

Preparing for a wider world



Spreading the wings of global success



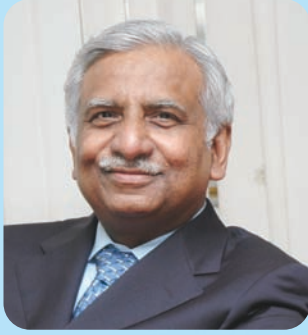


Jet Airways began its commercial operations on May 5, 1993 with the objective of being the best domestic airline in India. Our constant efforts have seen us emerge as one of the finest airlines in Asia, offering an unsurpassable level of world-class service and comfort in air and on ground. It's hardly surprising that most travellers prefer Jet Airways to fly with.

From our modest beginnings in 1993, we are today India's largest private sector airline. We have been recognised worldwide and won several awards for our service, innovation and reliability.

In March 2004, Jet Airways commenced its first international flight. Today we fly to 8 international destinations including Europe, US and Asia.

Our objective today is to be one of the worlds leading carriers while maintaining our leadership in the Indian skies.



Mr. Naresh Goyal
Chairman

Letter from the Chairman

Dear Shareholders,

The airline industry in India witnessed another year of strong growth. During the financial year 2006-07, an estimated 35 million passengers travelled by air within India, and almost 26 million on international sectors to and from our country. This compares with 14.4 million domestic and 13.2 million international passengers who travelled by air in the financial year 2002-03, and demonstrates a compound annual growth rate of 24.9% and 18.4% respectively over the past four years. We expect these very positive trends to continue.

This growth is reflected in your Company's revenues for the financial year under review, which were 21.6% higher than the previous financial year. The Company maintained healthy seat factors, in both domestic and international operations. However, the very competitive environment, which prevails in the Indian aviation industry at present, has, as in the case of all other domestic carriers, adversely impacted the average revenue per passenger.

Revenues from international operations contributed over a quarter of the Company's total revenues and this ratio is expected to grow significantly in the future. Competing as we do with well-established international carriers in these markets, we are confident that our international operations will contribute commensurately to your Company's profits in the years ahead. Many of the international routes we started over the past two years are already profitable, and the popularity of the more recently launched long-haul routes is extremely encouraging.

Your Company remained profitable, in a year where management and staff worked tirelessly towards fulfilling our objective to be recognized as one of the world's best and most successful airlines.

The first major step towards this goal was with regard to the Company's product offerings on both the international and domestic operations. Considerable time and effort was spent in the careful and detailed planning of the interior configuration and layout, and the selection of seats and other on-board facilities, of the Boeing 777-300 ER and the Airbus 330-200 wide body aircraft that are being purchased for our international expansion. Similar intensive planning, in consultation with experts, went into designing the standard and quality of the in-flight service on these aircraft. Deliveries of these wide body aircraft commenced in April 2007 and the Company has since taken delivery of four Boeing 777-300 ER and two Airbus 330-200 aircraft. Shareholders will be pleased to know that the new aircraft and the services we provide have been extremely well received by all classes of travellers.

The US ExIm Bank and the European external commercial agencies are supporting your Company with guarantees for the financing of these Boeing and Airbus aircraft respectively.

At the same time, we have been upgrading our domestic fleet, to maintain our leadership in the domestic market. The Boeing 737 Next Generation aircraft that we have most recently purchased have a new configuration, more comfortable seats, and the latest in-flight entertainment system. The existing Boeing 737 aircraft in the fleet are being reconfigured in phases. Your Company will also be adding many new ATR 72-500 aircraft to our fleet, principally to service more regional flights.

Secondly, considerable effort went into planning and designing a new corporate identity. A modernized logo with a new more contemporary colour scheme was launched in May 2007. All new aircraft are being delivered with the new graphics, and the aircraft currently in our fleet will be progressively repainted.

New uniforms were also launched in May 2007 and the changeover will be complete during the financial year 2007-08.

This has been followed by the launch of the Jet Lite brand by your Company's 100% subsidiary, Jet Lite (India) Limited (formerly Sahara Airlines Limited), which was acquired in April 2007. We are confident that Jet Lite, as a value-based low-fare carrier, will complement the operations of Jet Airways and effectively serve the rapidly expanding low-fare market in the years ahead.

Thirdly, your Company finalized Brussels Airport as its transit hub for transatlantic operations. The objective is to ensure that passengers to and from various destinations in India connect comfortably, conveniently and seamlessly to destinations in the United States and Canada. Your Company's first transatlantic route via Brussels to Newark, New Jersey, has been enthusiastically received, and we will be launching services to Toronto, Canada on 5th September 2007 and JFK Airport, New York on 28th October 2007. Your Company has also signed an agreement with Brussels Airlines for code sharing. This will enable your Company to connect, via the Brussels hub, India and North America to and from the several destinations in Europe and certain destinations in Africa that are serviced by Brussels Airlines. These routes will complement our popular direct flights to London from Mumbai, Delhi, Ahmedabad and Amritsar. Your Company has also strengthened relationships with a number of other international airlines, by way of code sharing, agreements with regard to loyalty programmes and interline agreements. We have also submitted to the Ministry of Civil Aviation and the Director General of Civil Aviation (DGCA), for approval, our plans for operations on the India/Gulf routes from early 2008. This is in accordance with the policy announced by the Government of India in January 2005 permitting eligible private carriers to operate on international routes into and out of India, but restricting them from operating on the India/Gulf routes for 3 years that is till January 2008. We, therefore, expect that we will soon be granted permission and the requisite rights to serve these lucrative routes.

Fourthly, your Company has been strengthening its management team to meet the expanding operations, in India and overseas. Recruitment, training and development at all levels remain an extremely high priority area. Your Company continues to expend resources for the in-house training of pilots, cabin crew and engineers, in order to maintain its high standards of service, safety and reliability.

Lastly, the Board has approved a Rights Issue of Equity Shares to partly fund the expansion plans which your Company has laid out for itself. With the exciting times ahead, I am sure that, when the issue is launched, you will respond with the support that you have always given the Company, and for which, the Board and the Management express their deepest gratitude.

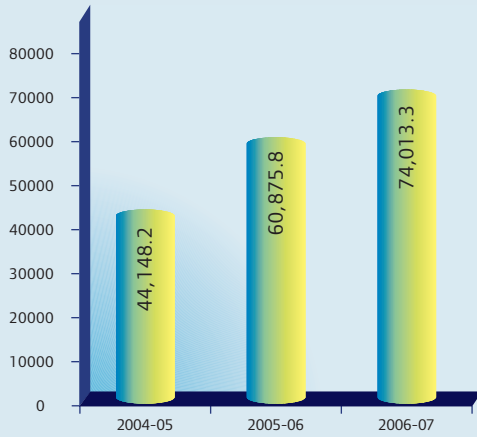
Yours sincerely



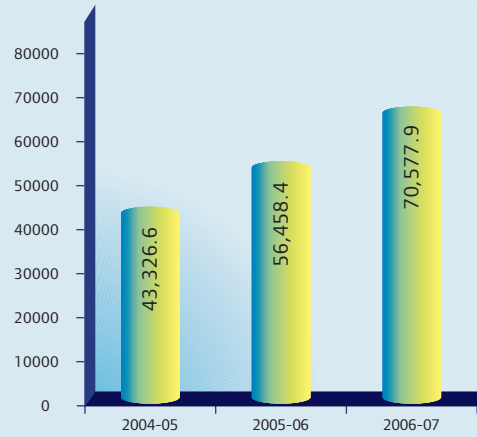
Naresh Goyal

Three-Year Financial Highlights

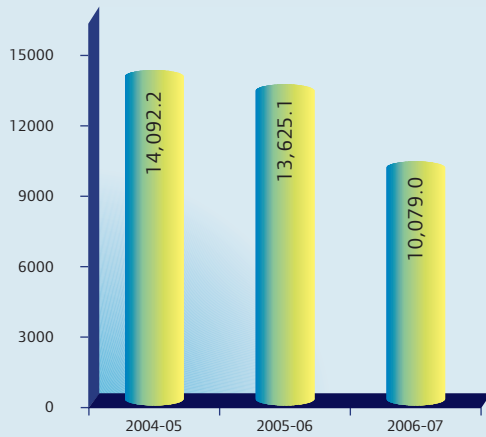
Income (Million Rupees)



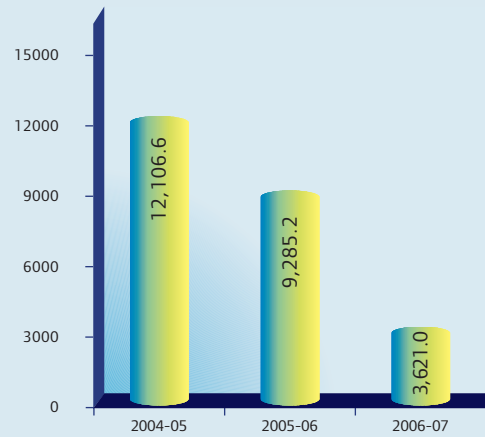
Operating Revenue (Million Rupees)



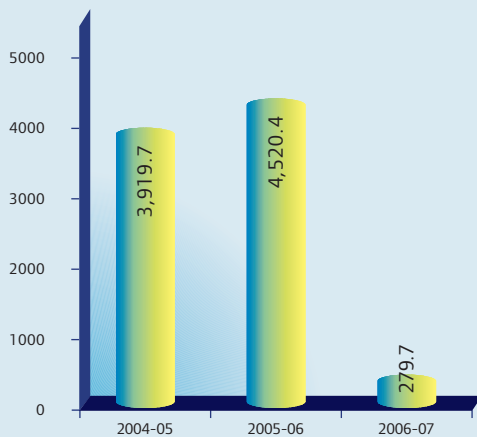
EBITDAR* (Million Rupees)



