ELECTRICAL FITTINGS	1,201	375	41	1,535	570	127	29	668	867	630
DATA PROCESSING EQUIPMENT	4,431	971	-	5,402	3,400	746	-	4,146	1,256	1,032
OFFICE EQUIPMENT	2,318	364	17	2,665	1,149	191	11	1,329	1,336	1,170
GROUND SUPPORT EQUIPMENT	3,924	469	115	4,278	1,944	302	61	2,185	2,093	1,979
VEHICLES	653	26	81	598	384	71	67	388	210	268
GROUND SUPPORT VEHICLES	3,174	362	33	3,503	2,197	332	31	2,498	1,005	978
AIRCRAFT AND SPARE ENGINE	490,438	1,790	4,310	487,918	190,895	51,485	196	242,184	245,734	299,543
CAPITAL EXPENDITURE ON LEASED AIRCRAFT	2,179	751	-	2,930	928	500	-	1,428	1,502	1,252
CAPITAL EXPENDITURE ON LEASED PROPERTY	914	86	-	1,000	648	143	-	791	209	267
SIMULATOR	5,138	-	-	5,138	1,997	509	-	2,506	2,632	3,140
INTANGIBLE ASSET										
SOFTWARE	385	854	-	1,239	11	154	-	165	1,074	374
LANDING RIGHTS	-	2,402	-	2,402	-	3	-	3	2,399	-
TOTAL	516,181	8,629	4,601	520,209	205,021	54,721	397	259,346	260,863	311,160
PREVIOUS YEAR	500,976	36,497	21,293	516,181	152,983	63,247	11,209	205,021	311,160	347,994
CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCE									3,202	1,519

NOTE :

- All the Aircraft are acquired on Hire-purchase/Finance Lease basis and do not include Aircraft taken on Operating lease. Such Aircraft are charged by the Hirers/Lessors against the financing arrangements obtained by them.
- Additions to Aircraft includes Rs. 436 Lac (Previous Year net of Rs. 7,573 lac) on account of exchange difference during the year.
- Net Block of Vehicles and Ground Support Vehicles include Rs.Nil (Previous Year Rs. 783 lac) on account of vehicles taken on Hire Purchase.
- Aircraft were revalued on 31st March, 2002 with reference to the current prices; amount added on revaluation was Rs. 72,996 lac; the revalued amount substituted for historical cost on 31st March, 2002 was Rs. 342,860 lac.
- Balance life of Intangible Assets :
Software - 2 to 3 years
Landing Rights - 10 years

Schedules to the Balance Sheet as at March 31, 2005

					As at March 31, 2005 Rs. in lac	As at March 31, 2004 Rs. in lac
SCHEDULE F :						
INVESTMENTS						
Long Term						
18 Shares (Previous Year 15 Shares) held with Societe Internationale de Telecommunications Aeronautiques						
(SITA SC) * (Rs. 2/-, Previous year Re.1/-)						
* * *						
NOTES :						
1. These investments have been received free of cost from SITA SC for participation in their Computer Reservation System and have been accounted at a nominal value of Rs. 2/- (Previous Year Rs. 1/-) by crediting to Capital Reserve.						
2. The transfer of this investment is restricted to other Depository Certificate holders for e.g. Air Transport members, etc.						
Current						
Investments in Mutual Funds - Traded (Debt Schemes)						
Schemes	No. of Units	Face Value / Unit (Rs)	As at March 31, 2005 Rs. in lac *	As at March 31, 2004 Rs. in lac		
Growth Plan						
Kotak Mahindra Mutual Fund	207,022,919	10.00	22,781	-		
Principal Mutual Fund	43,857,512	10.00	4,500	-		
Deutsche Mutual Fund	38,637,264	10.00	4,000	-		
HDFC Mutual Fund	96,790,620	10.00	10,601	-		
JM Mutual Fund	140,313,757	10.00	14,397	-		
Prudential ICICI Mutual Fund	92,085,659	10.00	11,507	-		
Birla Sun Life Mutual Fund	79,452,234	10.00	8,311	-		
HSBC Mutual Fund	222,040,554	10.00	22,701	-		
Reliance Mutual Fund	53,530,385	10.00	5,501	-		
Tata Mutual Fund	167,463,629	10.00	17,153	-		
Tata Mutual Fund	533	1,000.00	6	-		
ING Vysya Mutual Fund	61,851,076	10.00	6,375	-		
DSP Merrill Lynch Mutual Fund	94,181,923	10.00	15,250	-		
Standard Chartered Mutual Fund	107,210,671	10.00	11,209	-		
UTI Mutual Fund	49,406,208	10.00	5,281	-		
Dividend Plan						
Kotak Mahindra Mutual Fund	46,473,451	10.00		5,683		
Principal Mutual Fund	20,000,000	10.00		2,000		
Deutsche Mutual Fund	21,284,159	10.00		2,191		
HDFC Mutual Fund	16,720,663	10.00		1,778		
JM Mutual Fund	35,949,950	10.00		3,595		
Prudential ICICI Mutual Fund	8,736,859	10.00		1,035		
Alliance Capital	7,011,068	10.00		701		
Birla Sunlife Mutual Fund	15,333,430	10.00		1,654		
ING Vysya Mutual Fund	15,332,713	10.00		1,652		
DSP Merrill Lynch Mutual Fund	9,996,004	10.00		1,001		
Standard Chartered Mutual Fund	19,391,321	10.00		2,052		
					159,573	23,342