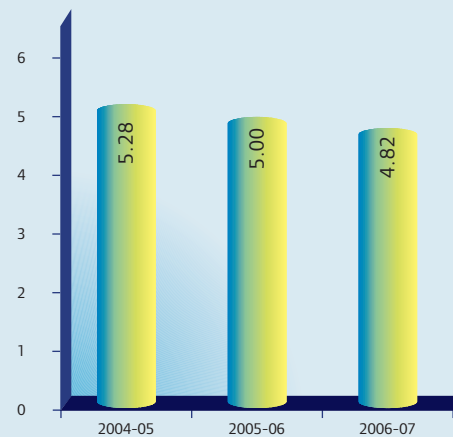
EBITDA** (Million Rupees)



Profit After Tax (Million Rupees)



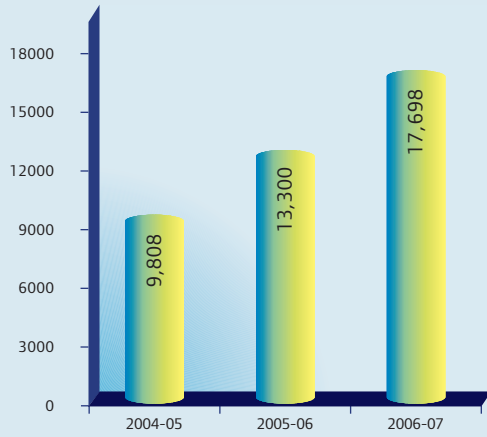
Revenue per Passenger Kilometres (Rupees)



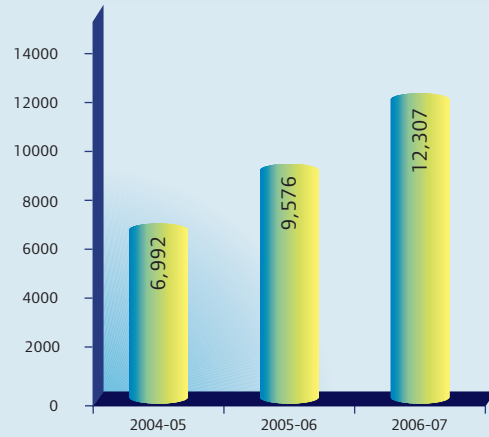
*Earnings Before Interest, Income Tax, Depreciation, Amortisation and Aircraft Rentals
**Earnings Before Interest, Income Tax, Depreciation and Amortisation

Three-Year Operating Highlights

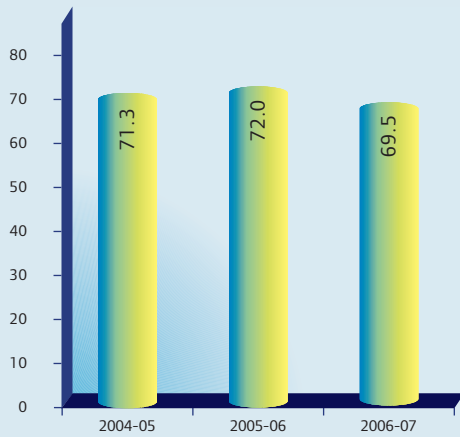
Available Seat Kilometres (in Million)



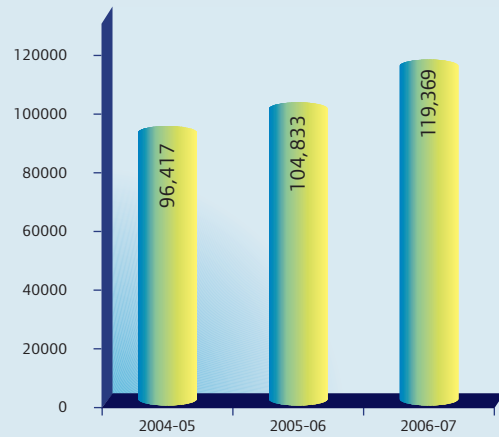
Revenue Passenger Kilometres (in Million)



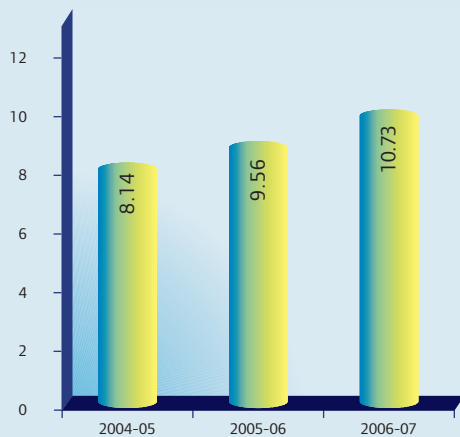
Passenger Load Factor %



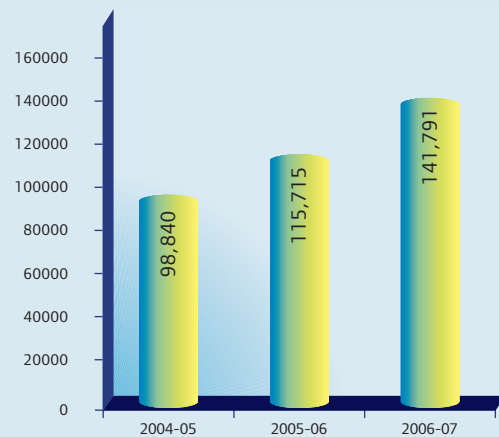
Number of Departures



Revenue Passengers (in Million)



Cargo Tonnes



“Jet Airways has successfully made the transition
from a world-class domestic airline to a world-class
international carrier”

-ABM Good



Our International Product

We will be using our Boeing 777-300ER and Airbus 330-200 aircraft for most of our international operations.

The Boeing 777-300ER, has a 3-class configuration, First Class, Première and Economy. Whilst the latest addition to our fleet, the Airbus 330-200 has a 2-class configuration, Première and Economy.

First Class

We are the first airline to offer the first class 'suite' in the sky with 26 square feet of useable space and dual sliding doors that ensure complete privacy. At 83 inches, these suites boast of the world's longest First Class bed along with 23-inch flat screen monitors.

Première

The Première has lie-flat beds, with the latest airline seat technology. Première passengers rest in supreme and unequalled comfort on a seat that electronically converts into a 73-inch, 180° flat bed with lumbar support and massage systems.

Economy

The new Economy is arguably the most comfortable in its class with a seat pitch of 32 inches that uses the science of advanced ergonomics.



Première



Economy



All classes are equipped with state of the art in-flight entertainment systems with a wide range of Hollywood and Bollywood blockbusters.

To further enhance the ambience, we've introduced the phased lighting system in the aircrafts.

Our in-flight menu boasts of some of the most enticing cuisines across the world with a choice of some of the most premium beverages.



OUR ALL NEW DOMESTIC PRODUCT



Leading the way in the Indian skies

Our all new Boeing 777-300ER next generation aircrafts offer ergonomically designed seating, award-winning in-flight entertainment system and world-class service to name a few. No wonder we're leading the way in the Indian skies.

Première -

The 44-inch leather seats in Première has a 6-way headrest with a 9-inch video screen that offers a wide choice of entertainment from Hollywood and Bollywood blockbusters, 9 audio channels, 70 audio CDs and a host of interactive games to keep you entertained.

Economy -

Our Economy has a comfortable 3-abreast plush leather seating and a 4-way headrest movement. Each seat has a 7-inch screen offering audio and video channels. We offer a choice of full meals on all our flights.

Innovation on the ground

Sms Check-in –

Our JetPrivilege members can check-in and get a confirmed seat by sending a single SMS.

Mobile Ticketing –

JetPrivilege members can also make reservations from their cellphones. Passengers also get 500 JetPrivilege miles every time they use mobile ticketing.

Kiosk Check-in –

We are the first airline to introduce kiosk check-in. This check-in facility lets passengers print their Boarding Pass at the touch of a screen and also earn 250 Bonus JetPrivilege Miles.

Web Check-in –

This is an interactive web check-in facility specially designed for the domestic sector that promotes convenience and enables a hassle free check-in experience. It also gives passengers the liberty of selecting their preferred seat and print their boarding pass on www.jetairways.com



www.jetairways.com



Awards- Our inspiration to soar high

The Company continued to win awards in recognition of its services and products. During the year under review, the Company received the following awards:

- In July 2006, the company was awarded the NDTV Profit Business Leadership Awards 2006 in the Aviation category.
- In August 2006, the Company won the Dun & Bradstreet American Express Corporate Awards 2006 for the “Best Performing Company” in the Aviation category.
- In August 2006, the Company won the Top 30 Valuable Brands of India Award
- In September 2006, the Company was awarded the Avion Award for Best Overall In-Flight Entertainment and also the award for Best Single In-Flight Audio Programme
- In October 2006, the Company was selected as Asia-Pacific’s Most Outstanding Airline for its achievements and contribution to the travel industry at the 17th annual TTG Travel Asia Awards.
- In November 2006, the Company won the Galileo Express Travel & Tourism Award in the ‘Best Full Service Carrier’ category from Galileo Express Travel & Tourism for the fourth consecutive year at the Galileo Express Travel & Tourism Awards 2006.
- In February 2007, the Company was accorded the Amity Corporate Excellence Award by the Amity International Business School, Noida.
- In April 2007, the company won the Program of the Year award for its Jet Privilege Programme at 19th Freddie Awards





A distinct new look!

The corporate identity of Jet Airways has been given a complete facelift. The logo retains the golden flying sun and the dark blue background, but has been restructured with the introduction of yellow and golden ribbons that make it more modern and inclusive. The vibrant new logo resembles a typical Indian 'dupatta' that gives it an Indian touch.

Our new uniforms have been designed by the renowned Italian designer Roberto Capucci.

He took inspiration from the 'Indian Universe', which is often present in many of his creations, resulting in the perfect mix of two very rich cultures. The result is a beautiful and stunning ensemble.

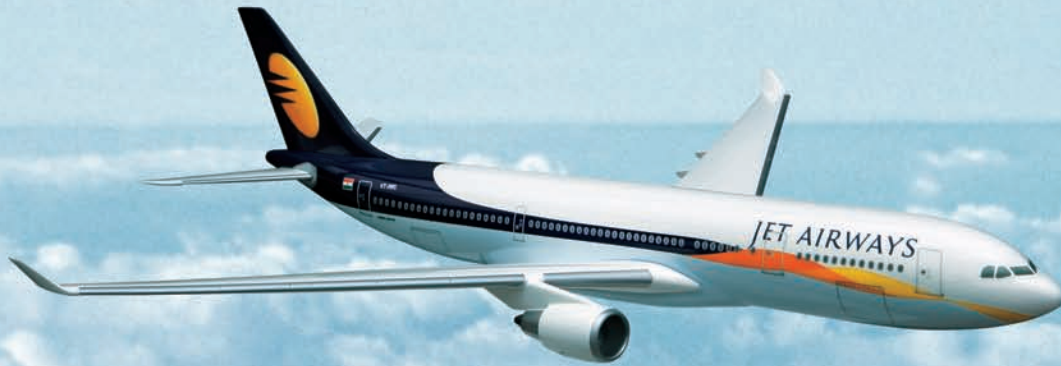
Our path ahead

We have set out to expand our international routes whilst maintaining leadership in the Indian skies. Our goal today is to be recognised as one of the world's best airlines.

Our aim is to establish excellent quality and standard that the world will talk about and to maintain our domestic supremacy.

Through our 100% Jetlite subsidiary we also cater to a wider segment of the market.





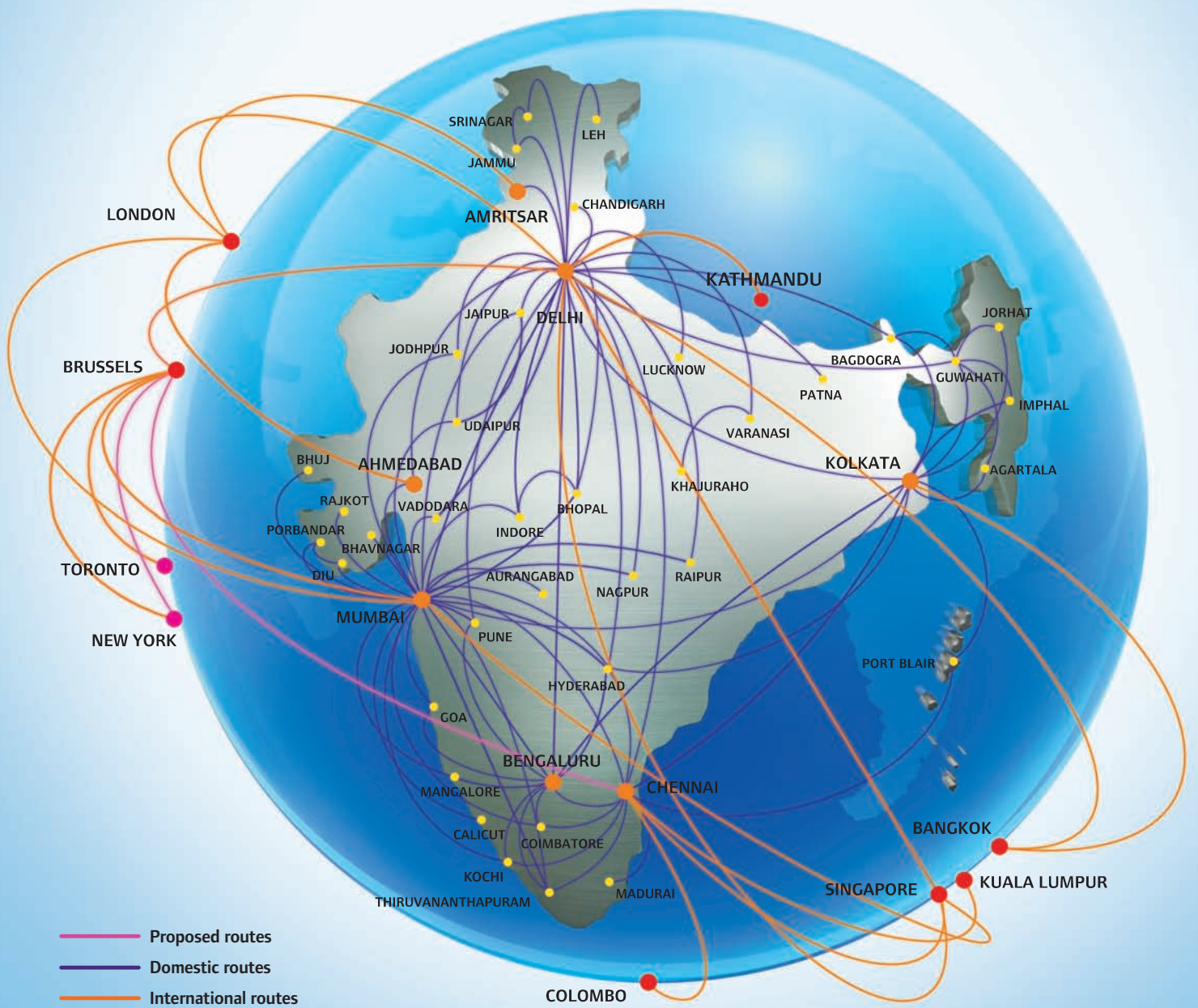
A dynamic new fleet

Jet Airways presently has an enviable fleet of 65 aircraft which includes four Boeing 777-300 ER, 49 classic and next generation Boeing 737-400/700/800/900 aircraft, four Airbus A330-200 aircraft and 8 modern ATR 72-500 turboprop aircraft.

All the Boeing aircraft are powered by CFM 56 engines, the Airbus A330-200 by Rolls Royce Trent 772 B and the ATR aircraft by Pratt and Whitney 127 engines.

We are proud to have a young aircraft fleet with 5.3 years being the average age.

Jet Airways has recently placed an order to purchase ten Boeing B787 Dreamliner aircraft with deliveries commencing in 2011.



15th Annual Report 2006-07

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Board of Directors

(As on 29th August, 2007)

Mr. Naresh Goyal
Mr. Ali Ghandour
Mr. Victoriano P. Dungca
Mr. Charles A. Adams
Mr. Javed Akhtar
Mr. I. M. Kadri
Mr. P. R. S. Oberoi
Mr. Aman Mehta
Dr. Vijay L. Kelkar
Mr. S. G. Pitroda
Mr. Yash Raj Chopra
Mr. Shah Rukh Khan
Dr. Pierre J. Jeannot
Mr. Saroj K. Datta

Chairman

Statutory Auditors

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

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

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 & Share Transfer Agent

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081

Bankers of the Company

ABN AMRO Bank
Abu Dhabi Commercial Bank
Bank of America
Banque Nationale de Paris
Bank of India
Barclays Bank
Calyon Bank
Canara Bank
Citibank N.A.
Corporation Bank
DBS Bank Ltd.
Axis Bank Ltd. (formerly known as UTI Bank Ltd.)
The Hong Kong & Shanghai Banking Corporation Limited

Dena Bank
Deutsche Bank AG
HDFC Bank Ltd.
ICICI Bank Limited
Industrial Development Bank of India Ltd.
ING Belgium SA
ING Vysya Bank Ltd.
JP Morgan Chase, N.A.
National Bank of Kuwait
Standard Chartered Bank
State Bank of India

Management

(As on 29th August, 2007)

| | |
|----------------------------|--|
| Mr. Wolfgang Prock-Schauer | <i>Chief Executive Officer</i> |
| Mr. Saroj K. Datta | <i>Executive Director</i> |
| Mr. Carl Saldanha | <i>Chief Financial Officer</i> |
| Ms. Anita Goyal | <i>Executive Vice President - Marketing & Sales</i> |
| Mr. Garry Kingshott | <i>Chief Commercial Officer</i> |
| Mr. Zainul Aljunied | <i>Regional Vice President - USA & Canada</i> |
| Mr. Peter Luethi | <i>Vice President - Eastern & Midwest America & Canada</i> |
| Capt. Ritzerwan Bin Rashid | <i>Vice President - Flight Operations</i> |
| Capt. K. Mohan | <i>Vice President - Flight Operations (Administration)</i> |
| Mr. P. K. Sinha | <i>Vice President - Industry Affairs</i> |
| Mr. Sitham Nadarajah | <i>Vice President - Technical (Projects)</i> |
| Dato' K. Jeyakanthan | <i>Vice President - Engineering Services</i> |
| Mr. Mike Johnson | <i>Vice President - Engineering & Maintenance</i> |
| Mr. Poh Leong Choo | <i>Regional Vice President - Sales (India & SAARC)</i> |
| Mr. Prasun Sengupta | <i>Vice President - Corporate Administration</i> |
| Mr. N. Hariharan | <i>Vice President - Office of Chairman</i> |
| Mr. Rajesh Sharma | <i>Vice President - Technical Purchase & Service</i> |
| Mr. Ashok Barimar | <i>General Counsel & Vice President - Legal</i> |
| Ms. Ragini Chopra | <i>Vice President - Corporate Communication & Public Relations</i> |
| Mr. Gaurang Shetty | <i>Vice President - Marketing</i> |
| Mr. Jay Shelat | <i>Vice President - Cargo</i> |
| Ms. Sonu Kripalani | <i>Vice President - Sales (India)</i> |
| Mr. Gerry Oh | <i>Regional Vice President - South East Asia</i> |
| Mr. Raj Anand Sivakumar | <i>Vice President - Revenue Management</i> |