Schedules to the Balance Sheet as at March 31, 2005

			As at March 31, 2005 Rs. in lac	As at March 31, 2004 Rs. in lac
Market Value	As at 31st March' 2005 Value Rs. in lac	As at 31st March' 2004 Value Rs. in lac		
Growth Plan				
Kotak Mahindra Mutual Fund	22,959			
Principal Mutual Fund	4,511			
Deutsche Mutual Fund	4,010			
HDFC Mutual Fund	10,664			
JM Mutual Fund	14,484			
Prudential ICICI Mutual Fund	11,537			
Birla Sun Life Mutual Fund	8,339			
HSBC Mutual Fund	22,841			
Reliance Mutual Fund	5,512			
Tata Mutual Fund	17,258			
ING Vysya Mutual Fund	6,410			
DSP Merrill Lynch Mutual Fund	15,266			
Standard Chartered Mutual Fund	11,244			
UTI Mutual Fund	5,333			
Dividend Plan				
Kotak Mahindra Mutual Fund		5,683		
Principal Mutual Fund		2,004		
Deutsche Mutual Fund		2,191		
HDFC Mutual Fund		1,778		
JM Mutual Fund		3,596		
Prudential ICICI Mutual Fund		1,035		
Alliance Capital		701		
Birla Sun Life Mutual Fund		1,654		
ING Vysya Mutual Fund		1,652		
DSP Merrill Lynch Mutual Fund		1,001		
Standard Chartered Mutual Fund		2,052		
	160,368	23,347		
* Refer Note No. 3 of Schedule S Note : The market price is based on the repurchase price declared by the respective funds Total			159,573	23,342



Schedules to the Balance Sheet as at March 31, 2005

	Rs in lac	As at March 31,2005 Rs. in lac	As at March 31,2004 Rs. in lac
SCHEDULE G :			
INVENTORIES (At Lower of Cost or Net Realisable Value)			
i) Rotables, Consumable stores and tools		38,953	40,163
Less : Provision for Obsolescence/Slow and Non-Moving items (Refer Note I (L) of Schedule S)		<u>7,016</u>	<u>6,398</u>
		31,937	33,765
ii) Fuel		61	45
iii) Other Stores Items		<u>1,254</u>	<u>934</u>
Total		<u><u>33,252</u></u>	<u><u>34,744</u></u>
SCHEDULE H :			
SUNDRY DEBTORS			
(Unsecured)			
a) Debts (Outstanding for a period exceeding six months)	828		669
b) Other Debts	<u>24,950</u>		<u>23,046</u>
	25,778		23,715
Less : Provision for Doubtful Debts	<u>547</u>		<u>272</u>
		25,231	23,444
NOTE :			
	As at	Previous	
	31.03.05	Year	
1) Considered good	25,231	23,444	
Considered doubtful	<u>547</u>	<u>272</u>	
	<u><u>25,778</u></u>	<u><u>23,715</u></u>	
2) Debtors include Rs. 68 lac (Previous Year Rs. 57 lac) due from private company in which the Company's Director is a Director / Member.			
Total		<u><u>25,231</u></u>	<u><u>23,444</u></u>



Schedules to the Balance Sheet as at March 31, 2005

	Rs. in lac	As at March 31,2005 Rs. in lac	As at March 31,2004 Rs. in lac
SCHEDULE I :			
CASH AND BANK BALANCES			
Cash on hand (includes cheques on hand Rs. 553 lac Previous Year Rs. 616 lac)		570	634
Balance with Scheduled Banks :			
a) In Current Account		1,609	547
b) In Fixed Deposit Account* [including margin deposit Rs.Nil and Rs.7,396 lac given as collateral for overdraft and other loans (Previous Year Rs. 1,814 lac and Rs.6,419 lac respectively)]		116,705	35,397
Add : Interest accrued		812	344
		<u>119,696</u>	<u>36,922</u>
Balance with Other Banks :			
In Current Account :			
a) Citibank N.A, Johannesburg South Africa Maximum balance outstanding during the year Rs. 294 lac (Previous Year Rs. 99 lac)	31		56
b) National Bank of Kuwait Maximum balance outstanding during the year Rs. 29 lac (Previous Year Rs. 19 lac)	–		–
c) Barclays Bank, London Maximum balance outstanding during the year Rs.1,522 lac (Previous Year Rs .132 lac)	1,522		16
d) Barclays Bank - PLC - USD Maximum balance outstanding during the year Rs. 10 lac (Previous Year Rs .Nil)	–		–
e) HSBC CCF - Maximum balance outstanding during the year Rs. 671 lac (Previous Year Rs .Nil)	670		–
f) Deutsche Bank AG - FRF Maximum balance outstanding during the year Rs. 498 lac (Previous Year Rs .Nil)	498		–
g) Barclays Bank - PLC - Euro Maximum balance outstanding during the year Rs.7 lac (Previous Year Rs. Nil)	7		–
	<u>7</u>		<u>–</u>
		2,728	72
*Refer Note No. 3 of Schedule S			
Total		<u>122,424</u>	<u>36,994</u>