Notice

Notice is hereby given that the **Fifteenth Annual General Meeting** of the Members of Jet Airways (India) Limited will be held on Thursday, 27th September, 2007 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, 2007 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, 2007.
3. To appoint a Director in place of Mr. I. M. Kadri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Charles A. Adams, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. P. R. S. Oberoi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Aman Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Dr. Vijay L. Kelkar, who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint Auditors to hold office from the conclusion of the 15th Annual General Meeting until the conclusion of the 16th Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

9. Re-appointment 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 the provisions of Sections 198, 269 read with Schedule XIII, Sections 309, 310, 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 re-appointment of Mr. Saroj K. Datta as Executive Director of the Company, for the period from the conclusion of the 15th Annual General Meeting until the conclusion of the 16th Annual General Meeting or 30th September, 2008, 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 re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Saroj K. Datta.”

10. Payment of Commission to Non-executive Directors for the Financial Year 2007-08

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 Sections 198, 309, 310 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, as Commission for the Financial Year 2007-08, a sum not exceeding 1% of the net profits of the Company calculated in accordance with provisions of Sections 198, 349, 350 and other provisions, if any, of the Companies Act, 1956, subject to a ceiling of Rs. 6,00,000/- (Rupees Six Lac only) per Non-executive Director, in addition to the sitting fees for attending the Meetings of the Board of Directors and any Committee thereof.”

By Order of the Board of Directors

SHEETAL S. TAMHANE
Company Secretary


Dated: 22nd August, 2007

Registered Office:

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

Notes

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 9 and 10 of the Notice is annexed hereto. The relevant details of persons seeking re-appointment as Directors under Item Nos. 3 to 7 above, as required by Clause 49 of 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 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 organisation(s).
3. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 15th September, 2007 to Thursday, 27th September, 2007, both days inclusive. The dividend, if declared, at the Meeting, will be paid on or after Wednesday, 3rd October, 2007 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 Friday, 14th September, 2007. In respect of Equity Shares held in dematerialised 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 Friday, 14th September, 2007, as per details furnished by the Depositories for this purpose.
4. Members holding Equity Shares in dematerialised 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 and Share Transfer Agent cannot act on any request received directly from the Members holding Equity Shares in dematerialised form, for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participants of the Members.

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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 Agent, Karvy Computershare Private Limited, [UNIT: Jet Airways (India) Limited] Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081. Members holding Equity Shares in dematerialised 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 Agent, Karvy Computershare Private Limited at the address mentioned under paragraph 5.
 7. As per the provisions of the Companies Act, 1956, nomination facility is available to the Members, in respect of the Equity Shares held by them. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited.
 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.
 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 Item Nos. 9 and 10 of the accompanying Notice:

Item No. 9

Mr. Saroj K. Datta has been a Director of the Company since March, 1993 and has been re-appointed as Executive Director from time to time. His present term as Executive Director of the Company expires on the conclusion of the 15th Annual General Meeting.

Subject to the approval of the Members at the 15th Annual General Meeting, and any other statutory approvals, that may be required, the Board of Directors approved of the re-appointment of Mr. Saroj K. Datta as Executive Director of the Company for the period from the conclusion of the 15th Annual General Meeting until the conclusion of the 16th Annual General Meeting or 30th September, 2008, 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 re-appointment as Executive Director will be beneficial to the Company.

The remuneration payable to Mr. Saroj K. Datta on his re-appointment, as approved by the Remuneration & Compensation Committee of the Board of Directors, is as follows:

(i) Salary and Allowances:

| | |
|------------------|--|
| Basic Salary | : Rs. 2,60,000/- per month |
| Other Allowances | : Not exceeding Rs. 1,50,000/- 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, if in the financial years during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration by way of salary, allowances and perquisites as specified above in paragraph (i) and (ii).

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms and conditions of re-appointment 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 re-appointment of and payment of remuneration to the Executive Director pursuant to Section 302 of the Companies Act, 1956.

No Director, except Mr. Saroj K. Datta, is, in any way, concerned or interested in the Resolution.

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

Item No. 10

In order to remunerate the Non-executive Directors of the Company for the responsibilities entrusted upon them under law and commensurate with the time devoted and the contribution made by them, the Board of Directors of the Company, at their Meeting held on 30th July, 2007 has approved, subject to such statutory approvals as may be necessary, payment as commission, to be paid to the Non-executive Directors of the Company, for the Financial Year 2007-08, a sum not exceeding 1% of the net profits of the Company, calculated in accordance with provisions of Sections 198, 349 and 350 of the Companies Act, 1956, subject to a ceiling of Rs. 6,00,000/- (Rupees Six Lac only) per Non-executive Director, in addition to the sitting fees for attending the Meetings of the Board of Directors and any Committee thereof.

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

All Non-executive Directors of the Company are concerned or interested in the Resolution to the extent of the remuneration that may be received by them and their respective shareholding, if any.

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

By Order of the Board of Directors

SHEETAL S. TAMHANE
Company Secretary

Dated: 22nd August, 2007

Registered Office:

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

Annexure to Notice

Details of the Directors seeking re-appointment at the 15th Annual General Meeting

| Particulars | Mr. I. M. Kadri | Mr. Charles A. Adams | Mr. P. R. S. Oberoi |
|---|--|---|--|
| Date of Birth | 1st December, 1929 | 12th April, 1940 | 3rd February, 1929 |
| Date of Appointment | 19th February, 2000 | 20th September, 2003 | 29th March, 2004 |
| Qualifications | Bachelors degree in Engineering from Pune University | Bachelor of Science in Marketing from the University of Hartford, U.S.A. | Graduate in Hotel Management from Lausanne, Switzerland |
| Expertise in specific functional area | 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. He was also the Sheriff of Mumbai in the year 1994. 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. Adams has over 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 USA, Europe and Asia. He retired from TWA in 1991 and subsequently then 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. 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. |
| Directorships held in other Public Companies (excluding foreign and private companies) | <ul style="list-style-type: none"> The Cricket Club of India Limited | None | <ul style="list-style-type: none"> EIH Limited EIH Associated Hotels Limited Mashobra Resort Limited Mercury Car Rentals Limited Mercury Travels Limited Mumtaz Hotels Limited Island Hotel Maharaj Limited Oberoi Kerala Hotels & Resorts Limited Mercury Himalayan Explorations Limited |
| Memberships / Chairmanships of Committees in Public Companies | None | None | <p>Security Transfer and Security Holders' / Investors' Grievances Committee</p> <ul style="list-style-type: none"> EIH Limited (Member) <p>Shareholders' / Investors' Grievances Committee</p> <ul style="list-style-type: none"> EIH Associated Hotels Limited (Chairman) |
| Shareholding, if any, in the Company | Nil | Nil | Nil |

| Particulars | Mr. Aman Mehta | Dr. Vijay L. Kelkar |
|---|--|--|
| Date of Birth | 1st September, 1946 | 15th May, 1942 |
| Date of Appointment | 29th September, 2004 | 18th November, 2004 |
| Qualifications | Bachelors degree in Economics from Delhi University | Ph.D. from the University of California, Berkeley, U.S.A. |
| Expertise in specific functional area | 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. | 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, Washington, USA 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. |
| Directorships held in other Public Companies (excluding foreign and private companies) | <ul style="list-style-type: none"> • Tata Consultancy Services Limited • Wockhardt Pharmaceuticals Limited • Max Healthcare Institute Limited • Godrej Consumer Products Limited • Cairn India Limited | <ul style="list-style-type: none"> • IDFC Private Equity Company Limited • Tata Chemicals Limited • Hero Honda Motors Limited • Development Credit Bank Limited • JSW Steel Limited • Britannia Industries Limited • Lupin Limited • KPIT Cummins Infosystems Limited • Housing Development Finance Corporation Limited • Krishna Godavari Gas Network Limited |
| Memberships / Chairmanships of Committees in Public Companies | <p>Audit Committee</p> <ul style="list-style-type: none"> • Tata Consultancy Services Limited (Chairman) • Wockhardt Pharmaceuticals Limited (Member) • Max Healthcare Institute Limited (Member) • Godrej Consumer Products Limited (Member) • Cairn India Limited (Chairman) <p>Investors' Grievances Committee</p> <ul style="list-style-type: none"> • Tata Consultancy Services Limited (Chairman) • Wockhardt Pharmaceuticals Limited (Member) <p>Remuneration Committee</p> <ul style="list-style-type: none"> • Tata Consultancy Services Limited (Member) • Godrej Consumer Products Limited (Member) • Cairn India Limited (Chairman) | <p>Audit Committee</p> <ul style="list-style-type: none"> • Tata Chemicals Limited (Member) • Britannia Industries Limited (Member) • KPIT Cummins Infosystems Limited (Member) |
| Shareholding, if any, in the Company | Nil | Nil |



Directors' Report

To the Members,

- Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2007.

HIGHLIGHTS

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

Financial Highlights

| Particulars | Year ended 31st March, 2007 Rs. in lac | Year ended 31st March, 2006 Rs. in lac |
|---|--|--|
| GROSS REVENUE | 740,131 | 608,757 |
| Profit before Interest, Depreciation & Tax | 70,561 | 137,027 |
| Interest | 24,015 | 24,160 |
| Profit before Depreciation & Tax | 46,546 | 112,867 |
| Depreciation | 41,410 | 40,641 |
| Profit before Taxation & Adjustments | 5,136 | 72,226 |
| Provision for Tax | 973 | 14,441 |
| Deferred Tax | 1,369 | 12,581 |
| Profit after Taxation | 2,794 | 45,204 |
| Profit / (Loss) brought forward | 49,743 | 14,967 |
| Profit available for Appropriation | 52,537 | 60,171 |
| APPROPRIATIONS¹ | | |
| Transfer to Capital Redemption Reserve | – | – |
| Transfer to General Reserve | 280 | 4,521 |
| Proposed Dividend | 5,180 | 5,180 |
| Income Tax on Proposed Dividend | 880 | 727 |
| Transfer to Balance Sheet | 46,197 | 49,743 |
| | 52,537 | 60,171 |

Note: 1 lac = 100,000

Operational Highlights

| Operating Parameters | Year ended 31st March, 2007 | Year ended 31st March, 2006 |
|--|--|--------------------------------|
| Number of Departures | 119,369 | 104,833 |
| Available Seat Kilometers (ASKMs) Million | 17,698 | 13,300 |
| Revenue Passenger Kilometers (RPKMs) Million | 12,307 | 9,576 |
| Passenger Load Factor % | 69.5% | 72.0% |
| Revenue Passenger (Numbers) | 10,726,874 | 9,556,562 |
| Average fleet size during period | 56.1 | 49.5 |
| Average Head Count | | |
| Gross | 9,614 | 8,285 |
| Net | 8,351 | 7,241 |

DIVIDEND

- The Board of Directors has recommended a dividend of Rs. 6 per Equity Share (Previous year: Rs. 6 per Equity Share). The dividend together with tax on distributed profits will absorb a sum of Rs. 6,060 lac (Previous Year: Rs. 5,907 lac) 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 Friday, 14th September, 2007.

REVIEW OF OPERATIONS

- During the year under review, air travel in India continued to show strong growth, both domestic and international. The Company carried 10.73 million revenue passengers, an increase of 12.2% over the previous financial year. Revenue Passenger Kilometers (RPKms) grew by 28.5 % to 12,307 million. Operating revenues at Rs. 705,778 lac were 25.0% higher than the previous year.
- Increased competition in the domestic market impacted the yield per passenger and, consequently, the overall revenues. The Company significantly increased its international operations during the year under review. The Company's international flights have been well received, and both the product and the service appreciated. International routes usually require around eighteen months to two years to achieve profitability, particularly since the Company is competing and will compete with a number of well-established carriers on the routes that it operates and intends to operate. The Delhi-Kathmandu-Delhi, Mumbai-Singapore-Mumbai, Delhi-Bangkok-Delhi, Chennai-Colombo-Chennai, Chennai-Kuala Lumpur-Chennai and Chennai-Singapore-Chennai routes have broken even and the Directors are confident that over the years the Company's international operations will contribute significantly to the Company's future.
- During the year under review, the Company commenced operations on following new international routes:
 - Delhi-Bangkok-Delhi
 - Kolkata-Bangkok-Kolkata



- Amritsar-London-Amritsar
 - Delhi-Singapore-Delhi
 - A second frequency on Mumbai-London-Mumbai
7. During the year under review, the Company added seven Boeing 737-800s and two Airbus 330-200 aircraft to its fleet. The fleet size as on 31st March, 2007 was 62 aircraft compared to 53 aircraft as on 31st March, 2006. In December 2006, the Company entered into an agreement with the Boeing Company for the purchase of 10 Boeing 787-800 aircraft to be delivered between July 2011 and December 2012 subject to the regulatory approvals.

SALE AND LEASEBACK OF AIRCRAFT

8. During the year, the Company sold and leased back four Boeing 737-700s aircraft. The Company's profit attributable to this transaction was Rs. 21,107 lac.

POST BALANCE SHEET EVENTS

Jet Lite (India) Limited

9. On 12th April, 2007, the Company reached a settlement with the shareholders of Sahara Airlines Limited to implement the Share Purchase Agreement dated 18th January, 2006, as amended, and to purchase the entire issued equity and preference shares of Sahara Airlines Limited for a revised total consideration which amounts to Rs. 1,465 crore. The Company has paid Rs. 915 crore and the remaining Rs. 550 crore is payable in four equal instalments of Rs.137.50 crore each, free of interest, on or before 30th March, 2008, 30th March, 2009, 30th March, 2010 and 30th March, 2011 respectively.
10. Pursuant to the said settlement, a Consent Award was passed by the Arbitration Tribunal before whom the parties had referred the disputes with regard to the above Share Purchase Agreement, as amended.
11. Sahara Airlines Limited became a 100% subsidiary of the Company with effect from 20th April, 2007. Subsequently with effect from 15th May, 2007 Sahara Airlines Limited has been renamed Jet Lite (India) Limited. The Directors of Jet Lite (India) Limited are presently Mr. Naresh Goyal, Mr. Victoriano P. Dungca, Dr. Vijay L. Kelkar, Mr. Javed Akhtar and Mr. Saroj K. Datta.
12. A team of executives has been seconded by the Company to oversee the day-to-day operations of Jet Lite (India) Limited.

Fleet

13. The Company has taken delivery and put into operations four Boeing 777-300 Extended Range (ER) aircraft between May 2007 and July 2007. These wide-bodied aircraft are being used on the Mumbai-London-Mumbai and Mumbai-Brussels-Newark-Brussels-Mumbai routes. The innovative layout, configuration and interiors of the aircraft, the in-flight entertainment systems and the other facilities have been well received. The aircraft have 8 First class, 30 Premier and 274 Economy seats. The aircraft have been acquired on finance leases.

14. The Company has added two Airbus 330-200 aircraft to its fleet, which have been acquired on finance leases, in April and May 2007 respectively. The configuration is 30 Premiere and 190 Economy seats with a layout similar to that of the Boeing 777-300 ERs. The interiors, configuration and seats and other facilities have also been well received. These aircraft are being used on the London sectors. Additional aircraft to be delivered later in the Financial Year 2007-08, will be deployed on the Johannesburg, Nairobi and Hong Kong routes that are scheduled to be introduced, and will also be used to upgrade the product on the Singapore and Kuala Lumpur routes from Winter 2007.
15. The Company has spent considerable time and effort in the design and planning of these facilities as well as the in-flight product and services, to ensure that they compare favourably with those offered by other world-class carriers.
16. The Company has inducted one Boeing 737-700 aircraft on lease in August 2007 and one Boeing 737-800 on hire purchase in June 2007.
17. The Company has, on expiry of the leases, returned to South African Airways, the three Airbus 340-300 aircraft, which it had taken on operating leases in 2005. The Company has also returned two Boeing 737-400 aircraft to the respective lessors, on the expiry of the respective lease agreements, in April and May 2007 respectively.
18. As on 25th August, 2007, the Company's fleet comprised 65 aircraft.

Operations to the United States via Brussels

19. The Company inaugurated its service to Newark, United States, via. Brussels, Belgium, on 5th August, 2007. The initial response to this service has been positive. The Company has established Brussels Airport as the transit European hub for its long haul operations to and from the USA and Canada. The Company has entered into a Memorandum of Understanding with Brussels Airport for support and facilities, and with Brussels Airlines for code share operations to other European destinations served by the airline.

Rights Issue

20. The Board of Directors at its Meeting on 26th June, 2007, has approved a Rights Offering of Equity Shares of an amount of up to US \$ 400,000,000 (United States Dollars Four Hundred Million) or an equivalent amount in Indian Rupees. The Company has appointed bankers to the issue and work on the issue has commenced.

INFORMATION UNDER CLAUSE 43 OF THE LISTING AGREEMENT

21. There are no variations in respect of utilization of net proceeds of the Company's Initial Public Offering (IPO) as against those stated in the Prospectus dated 28th February, 2005.



INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT: CHANGE IN ACCOUNTING POLICIES

22. The Company has adopted Accounting Standard 15 (AS-15) (Revised 2005) 'Employee Benefits' issued by the Institute of Chartered Accountants of India, though not yet mandatory. The Company has adjusted Rs. 639 lac (net of deferred tax of Rs. 329 lac) in respect of the additional liability pertaining to employee benefits up to 31st March, 2006, against the opening balance of the General Reserve.

DIRECTORS' RESPONSIBILITY STATEMENT

23. As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:
- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
 - 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 of 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

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

a. Conservation of Energy:

The Company has during the year under review continued to rigorously monitor fuel consumption of all aircraft on an on-going basis, and taken various measures to optimize consumption. All new aircraft delivered in the financial year have been fitted with winglets, and fuel-efficient engines. The average age of the Company's fleet as on 31st March, 2007 was 5.3 years, a factor that contributes to fuel efficiency. The Company also maintains fuel-efficient operations with regard to its ground equipment and vehicles.

b. Technology Absorption

● Training of Pilots:

During the year under review, the Company continued to give pilots endorsement and refresher training for Boeing-737 aircraft at the Company's Simulator Training Centre at Mumbai. The training was conducted by the Company's own instructors. A second Boeing 737 simulator was installed during the year under review. The Company's Pilots were given endorsement and refresher

training for ATR aircraft at ATR's simulator facility at Bangkok. This training was also conducted by the Company's own instructors. The Company is in the process of commissioning two full flight simulators and related training equipment to train pilots for the Boeing 777 and Airbus 330 aircraft.