Schedules to the Balance Sheet as at March 31, 2005

	Rs. in lac	As at March 31,2005 Rs. in lac	As at March 31,2004 Rs. in lac
SCHEDULE J :			
LOANS and ADVANCES			
(Unsecured and Considered Good)			
Advances Recoverable in Cash or in kind for Value to be Received		7,541	7,321
Deposits with Airport Authorities and others (Including margin deposit Rs.3,827 lac (Previous Year Rs. 2,884 lac)		8,736	7,695
Balances with Customs Authorities		6	9
Advance Tax and Tax deducted at Source		7,250	2,584
Other Assets		–	425
Total		<u>23,533</u>	<u>18,034</u>
Note : Deposits & Advances include Rs. 618 lac (Previous Year Rs. 1,678 lac) placed with a private company in which the Company's director is a director/member.			
SCHEDULE K :			
CURRENT LIABILITIES			
Sundry Creditors			
Outstanding dues to small scale industries	–		–
Others	<u>23,479</u>		<u>15,041</u>
		23,479	15,041
Other Current Liabilities		22,336	14,792
Interest Accrued but not due on loans		3,242	3,142
Forward Sales (net) (Passenger/Cargo)		21,885	14,934
Balance with Scheduled Bank in Current Account overdrawn as per books		6,375	5,660
Note : No amounts are due to the Investor Education and Protection Fund			
Total		<u>77,317</u>	<u>53,569</u>
SCHEDULE L :			
PROVISIONS			
Wealth Tax		9	8
Income Tax		6,892	2,292
Proposed Dividend		2,590	
Income Tax on Dividend		363	
Gratuity		1,378	1,097
Leave Encashment		541	257
Others		<u>22,003</u>	<u>24,199</u>
Total		<u>33,776</u>	<u>27,853</u>

Schedules to the Profit and Loss Account for the year ended March 31, 2005

	Rs. in lac	For the Year ended March 31,2005 Rs. in lac	For the Year ended March 31,2004 Rs. in lac
SCHEDULE M :			
OPERATING REVENUE			
Passenger		407,649	321,557
Excess Baggage		4,213	2,867
Cargo	19,642		17,203
Less : Service Tax	1,083		—
		18,559	17,203
Other Revenue		3,380	3,115
Total		<u>433,801</u>	<u>344,742</u>
SCHEDULE N :			
NON-OPERATING REVENUE			
Interest on Bank and Other Deposits		3,064	2,512
[Tax Deducted at Source Rs. 472 lac (Previous Year Rs. 486 lac)]			
Exchange difference (Net)		71	3,348
Profit on Sale and Hire Purchase of Engines		—	1,708
Profit on Sale of Aircraft		—	2,662
Profit on Sale of Current Investments (Net)		1,100	237
Dividend on Investments			
Long Term	—		10
Current	280		161
		280	171
Provision for aircraft maintenance no longer required		1,197	—
Excess Provision written back		685	54
Provision for Doubtful Debts no longer required		6	—
Other Income (including Interest on Income Tax Refund of Rs.50 lac, Previous Year Rs. 135 lac)		1,813	1,142
Total		<u>8,216</u>	<u>11,832</u>
SCHEDULE O :			
EMPLOYEES REMUNERATION AND BENEFITS (Net)			
Salaries, Wages, Bonus and Allowances		34,273	24,890
Contribution to Provident Fund & ESIC		1,011	842
Provision for Gratuity		386	437
Provision for Leave Encashment		349	38
Staff Welfare Expenses		1,455	2,017
Total		<u>37,474</u>	<u>28,224</u>

Schedules to the Profit and Loss Account for the year ended March 31, 2005

	Rs. in lac	For the Year ended March 31,2005 Rs. in lac	For the Year ended March 31,2004 Rs. in lac
SCHEDULE P :			
SELLING AND DISTRIBUTION EXPENSES			
CRS Cost (Net)		10,355	8,920
Commission		42,081	30,633
Others		3,470	3,088
Total		<u>55,906</u>	<u>42,640</u>
SCHEDULE Q :			
OTHER OPERATING EXPENSES			
Aircraft Variable Rentals		6,952	10,235
Aircraft Insurance and Other Insurance		4,908	3,521
Landing, Navigation and Other Airport Charges		23,878	20,848
Aircraft Maintenance (including Customs Duty and Freight, where applicable)			
Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul	18,809		22,866
Lease of Aircraft Spares incl. Engine	905		969
Consumption of Stores and Spares (net) (including items scrapped/ written off Rs. 3,446 lac, Previous Year Rs. 1,899 lac)	7,196		5,007
Provision for Spares Obsolescence	<u>1,827</u>		<u>1,794</u>
		28,737	30,636
Inflight and Other Pax Amenities		14,370	11,625
Communication Cost		1,424	1,370
Travelling and Subsistence		3,590	2,797
Rent		2,744	2,502
Rates and Taxes		174	199
Repairs and Maintenance			
Leased Premises	102		58
Others	<u>1,989</u>		<u>1,375</u>
		2,091	1,433
Electricity		740	682
Director's Sitting Fees		1	2
Miscellaneous Expenses (Including Printing and Stationery, Bank Charges etc.)		4,090	4,172
Provision for Bad and Doubtful Debts		281	90
Loss on scrapping of Fixed Asset		306	501
Loss on sale of Fixed Assets other than Aircraft (Net)		<u>39</u>	<u>9</u>
Total		<u>94,325</u>	<u>90,623</u>

Schedules to the Profit and Loss Account for the year ended March 31, 2005

	Rs. in lac	For the Year ended March 31,2005 Rs. in lac	For the Year ended March 31,2004 Rs. in lac
SCHEDULE R :			
INTEREST			
Hire Purchase - Finance Charges	20,754		23,933
Interest on Subordinated Debt	4,021		3,728
Interest on Fixed Loan	540		540
Interest on Bank overdraft	12		48
Other Interest	42		1,303
	<u>25,369</u>		<u>29,552</u>
Less : Capitalised during the Year	–		638
		<u>25,369</u>	<u>28,914</u>
Total		<u><u>25,369</u></u>	<u><u>28,914</u></u>

SCHEDULE S :

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The financial statements have been prepared on an accrual basis under the historical cost convention with the exception of certain aircraft which have been revalued and comply with the generally accepted accounting principles in India including the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

B. USE OF ESTIMATES :

The presentation 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 result and estimates are recognised in the period in which the results are known / materialised.

C. REVENUE RECOGNITION :

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

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

Balances in Forward Sales are recognised as income where a claim for refund has not been made for two years.



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D. COMMISSION :

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

E. EMPLOYEE RETIREMENT BENEFITS :

The Company makes regular contribution to Provident Fund and this contribution is charged to Profit and Loss Account. Provisions for Gratuity and Leave Encashment Benefit are made on the basis of actuarial valuation and charged to Profit and Loss Account.

F. FIXED ASSETS :

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

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

b) INTANGIBLE ASSETS :

Landing Rights acquired from other airlines are recognised at cost and amortised over a period not exceeding 10 years

Computer Software is amortised over 36 months.

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 capitalised as Fixed Assets with corresponding amount shown as Lease Liability (Outstanding Hire Purchase/Finance lease Instalments). The principal component of the lease rentals is adjusted against the leased liability and interest component is charged to the Profit and Loss Account.

G. IMPAIRMENT OF FIXED ASSETS

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

H. DEPRECIATION/AMORTISATION :

Depreciation has been provided on Written Down Value method at the rates and in the manner prescribed under the Schedule XIV to the Companies Act, 1956 on fixed assets, other than expenditure incurred on improvements of assets acquired on operating lease, which are written off evenly over the balance period of the lease.

On revalued assets, depreciation is charged over the residual life and the additional charge of depreciation is withdrawn from the Revaluation reserve.

Intangible assets are amortised on straight line basis.

I. INVESTMENTS :

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

J. BORROWING COSTS :

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. FOREIGN EXCHANGE TRANSACTIONS:

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.
- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts has been recognized over the life of the contract.
- (c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

L. INVENTORIES :

Inventories are valued at cost or Net Realisable Value (NRV) whichever is lower. 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.

M. AIRCRAFT MAINTENANCE AND REPAIRS COST :

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

N. TAXATION :

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

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

O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

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



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P. SHARE ISSUE EXPENSES :

Issue Expenses are adjusted against the Share Premium Account.

II. NOTES TO ACCOUNTS

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

	Amount (Rs. in lac)	
Tangible Assets	295,815	(Previous Year - Rs. 2,405 lac)
Intangible Assets	5,200	(Previous Year - Rs. 1,931 lac)

2. CONTINGENT LIABILITY :

- A. Unprovided Income Tax demands which are under appeals Rs. 375 lac (Previous Year Rs.203 lac).
- B. Unprovided claims against the Company, pending Civil and Consumer suits of Rs. 844 lac (Previous Year Rs. 717 lac).
- C. Unprovided claims for Octroi amounts to Rs. 2,899 lac (Previous Year Rs. 2,899 lac).
- D. Disputed claims against the Company towards Landing and Navigation Charges amounts to Rs.1,951 lac. (Previous Year Rs.1,873 lac).
- E. Disputed claims against the Company towards Ground Handling charges amounts to Rs. 2,622 lac (Previous Year Rs.2,082 lac).
- F. Letters of Credit outstanding are Rs. 14,638 lac (Previous Year Rs. 16,130 lac) and Bank Guarantees outstanding are Rs. 6,511 lac (Previous Year Rs. 3,767 lac).

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

3. The Company has raised Rs. 156,696 lac through a public issue of shares during the year the proceeds of which have been utilised as follows :

	Amount (Rs. in lac)
Redemption of IFC Cumulative Convertible Redeemable Preference Shares (CCRPS) (see Note No. 4 ibid)	12,411
Unutilised Moneys invested in :	
Investment in Mutual Funds - Debt Schemes	105,829
Short Term Deposits with Banks (including Rs. 37,988 earmarked for pre-payment of debt of IDFC)	38,456
Total	156,696

4. The Company had allotted 69,828,750 5% Cumulative Convertible Redeemable Preference Shares (CCRPS) of Rs. 10 each to International Finance Corporation (IFC), Washington in 2000-2001. IFC had an option to convert these CCRPS together with an annualised return of 12% (less dividend declared) into equity shares at the time of the initial public offering (IPO). In the event IFC did not exercise the option, the CCRPS would be redeemed within 3 months from the IPO date. IFC also had an option for an early redemption before March 31, 2008 if certain terms laid down in the Subscription Agreement were not complied with. The Company also had an option for early redemption after February 15, 2003 if the Company felt that it would not come out with an IPO due to market conditions or any other reasons. In the event of redemption, IFC would receive an annual return of 18% (less dividend declared). The exchange

difference on repatriation/at the time of conversion of the CCRPS together with the assured return (less dividend declared) is to the account of the Company.

Pursuant to IFC exercising its option to redeem the CCRPS, the Company has since redeemed the same together with the annualised return of 18% less the dividend so far declared and paid amounting in aggregate to Rs. 12,411 lac out of the proceeds of the fresh Issue of Shares. The annualised return less the dividend so far declared and paid out has been adjusted against the 'Share Premium' raised during the recently concluded IPO. As a result, the Contingency Reserve so far created for the difference between the annualised return of 12% and the dividend so far declared and paid has been transferred to General Reserve Account as it is no longer required. Further, the Company has out of the profits of the current year created a Capital Redemption Reserve of Rs. 5,558 lac for the difference between the face value of the CCRPS and the fresh equity capital raised during the year.