- **IT initiatives:**

The Company extended its Enterprise Resource Planning (ERP) system to Human Resources and Ground Services and introduced "data warehousing" for more effective and quicker Management Information Systems. The existing usages were also substantially upgraded.

DIRECTORS

25. Mr. I. M. Kadri, Mr. Charles A. Adams, Mr. P. R. S. Oberoi, Mr. Aman Mehta and Dr. Vijay L. Kelkar retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.
26. The Directors recommend the re-appointment of Mr. Saroj K. Datta as Executive Director of the Company, whose present term expires on the conclusion of the 15th Annual General Meeting.

AUDITORS

27. The Statutory Auditors, Messieurs Deloitte Haskins & Sells, Chartered Accountants, and Messieurs Chaturvedi & Shah, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. At the said Meeting, Members will be requested to appoint Statutory Auditors for the Financial Year 2007-08 and to fix their respective remuneration.

PARTICULARS OF EMPLOYEES

28. 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 the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all 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 15th Annual General Meeting.

CORPORATE GOVERNANCE

29. Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement relating to Corporate Governance, as amended from time to time. 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 provisions of Corporate Governance is annexed to the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

30. The Company launched its in-flight collection programme the 'Magic Box' in association with the NGO Save the Children India (STCI) in January 1997. This fund-raising programme for STCI is unique to Jet Airways,



and is implemented on all its domestic flights. Since its introduction in January 1997, the charity collection has contributed over Rs. 818 lac till 31st March, 2007. This fund has over the years been utilized for purposes such as development activities in Kargil, improvement of education and health care facilities in Osmanabad district in Maharashtra, after the area was affected by an earthquake, and to combat trafficking of women and child prostitution in the Indian Subcontinent.

31. The Company has engaged the services of Shraddha Charitable Trust – a registered NGO, which trains and provides post-school vocation to the mentally challenged and autistic. The Company has placed bulk orders for one of the Trust’s in-house products used on certain flights.
32. The Company, together with various NGOs, organized “Flights of Fantasy” out of Mumbai on 12th November, 2006 and out of Bengaluru on 14th November, 2006. Under this unique initiative, children belong to underprivileged sections of society are initiated into the world of aviation through special flights in collaboration with NGOs, and corporate partners.

ACKNOWLEDGEMENTS

33. Your Directors place on record their appreciation for the contributions of the members of the Management Team and all employees for their continued hard work, dedication and commitment to maintaining the Company’s service standards, during the year under review.
34. Your Directors place on record their appreciation for the support rendered by the Company’s General Sales Agents and their associates, Travel Agents and other members of the travel trade for their continued efforts in promoting the Company.
35. Your Directors also take this opportunity to thank the Ministry of Civil Aviation, Government of India, the Director General of Civil Aviation (DGCA), the Airports Authority of India (AAI), the Mumbai International Airport (Private) Limited, Delhi International Airport (Private) Limited and other airport companies for their support and guidance. Your Directors are also grateful to the Reserve Bank of India, the Ministry of Finance, Ministry of Corporate Affairs, Government of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, the US Exim Bank, Financial Institutions and Banks, the Boeing Company, Avion de Transport Regionale, Airbus Industrie, engine manufacturers and the lessors of our aircraft for their support, and look forward to their continued support.

For and on behalf of the Board of Directors

NARESH GOYAL
Chairman

Date : 29th August, 2007

Place : London

Management's Discussion and Analysis of Financial Condition and Results of Operations

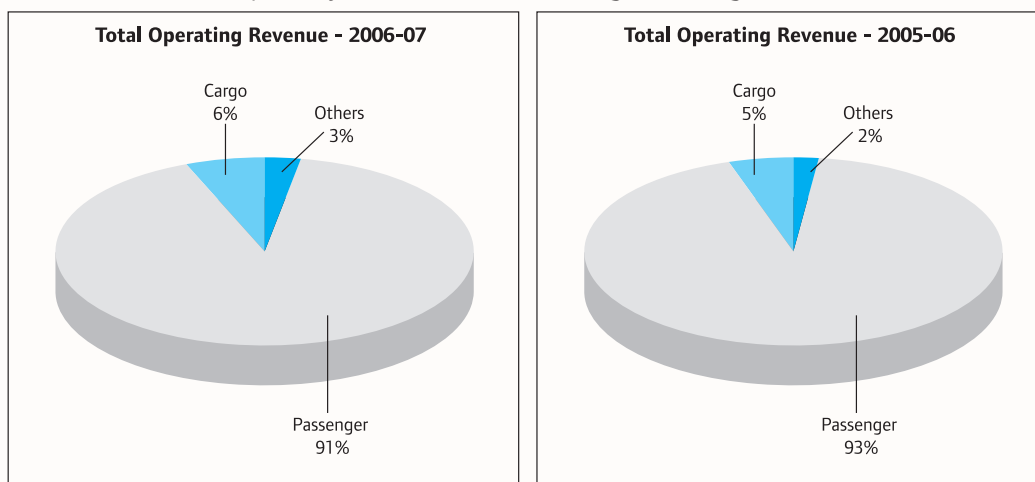
1. Industry Structure and Development

- 1.1 The Indian aviation industry continued to grow during the financial year under review. Economic growth, the emergence of India as a global economic power and other factors, that have had a positive impact on air travel in India, were sustained.
- 1.2 Domestic carriers have been aggressively increasing their respective fleet sizes and adding new frequencies and destinations. This has resulted in a very competitive environment.
- 1.3 International airlines continued to expand their operations and increase capacities in India, during the year under review.
- 1.4 The Central Government's policies with regard to the civil aviation industry remained positive, and the Government was proactive with regard to issues concerning the industry.
- 1.5 The cost of aviation fuel remained high but less volatile than the previous financial year.

2. Analysis of Operational Performance Fiscal 2007 Compared to Fiscal 2006

Revenues

- 2.1 Our total revenues increased by 21.6% from Rs. 60,876 million Fiscal 2006 to Rs. 74,013 million Fiscal 2007. This increase was primarily due to increase in Passenger and Cargo Revenues.



Passenger Revenues

- 2.2 Passenger revenues increased by 22.3% from Rs. 52,645 million in Fiscal 2006 to Rs. 64,378 million in Fiscal 2007. This increase was primarily due to a 12.2% increase in revenue passengers in Fiscal 2007 as compared to Fiscal 2006. Further, the significant increase in our international flights has led to an increase in yields. The available seat kilometers (ASKMs) offered in Fiscal 2007 increased by 33.1%, as the airline was able to offer new routes because of the increase in fleet size. We generated revenues of Rs. 7,507 million from fuel surcharges (as compared to Rs. 678 million in FY 2006) largely due to



increase in fuel surcharge rates and the Congestion Surcharge, which was introduced in Fiscal 2007 for domestic operations.

Revenues from Excess Baggage and Courier

2.3 Excess Baggage and Courier revenues when taken together showed a decline by 34.3% from Rs.509 million in Fiscal 2006 to Rs. 334 million in Fiscal 2007. Excess baggage revenues, however, increased by 18.8% from Rs.186 million in Fiscal 2006 to Rs. 221 million in Fiscal 2007, primarily due to increase in the number of revenue passengers. Courier Revenues decreased by 64.9% from Rs. 322 million in Fiscal 2006 to Rs. 113 million in Fiscal 2007, because the airline almost completely discontinued the carriage of on-board courier on domestic routes with effect from August 2006. However, such courier traffic has since been carried as cargo, and accounted for as cargo revenue.

Revenues from Cargo

2.4 Revenues from carriage of cargo increased by 57.8% from Rs. 2,606 million in Fiscal 2006 to Rs. 4,111 million in Fiscal 2007, primarily because tonnage carried increased from 115,715 tonnes in Fiscal 2006 to 141,791 tonnes in Fiscal 2007.

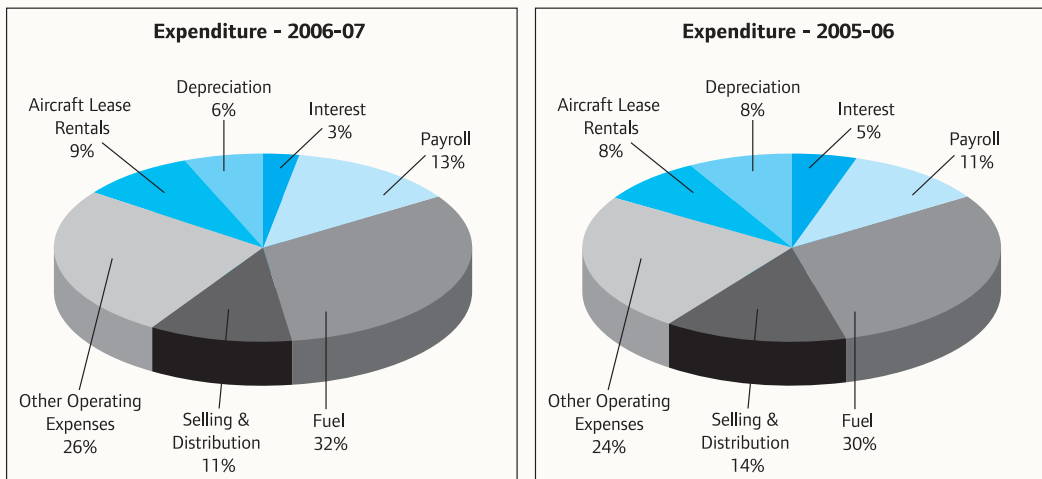
Other Revenues

2.5 Other revenues increased by 150.9% from Rs. 699 million in Fiscal 2006 to Rs. 1,754 million in Fiscal 2007. The increase was primarily on account of higher cancellation charges collected in Fiscal 2007 as compared to the previous year. Another factor was on account of the export credit incentive under the Government's Served From India Scheme (SFIS). Under this scheme, exporters are allowed to setoff input taxes (such as customs duty, excise) to the extent of 10% of the Export earnings brought into India.