5. Aircraft Lease Rentals are stated net of sub-lease rentals of Rs. 1,567 lac (Previous Year Rs. 1,055 lac).
6. No credit was taken in the previous accounting year 2003-04 from Forward Sales where a claim for refund has not been made for two years (Refer accounting policy 1 (C)) pending reconciliation of the Forward Sales Account with the subsidiary register. During the current year, the Forward Sales balance has substantially been utilised and credit has been taken for expired tickets of Rs.2,664 lac on the basis of estimation of pattern and trend of utilization.
7. Pursuant to a Letter Agreement dated February 12, 2005 with Jet Enterprises Pvt. Ltd (JEPL), the Company has agreed to acquire the right, title and interest in the 'Jet Airways' trademark/other variations thereof and certain other related trademarks that are currently owned by JEPL and are licensed to the Company. As a result, the Company has agreed with JEPL to cease the payment of the license fees from February 28, 2005. The subsisting agreements between the Company and JEPL with regard to the use of trademarks and intellectual properties continue till the transfer takes place, and accordingly the Company's rights are in no way affected.
8. During the year the Company purchased and sold Current Investments in Debt Schemes of various Mutual Funds as detailed below:

MUTUAL FUND	NO. OF UNITS (in lac)	COST (Rs. in lac)
Kotak Mahindra Mutual Fund	3,831	47,923
Principal Mutual Fund	2,925	30,275
Deutsche Mutual Fund	1,863	18,928
HDFC Mutual Fund	1,433	18,620
JM Mutual Fund	2,040	20,734
Prudential ICICI Mutual Fund	2,687	36,804
Alliance Capital	594	6,204
Birla Sun Life Mutual Fund	1,068	11,419
HSBC Mutual Fund	3,276	33,465
Reliance Mutual Fund	2,266	22,009
Franklin Templeton Investments	6	6,011
Tata Mutual Fund	2,258	35,318
ING Vysya Mutual Fund	570	5,918
Chola Mutual Fund	87	1,001
SBI Mutual Fund	1,145	12,554
Standard Chartered Mutual Fund	1,836	18,515
UTI Mutual Fund	582	18,842



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9. A. Prior Period credits included in the determination of the net profit are towards Aircraft Maintenance Rs. Nil lac (Previous Year Rs. 188 lac).
- B. Prior Period debits included in the determination of the net profit are Interest on Rupee loans of Rs. 41 lac (Previous Year Rs. Nil lac), and provision for disputed damage charges levied by Statutory Authority amounting to Rs. 244 lac (Previous Year Rs. Nil lac).
10. The Company raised a Subordinated Rupee Debt of Rs. 26,400 lac equivalent to USD 55.6 Million from Infrastructure Development Finance Company Ltd. (IDFC) in 2001-2002. As per the terms of the borrowings, interest @ 4% p.a. is payable every year and a further interest @ 8.45% p.a. is to be cumulated and compounded every year payable at the end of 8 years i.e. August 23, 2009 or any prepayment date. The principal amount along with the accumulated interest is repayable in lump sum at the end of 8 years. Accordingly an amount of Rs. 7,011 lac has been cumulated and compounded upto August 23, 2004 and included in the debt and the interest accrued from August 23, 2004 to the year ended March 31, 2005 is provided for. The Company has an option to prepay the entire amount outstanding on the fourth anniversary of the debt drawdown i.e. August 23, 2005, failing which IDFC shall have the right to reset the interest rate for the balance term of the debt. The Company has maintained a Bank Guarantee of Rs.13,036 lac (Previous year Rs. 11,200 lac) equal to 35% of the debt.

As per the terms and conditions of the document, until all US Exim supported obligations are repaid or discharged in full, the subordinated debt, shall, in all respects, be subordinated to all the present and future indebtedness of the Company, whether secured or unsecured.

In the event of default by the Company in payment of the annual interest or the payment of the cumulative loan or maintaining adequate security deposit/ bank guarantee, IDFC has the right to seek conversion of the amounts due into equity shares of the Company. However, the Company has the option to buy back these shares subject to the prevailing law.

IDFC has since agreed vide their letter dated April 19, 2005, to accept the prepayment of the Subordinated Rupee Debt in three staggered installments, without any prepayment premium, the first installment being on April 20, 2005, second installment on April 30, 2005 and third on May 31, 2005. Accordingly, the Company has agreed with IDFC to repay/since repaid:

1. Accumulated Interest on the subordinated debt on April 20, 2005
2. 50% of Principal outstanding as of March 31, 2005 and interest thereon on April 30, 2005
3. Balance Principal and Interest outstanding on May 31, 2005 in full and final settlement of the debt.

11. PAYMENTS TO AUDITORS :

Amount (Rs. in lac)

	31-Mar-05	31-Mar-04
a) As Audit Fees	110	19
As Tax Audit Fees	6	—
b) As Advisor or in any other capacity in respect of :		
Company Law	20	9
Tax Matters	52	24
c) In any other manner		
For Prospectus related reports/ certificates	198	—
Concerning Initial Public Offer		
Other Certification, etc.	3	4
d) For reimbursement of expenses	9	1
Total	<u>398</u>	<u>57</u>

Payments for services other than audit include Rs. 25 lac to a firm where partners of one of the Statutory Auditors are partners.

12. MANAGERIAL REMUNERATION :

Amount (Rs. in lac)

	31-Mar-05	31-Mar-04
i. Salary	32	29
ii. Contribution to Provident Fund and Provision for Gratuity	4	4
iii. Perquisites	10	7
Total	46	40

No commission is payable to any of the Directors and therefore the computation of profits u/s 349 and 350 of the Companies Act is not disclosed.

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

13.1 Value of imports calculated on CIF Basis :

Amount (Rs. in lac)

	2004-05	2003-04
Components and Spares	8,160	7,585
Capital Goods	2,872	42,318

13.2 Earnings in Foreign Exchange :

Amount (Rs. in lac)

	2004-05	2003-04
Passenger & Cargo Revenue	60,420	51,294
Interest on Bank Account	Nil	0.09
Other Income	162	127

13.3 Expenditure in Foreign Currency :

Amount (Rs. in lac)

	2004-05	2003-04
Commission	7,294	6,762
Travelling	187	60
Communication (Gross)	13,285	11,820
Aircraft Lease Rentals	27,250	32,899
Hire Purchase Finance Charges	3,508	7,062
Professional/Consultancy	247	342
Aircraft Overhaul, Maintenance and Component Support Services	15,455	20,757
Insurance	4,496	1,672
Premium on redemption of Preference Shares	5,852	—
Landing Rights	2,402	—
Share Issue Expenses	1,108	—
Others	2,876	2,231



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13.4 Remittance in foreign currency on account of dividend:

	2004-05	2003-04
Equity Shares :	NIL	NIL
Preference Shares :	NIL	NIL

13.5 Value of Components and Spare Parts Consumed :

	Amount (Rs. in lac)			
	2004-05	%	2003-04	%
Imported	6,696	93	4,506	90
Indigenous	500	7	501	10
Total	<u>7,196</u>	<u>100</u>	<u>5,007</u>	<u>100</u>

14. SEGMENT REPORTING :

The proportion of international operations revenue to the total revenue is insignificant, therefore has not been reported separately.

As such all other related activities revolve around the main business. Hence there are no such separate reportable segments, as required by the Accounting Standard - 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

15. RELATED PARTY TRANSACTIONS :

As per Accounting Standard - 18 on "Related Party Disclosures" 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 Ltd.	Holding Company
2.	Naresh Goyal	Controlling Shareholder of Holding Company
3.	Anita Goyal	Relative of Naresh Goyal
4.	Saroj K Datta	Executive Director
5.	Jetair Private Ltd.	Associate Companies
6.	Jet Enterprises Private Ltd.	
7.	Jet Airways LLC	
8.	Jet Airways of India Inc.	
9.	Jetair Tours Private Ltd.	
10.	Vimpal Holding Private Ltd.	
11.	International Cargo Carriers Private Ltd.	
12.	Jetair Worldwide AG	
13.	National Travel Services	Associate Partnership firm

ii. Transactions during the year ended March 31, 2005 and balances with Related Parties :

Amount (Rs. in lac)

Sr. No.	Nature of Transactions	Holding Co.	Relative of Naresh Goyal	Naresh Goyal	Executive Director	Associate Companies
A)	Remuneration		0.4 (21)		46 (40)	
B)	Sitting Fees		— (—)	0.15 (0.20)	0.20 (0.20)	
C)	Agency Commission					12,669 (10,030)
D)	Rent paid					104 (179)
E)	Expenses Reimbursed (Staff Costs /Communication Costs, Rent)					-6,061 (-4,646)
F)	Trademark Fees					635 (559)
G)	Purchase of Assets					10 (Nil)
H)	Deposits & Advance for Leased Premises					618 (1,678)
I)	Sundry Creditors					219 (130)
J)	Sundry Debtors					68 (189)
K)	Share Capital (Equity Contribution)	6,907 (7,209)				

(Figures in brackets indicate March 31, 2004 figures)



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iii. Statement of Material Transactions

		Amount (Rs. in lac)
Associate Companies		
Jetair Private Ltd.		
-	Agency Commission	10,914 (8,314)
-	Rent Paid	44 (44)
-	Expenses Reimbursed (Staff Costs/Communication Costs, Rent)	-6,061 (-4,646)
-	Purchase of Assets	10 (Nil)
-	Deposits and Advance for Leased Premises	268 (1,268)
-	Sundry Creditors	6 (Nil)
-	Sundry Debtors	68 (58)

Amount (Rs. in lac)

Associate Companies		
Jet Airways LLC		
-	Agency Commission	1,282 (1,246)
-	Sundry Creditors	159 (130)

Amount (Rs. in lac)

Associate Companies		
Jet Airways Inc.		
-	Agency Commission	473 (470)
-	Sundry Creditors	45 (Nil)
-	Sundry Debtors	(Nil) (131)



Amount (Rs. in lac)	
Associate Companies	
Jet Enterprises Private Ltd.	
– Rent Paid	60 (135)
– Trademark Fees	635 (559)
– Deposits and Advance for Leased Premises	350 (410)
– Sundry Creditors	9 (Nil)

(Figures in brackets indicate March 31, 2004 figures.)

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

A) Finance Leases/ Hire Purchase

Particulars	Amount (Rs. in lac)		
	Future Minimum Lease Payments As at March 31, '05	Present Value of Future Minimum Lease Payments As at March 31, '05	Finance Charges
Aircraft			
Less than 1 year	46,346 (45,659)	27,841 (26,764)	18,505 (18,895)
Between 1 and 5 years	173,354 (174,888)	117,691 (115,468)	55,663 (59,419)
More than 5 years	126,924 (166,689)	111,541 (141,505)	15,383 (25,184)
Total	<u>346,624</u> (387,236)	<u>257,073</u> (283,737)	<u>89,551</u> (103,498)
Vehicles			
Less than 1 year	– (312)	– (286)	– (26)
Between 1 and 5 years	– (147)	– (134)	– (13)
More than 5 years	(–) (–)	(–) (–)	(–) (–)
Total	<u>Nil</u> (459)	<u>Nil</u> (420)	<u>Nil</u> (39)
Grand Total	<u>346,624</u> (387,695)	<u>257,073</u> (284,157)	<u>89,551</u> (103,537)

(Figures in brackets indicates March 31, 2004 figures.)