Non-Operating Revenues

2.6 Non-operating Revenues decreased by 22.2% from Rs. 4,417 million in Fiscal 2006 to Rs. 3,435 million in Fiscal 2007. The variation is primarily due to the revenue realized from the sale and lease back of 5 aircraft in Fiscal 2006 compared with the revenue realized from the sale and lease back of 4 aircraft in Fiscal 2007.

Expenses



Aircraft Fuel

2.7 Fuel costs increased by 44.6% from Rs. 16,789 million in Fiscal 2006 to Rs. 24,276 million in Fiscal 2007. This increase was due, firstly, to a 23.8% increase in block hours from 183,543 hours in Fiscal 2006 to 227,149 hours in Fiscal 2007; secondly increases in average cost of fuel from Rs. 31.84 per litre in Fiscal 2006 to Rs. 35.83 per litre in Fiscal 2007 viz. an increase of 12.5%; and, thirdly, in Fiscal 2007, the fuel cost per block hour was impacted by the number of international flights, which as a proportion of total flights, was higher in Fiscal 2007; the wide-body aircraft that we use for our international operations consume more fuel per block hour compared to the aircraft we use for our domestic operations.

Other Operating Expenses

2.8 Other Operating Expenses for Fiscal 2007 compared to Fiscal 2006 were:

| | Year Ended March 31, | | Increase/(Decrease) |
|---|-------------------------------|-------------------------------|----------------------------|
| | 2007 (Rs. Millions) | 2006 (Rs. Millions) | (%) |
| Maintenance and repairs | 4,659 | 3,109 | 49.8 |
| Variable rentals | 2,041 | 1,241 | 64.5 |
| Landing, navigation and other airport charges | 4,787 | 3,504 | 36.6 |
| Insurance | 722 | 690 | 4.7 |
| General and administrative | 6,624 | 4,567 | 45.0 |
| Total | 18,833 | 13,111 | 43.6 |

2.9 Other Operating Expenses increased by 43.6% from Rs.13,111 million in Fiscal 2006 to Rs.18,833 million in Fiscal 2007 due to the following:

- The increase in maintenance and repair costs in 2007 was essentially due to
 - ❑ more block hours flown during Fiscal 2007,
 - ❑ the larger fleet compared to Fiscal 2006, and
 - ❑ the impact, during Fiscal 2007, of more wide-bodied aircraft, where maintenance costs are higher than that of narrow-body aircraft.
- The increase in variable rentals is on account of higher block hours in Fiscal 2007 and the induction of more wide-body aircraft where variable rentals are higher than those of narrow-body aircraft.
- The increase in landing, navigation and other airport charges was primarily due to an increase in the number of flights operated [119,369 in Fiscal 2007 compared to 104,833 in Fiscal 2006]. Further there were more international flights during Fiscal 2007, where charges paid in India and overseas are higher than those paid for domestic flights and entail costs such as over-flying etc.



- The increase in insurance costs was due to the increase in the fleet value caused by the increase in the size of the fleet in Fiscal 2007.
- The increase in general and administrative costs is attributable to:
 - ❑ increased costs of in-flight and passenger amenities due to more passengers flown during Fiscal 2007, and
 - ❑ increase in travelling costs by 57% mainly because of expenses incurred with regard to international routes that became operational in Fiscal 2007.

Employee Remuneration and Benefits

2.10 Expenses with regard to employee remuneration and benefits increased by 65.4% from Rs. 5,672 million in Fiscal 2006 to Rs. 9,381 million in Fiscal 2007 due to annual increments and due to increase in the number of employees from 8,818 as on 31st March, 2006 to 11,088 on 31st March, 2007. A large part of this increase was due to the recruitment, during Fiscal 2007, of pilots, engineers and cabin crew for the expanded operations that included a significant number of foreign and expatriate personnel.

Selling and Distribution Costs

2.11 Selling and distribution costs increased by 10.3% from Rs. 7,261 million for Fiscal 2006 as compared to Rs. 8,008 million for Fiscal 2007. This increase in selling and distribution costs was caused by:

- an increase of 32.4% in Central Reservation System (CRS) expenses and Global Distribution System (GDS) expenses from Rs. 1,344 million in Fiscal 2006 to Rs. 1,779 million in Fiscal 2007; this was mainly due to the increase in the number of passengers flown; and
- an increase of 8% in commissions to our General Sales Agents (GSAs) and travel agents from Rs. 5,174 million in Fiscal 2006 to Rs. 5,589 million in Fiscal 2007. This was essentially due to the increase in Passenger Revenues and productivity based incentives given to agents.

Aircraft Rentals

2.12 Aircraft rentals increased by 48.8% from Rs. 4,340 million in Fiscal 2006 to Rs. 6,458 million in Fiscal 2007, due to the induction of more leased aircraft. These included the sale and lease back of four aircraft during Fiscal 2007 and also the full year's impact of the five aircraft, which we sold and leased back in Fiscal 2006.

Depreciation

2.13 We recorded an increase in depreciation costs of 1.9% from Rs. 4,064 million in Fiscal 2006 to Rs. 4,141 million in Fiscal 2007. Had the sale and lease back of 9 aircraft (5 in Fiscal 2006 and 4 in Fiscal 2007) not taken place, the impact of depreciation would have been significantly higher.

Interest Expense

2.14 Interest expenses decreased by 0.6% from Rs. 2,416 million in Fiscal 2006 to Rs. 2,402 million in Fiscal 2007, due to

- the appreciation of the Indian rupee against the United States Dollar in respect of loans in foreign currency and
- the fact that most of the additional borrowings in Fiscal 2007 were towards pre-delivery payments in respect of aircraft, and the interest thereon was capitalized.

Profit / (Loss) before Taxation

2.15 Accordingly, profit before taxation was Rs. 514 million in Fiscal 2007 compared to Rs. 7,223 million in Fiscal 2006.

Profit / (Loss) after Taxation

2.16 Profit after taxation was Rs. 280 million in Fiscal 2007 compared to Rs.4,520 million in Fiscal 2006.

3. Initiatives

Product

- 3.1 The Company commenced upgrading its Boeing 737 fleet used for domestic and short-haul international operations. The Company took delivery of seven new Boeing 737-800 aircraft, which have been equipped with re-designed seats and interiors and have been fitted with inflight entertainment. The Company will reconfigure its existing Boeing 737 fleet in stages.
- 3.2 The Company spent significant time and resources planning and preparing for its proposed long-haul operations. These included the design and configuration of the interiors of the Boeing 777 and Airbus 330 aircraft (the deliveries of which have commenced in Fiscal 2008) and also towards a major exercise in branding and new uniforms, which were launched in May 2007.

Information Technology

- 3.3 The Company completed the upgrade of its Enterprise Resource Programme (ERP). The ERP has been extended to more functions including Human Resources and Ground Support Equipment. A new "data warehouse" has significantly enhanced the management information system capabilities.
- 3.4 The Company introduced at major airports "roving check in" a wireless system to check in domestic passengers travelling without baggage. This system enables passengers to check-in without having to queue at counters and has been well received.



4. Outlook

- 4.1 The domestic market remains extremely competitive. Despite the growth of the market, fares remain highly discounted. Jet Lite (India) Limited (formerly Sahara Airlines Limited) which became a 100% subsidiary of the Company in 2007-08 will operate essentially as a value carrier, and it is expected that the operations of Jet Lite will complement the Company's operations.
- 4.2 A significant part of the Company's revenues in future will be from proposed international operations, particularly long-haul operations. The Company will compete on many of the routes it proposes to fly with larger, established international airlines, and the Company foresees competitive pricing on these routes. There will be a lead-time to establish profitability on each new international route, because of such pricing, the startup cost of establishing new routes and the financial cost of the aircraft used on such routes. The Company has, nonetheless, achieved profitability in a number of international routes that commenced operations in previous financial years.

5. Human Resources

- 5.1 Industrial relations throughout the network remained cordial during Fiscal 2007.
- 5.2 Recruitment and training continue to take place to meet the airline's expanding fleet and operations. A second Boeing 737 Next Generation Full Flight Simulator became operational in December 2006. The two simulators will meet pilot training needs of our existing and future Boeing 737 aircraft. The Company has received delivery of one Boeing 777 and one Airbus 330 full flight simulator for training pilots on its wide-bodied operations.

6. Awards

- 6.1 The Company continued to win awards in recognition of its services and products. During the year under review, the Company received the following awards:
 - In July 2006, the Company was awarded the NDTV Profit Business Leadership Awards 2006 in the Aviation category.
 - In August 2006, the Company won the Dun & Bradstreet American Express Corporate Awards 2006 for the "Best Performing Company" in the Aviation category.
 - In August 2006, the Company won the Top 30 Valuable Brands of India Award.
 - In September 2006, the Company was awarded the Avion Award for Best Overall In-Flight Entertainment and also the award for Best Single In-Flight Audio Programme.
 - In October 2006, the Company was selected as Asia-Pacific's Most Outstanding Airline for its achievements and contribution to the travel industry at the 17th annual TTG Travel Asia Awards.