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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 Hire Purchase/Finance Lease the property passes to the Hirer/Lessee, on the payment of a nominal option price at the end of the term.

B) Operating Leases

1. The Company has taken various residential/commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.
2. The Company has taken on operating lease aircraft and spare engines the future minimum lease payments in respect of which, as at March 31, 2005 are as follows :

Particulars	Amount (Rs. in lac)
	Total Lease Payments March 31, '05
Aircraft Spare Engines	
Less than 1 year	23,505 (21,015)
Between 1 and 5 years	43,038 (40,189)
More than 5 years	7,082 (NIL)
Grand Total	<u>73,625</u> <u>(61,204)</u>
Aircraft given on sub - lease	
Less than 1 year	-1633 (-1,513)
Between 1 and 5 years	-3,922 (-5,493)
More than 5 years	NIL (NIL)
Grand Total	<u>5,555</u> <u>(-7,006)</u>

(Figures in brackets indicates March 31, 2004 figures.)

The Salient features of an Operating Lease agreement are:

- Monthly rentals paid in form of fixed and variable rental. Variable Lease Rentals are payable on a pre determined rate payable on the basis of actual flying hours. Additionally, the predetermined rates of Variable Rentals are subject to the annual escalation as stipulated in the respective leases.
 - The Company does not have an option to buyback nor does it generally have an option to renew the leases.
 - In case of delayed payments, penal charges are payable as stipulated.
 - In case of default, in addition to repossession of the aircraft, damages including liquidated damages as stipulated are payable.
 - The Lessee is responsible for maintaining the aircraft as well as insuring the same. The Lessee is eligible to claim reimbursement of costs as per the terms of the lease agreement.
 - The leases are non-cancellable.
3. The lease rental expense recognised : Rs. 30,607 lac. (Previous year Rs. 36,508 lac)

17. EARNINGS PER SHARE (EPS) :

The earnings per equity share, computed as per the requirements of Accounting Standard – 20 “Earnings Per Share” issued by the Institute of Chartered Accountants Of India, is as under:

		Amount (Rs. in lac)	
		2004-2005	2003-2004
Net Profit after tax		39,199	16,311
Less : Annualised return on Cumulative Preference Shares		1,037	907
Balance Profit attributable to Equity Shareholders	A	<u>38,162</u>	<u>15,404</u>
Add : Return on Preference Shares (See above)		1,037	907
Add : Interest (net) on Institutional Loan with Convertibility clause		3,706	3442
Adjusted Net Profit for Diluted Earnings per Share	B	<u>42,905</u>	<u>19,753</u>
Weighted no. of Equity Shares outstanding during the year	C	72,986,537	72,088,900
No. of Equity Shares resulting from the conversion of Institutional Loan		323,839,626	298,633,183
No. of Equity Shares resulting from the conversion of CCRPS		95,169,498	81,725,162
Weighted no. of Diluted Equity Shares outstanding during the year (Nos.)	D	<u>491,995,661</u>	<u>452,447,245</u>
Nominal Value of Equity Shares (Rs.)		10	10
Basic EPS (INR)	(E = A/C)	<u>52.29</u>	<u>21.37</u>
Diluted EPS (INR)	(F = B/D)	<u>8.72</u>	<u>4.37</u>



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18. The Deferred Tax Liability as at March 31, 2005 comprises of the following:

Particulars	Amount (Rs. in lac)	
	2004-05	2003-04
Deferred Tax Liability	30,672	31,731
Related to Fixed Assets		
Deferred Tax Asset		
Unabsorbed Depreciation	10,345	25,817
Other Disallowances under Income Tax Act, 1961	842	839
Provision for Deferred Tax Liability (Net)	<u>19,485</u>	<u>5,075</u>

Deferred Tax Asset on account of unabsorbed tax depreciation has been recognised, as it can be realised against the reversal of deferred tax liability on account of depreciation.

19. Hitherto costs associated with heavy aircraft maintenance checks (C/D check) and Engines not covered by third party maintenance agreement were provided for on the basis of a predetermined amount for each block hour flown. The costs of such maintenance were charged against these provisions. However, in view of mandatory Accounting Standard-29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountant of India, applicable for accounting period commencing from April 1, 2004, the Company has for the year ended March 31, 2005, accounted for said expenses on an incurred basis, applying the standard prospectively. Consequently, charge on account of said expenses for the year ended 31st March 2005 is lower by Rs. 8,202 lac and profit for the year is higher by the like amount.
20. As per (AS) 29, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, given below are movements in provision for Frequent Flyer Programme, Redelivery of Aircraft, Aircraft Maintenance Costs and Engine Repairs Costs.

a) **Frequent Flyer Programme: -**

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

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	Amount (Rs. in lac)	
	March 31, 05	March 31, 04
Opening Balance	1,184	660
Add : Additional Provisions during the year	631	975
Less : Amounts used during the year	494	451
Less : Unused Amounts reversed during the year	-	-
Closing Balance	<u>1,321</u>	<u>1,184</u>



b) Redelivery of Aircraft:

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

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

Amount (Rs. in lac)

Particulars	March 31, 05	March 31, 04
Opening Balance	1,534	1,283
Add : Additional Provisions during the year	201	323
Less : Amounts used during the year	–	–
Less : Unused Amounts reversed during the year	272	72
Closing Balance	1,463	1,534

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

Year	No. of Aircraft	Amount (Rs. in lac)
2005-06	4	315
2006-07	4	455
2007-08	7	462
2008-09	2	224
2011-12	1	2
2012-13	1	5
Total		1,463

c) Aircraft Maintenance Costs:

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

Amount (Rs. in lac)

Particulars	March 31, 05	March 31, 04
Opening Balance	17,253	14,248
Add : Additional Provisions during the year *	162	6,021
Less : Amounts used during the year	978	3,016
Less : Unused Amounts reversed during the year	1,060	–
Closing Balance	15,377	17,253

* Additions during the year 2004-05 is on account of Exchange fluctuation.



Jet Airways (India) Limited

d) Engine Repairs Cost:

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

Amount (Rs. in lac)

Particulars	March 31, 05	March 31, 04
Opening Balance	4,227	2,116
Add : Additional Provisions during the year *	55	3,185
Less : Amounts used during the year	381	1,074
Less : Unused amounts reversed during the year	60	—
Closing Balance	<u>3,841</u>	<u>4,227</u>

* Additions during the year 2004-05 is on account of Exchange fluctuation.

21. Comparative financial information (i.e. amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped/reclassified wherever necessary to correspond to figures of the current year.

Signatures to Schedules 'A' to 'S'

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

R. SALIVATI
Partner

Mumbai
Dated : 17th May, 2005

For **CHATURVEDI & SHAH**
Chartered Accountants

C.D. LALA
Partner

For and on behalf of the Board

Javed Akhtar
Director

Saroj K. Datta
Executive Director

A. R. Rajaram
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

6	6	2	1	3
---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	5
---	---	---	---

Date Month Year

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

Public Issue

				1	4	2	4	5	1
									(N I L)

										(N I L)
--	--	--	--	--	--	--	--	--	--	---------

Rights Issue

										N I L
										(N I L)

										(N I L)
--	--	--	--	--	--	--	--	--	--	---------

Bonus Issue

										N I L
										(N I L)

										(N I L)
--	--	--	--	--	--	--	--	--	--	---------

Private Placement

										N I L
										(N I L)

										(N I L)
--	--	--	--	--	--	--	--	--	--	---------

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

Total Liabilities

			5	1	6	9	8	5	4	0		
			(3	7	9	6	1	4	8	5)

			(3	7	9	6	1	4	8	5)
--	--	--	---	---	---	---	---	---	---	---	---	---

Sources of Funds :

Paid-up Capital

				8	6	3	3	4	0		
			(1	4	1	9	1	7	7)

			(1	4	1	9	1	7	7)
--	--	--	---	---	---	---	---	---	---	---	---

Subordinated Debt

			3	3	4	1	1	0	0		
			(3	0	8	0	7	7	5)

			(3	0	8	0	7	7	5)
--	--	--	---	---	---	---	---	---	---	---	---

Secured Loans

				6	0	0	0	0	0	
			(6	0	3	4	3	3)

			(6	0	3	4	3	3)
--	--	--	---	---	---	---	---	---	---	---

Deferred Tax Liability

				1	9	4	8	4	5	2
			(	5	0	7	4	5	0)

			(5	0	7	4	5	0)
--	--	--	---	---	---	---	---	---	---	---

Application of Funds :

Net Fixed Assets

				2	6	4	0	6	5	3	9	
			(3	1	2	6	7	3	2	6)

			(3	1	2	6	7	3	2	6)
--	--	--	---	---	---	---	---	---	---	---	---	---

Net Current Assets

				9	3	3	4	7	0	0	
			(3	1	7	9	3	2	6)

			(3	1	7	9	3	2	6)
--	--	--	---	---	---	---	---	---	---	---	---

Accumulated Losses

										N I L	
			(1	1	8	0	1	2	8)

			(1	1	8	0	1	2	8)
--	--	--	---	---	---	---	---	---	---	---	---

Total Assets

			5	1	6	9	8	5	4	0		
			(3	7	9	6	1	4	8	5)

			(3	7	9	6	1	4	8	5)
--	--	--	---	---	---	---	---	---	---	---	---	---

Reserves and Surplus

				1	9	2	3	8	3	0	0
			(	3	9	3	4	9	9	3)

			(3	9	3	4	9	9	3)
--	--	--	---	---	---	---	---	---	---	---	---

Unsecured Loans

				2	5	7	0	7	3	4	8	
			(2	8	4	1	5	6	5	7)

			(2	8	4	1	5	6	5	7)
--	--	--	---	---	---	---	---	---	---	---	---	---

Investments

				1	5	9	5	7	3	0	1
			(	2	3	3	4	1	6	4)

			(2	3	3	4	1	6	4)
--	--	--	---	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

										N I L
			(							(N I L)

			((N I L)
--	--	--	---	--	--	--	--	--	--	---------



Jet Airways (India) Limited

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

Turnover

		4	4	2	0	1	7	0	0	
	(3	5	6	5	7	3	9	4)

Profit/Loss Before Tax

			5	8	2	1	2	2	2
	(	1	7	8	1	4	2	5)

Earnings per Share in Rupees (Rs.)

					5	2	.	2	9
			(	2	1	.	3	7)

Total Expenditure

		3	8	3	8	0	4	7	8	
	(3	3	8	7	5	9	6	9)

Profit/Loss After Tax

			3	9	1	9	9	0	0
	(	1	6	3	1	0	9	5)

Dividend Rate @ %

								3	0
--	--	--	--	--	--	--	--	---	---

Equity

								3	0	
								(-)

Preference

								(-)
								(-)

(Figures in brackets indicates March 31, 2004 figures.)

V. Generic Names of Three Principal Products of Company (as per Monetary terms)

Item Code No. (ITC Code) **N O T A P P L I C A B L E**

For and on behalf of the Board

Javed Akhtar
Director

Saroj K. Datta
Executive Director

A. R. Rajaram
Company Secretary

Mumbai
Dated : 17th May, 2005