- In November 2006, the Company won the Galileo Express Travel & Tourism Award in the 'Best Full Service Carrier' category from Galileo Express Travel & Tourism for the fourth consecutive year at the Galileo Express Travel & Tourism Awards 2006.
 - In February 2007 the Company was accorded the Amity Corporate Excellence Award by the Amity International Business School, Noida.
- 6.2 In April 2007 the Company won the Program of the Year award for its Jet Privilege Programme at 19th Freddie Awards.

7. Internal Control Systems

- 7.1 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.
- 7.2 The Company's Internal Audit Department reviews the adequacy and efficacy of the key internal controls. The scope of the audit activity is guided by the internal annual audit plan and, approved by the Audit Committee of the Board.
- 7.3 The Company's Audit Committee comprises five non-executive Directors; Mr. Aman Mehta (Chairman), Dr. Vijay L. Kelkar, Mr. Victoriano P. Dungca, Mr. Javed Akhtar and Mr. Yash Chopra. The Audit Committee reviews reports submitted by the Internal Audit Department and monitors follow-up and corrective action taken.
- 7.4 The Company has a corporate compliance procedure to ensure that all laws, rules and regulations applicable to it are complied with. Based on confirmation from departmental heads, the Chief Executive Officer places before the Board a Corporate Compliance Certificate at every Board Meeting.
- 7.5 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 Bombay Stock Exchange Limited.
- 7.6 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'.
- 7.7 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.
- 7.8 The Company, as part of its Risk Management strategy, reviews on a continuous basis, its strategies, processes, procedures and guidelines to effectively identify and mitigate risks. Key risk areas in all areas of the Company's operations and management have been identified and are maintained.



8. Opportunities, Risks, Concerns and Threats

- 8.1 The future growth of air travel within, to and from India will continue to depend on the growth of the Indian economy. The continuance of positive economic factors should lead to sustained growth in passenger and cargo air traffic. Increasing disposable incomes will continue to stimulate the leisure market within India.
- 8.2 The number of Indians travelling overseas - both for business and leisure - is growing at an encouraging rate. The Company is emerging as a preferred airline in the international sectors that it operates. The Company is targeting both business and leisure traffic from these countries into India. These include Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs).
- 8.3 The aviation industry and the entire travel industry will be adversely affected by any downturn in the Indian economy, political instability and any internal violence or any external threat.
- 8.4 While aviation fuel prices remained less volatile than in previous years, there is still a need to rationalize sales tax levied throughout the country with regard to Aviation Fuel.
- 8.5 The increase in fleet size of domestic carriers has led to more flights offered on various routes. This is leading to congestion at many metropolitan airports and delaying flights and increasing fuel consumption. In this regard the opening of new airports at Bangalore and Hyderabad scheduled for Fiscal 2009 should ease congestion at these cities. Steps are being taken at airports recently taken over by private sector operators to decongest them.
- 8.6 There continues to be a shortage of skilled manpower particularly pilots and engineers. The Company has been recruiting expatriate pilots and engineers for both its domestic and international operations.

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

(Information given in this Report relates to the Financial Year ended 31st March, 2007)

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 stakeholders.

1. BOARD OF DIRECTORS

i. Other Directorships / Memberships

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



| Name of Director | Position / Category | As at 31st March, 2007 | | | Number of Shares held |
|--------------------------|------------------------------------|--|--------------------|------------------|--|
| | | Other Directorships / *Mandatory Committee Memberships | | | |
| | | Directorships in other Companies** | Committee Chairman | Committee Member | |
| Mr. Naresh Goyal | Promoter & Non-Executive Chairman | None | None | None | 9995 (as a Nominee of Tail Winds Limited) |
| Mr. Ali Ghandour | Non-executive Director | None | None | None | Nil |
| Mr. Victoriano P. Dungca | Non-executive Director | None | None | None | Nil |
| Mr. Charles A. Adams | Non-executive Director | None | None | None | Nil |
| Mr. J. R. Gagrat # | Non-executive Director | None | None | None | Nil |
| Mr. Javed Akhtar | Non-executive Independent Director | None | None | None | 5990 |
| Mr. I. M. Kadri | Non-executive Director | 2 | None | 1 | Nil |
| Mr. P. R. S. Oberoi | Non-executive Director | 10 | 1 | 1 | Nil |
| Mr. Aman Mehta | Non-executive Independent Director | 5 | 3 | 4 | Nil |
| Dr. Vijay L. Kelkar | Non-executive Independent Director | 10 | None | 3 | Nil |
| Mr. S. G. Pitroda | Non-executive Director | None | None | None | Nil |
| Mr. Yash Raj Chopra | Non-executive Independent Director | None | None | None | 355 |
| Mr. Shah Rukh Khan | Non-executive Independent Director | None | None | None | Nil |
| Dr. Pierre J. Jeannot | Non-executive Independent Director | None | None | None | Nil |
| Mr. Saroj K. Datta | Executive Director | None | None | None | 553 |

* Represents Memberships / Chairmanship of Audit Committee and Shareholders' / Investors' Grievances Committee.

Expired on 5th April, 2006.

** The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

ii. Composition

The Board of Directors of the Company consists of 14 Directors including 6 Independent Directors. Mr. Naresh Goyal is the Chairman and Mr. Saroj K. Datta is the Executive Director of the Company. The Board of Directors including the Independent Directors comprise of senior, competent and highly respected persons from their respective fields.

iii. Attendance at the Board Meetings during the Financial Year 2006-07 and the last Annual General Meeting

Six Board Meetings were held during the Financial Year 2006-07. The gap between any two Board Meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

29th April, 2006, 29th July, 2006, 20th September, 2006, 22nd September, 2006, 17th October, 2006 and 19th January, 2007.

| Name of Director | No. of Meetings attended | Attendance at Annual General Meeting held on 20th September, 2006 |
|-------------------------------|---------------------------------|--|
| Mr. Naresh Goyal | 5 | Yes |
| Mr. Ali Ghandour | 3 | Yes |
| Mr. Victoriano P. Dungca | 4 | Yes |
| Mr. Charles A. Adams | 5 | Yes |
| Mr. J. R. Gagrat [#] | - | No |
| Mr. Javed Akhtar | 4 | Yes |
| Mr. I. M. Kadri | 4 | Yes |
| Mr. P. R. S. Oberoi | 1 | No |
| Mr. Aman Mehta | 4 | Yes |
| Dr. Vijay L. Kelkar | 5 | Yes |
| Mr. S. G. Pitroda | - | No |
| Mr. Yash Raj Chopra | 3 | Yes |
| Mr. Shah Rukh Khan | - | Yes |
| Dr. Pierre J. Jeannot | - | No |
| Mr. Saroj K. Datta | 6 | Yes |

[#] Expired on 5th April, 2006

2. 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.

The terms of reference of the Audit Committee are comprehensive and cover the matters specified for the Audit Committees under the Listing Agreement with the Stock Exchanges.

i. Composition, names of Members, Chairman and attendance at Meetings during the Financial Year 2006-07

The Company has a qualified and an Independent Audit Committee as required under Clause 49 of the Listing Agreement. Mr. Yash Raj Chopra was inducted in the Audit Committee on 19th January, 2007 and currently its constitution is 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 |
| Mr. Javed Akhtar | Member | Independent Director |
| Mr. Yash Raj Chopra | Member | Independent Director |

ii. Meetings and attendance during the Financial Year 2006-07

Four Meetings of the Audit Committee were held during the Financial Year 2006-07. The dates on which the Audit Committee Meetings were held are as follows:

29th April, 2006, 28th July, 2006, 17th October, 2006 and 19th January, 2007.

| Name of the Member | No. of Meetings attended |
|--------------------------|--------------------------|
| Mr. Aman Mehta | 3 |
| Dr. Vijay L. Kelkar | 4 |
| Mr. Victoriano P. Dungca | 2 |
| Mr. Javed Akhtar | 4 |
| Mr. Yash Raj Chopra | Not Applicable* |

*Not Applicable as Mr. Chopra became a Member on 19th January, 2007 and there were no Audit Committee Meetings between that date and 31st March, 2007.

3. REMUNERATION & COMPENSATION COMMITTEE

i. Terms of Reference

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

ii. Composition, names of Members and Chairman

The Members of the Remuneration & Compensation Committee are 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 |
| Mr. Javed Akhtar | Member | Independent Director |
| Mr. Aman Mehta | Member | Independent Director |

iii. Meetings and attendance during the Financial Year 2006-07

During the Financial Year 2006-07, only one Meeting of the Remuneration & Compensation Committee was held on 28th July, 2006. Except Mr. Aman Mehta, all the Members were present at the Meeting.

iv. Remuneration Policy

At present, the Non-executive Directors of the Company are entitled only to sitting fees and commission, which is decided by the Board of Directors and approved by the Shareholders as remuneration towards the increased responsibility entrusted upon them, current trends and commensurate with the time

devoted and the contributions made by them. The Remuneration payable to the Executive Director is determined by the Remuneration & Compensation Committee.

v. Details of remuneration of Directors for the Financial Year 2006-07

| Name of the Director | Basic Salary (Rs.) | Allowances (Rs.) | Perquisites (Rs.) | Retire- ment Benefits (Rs.) | Sitting Fees (Rs.) | Commis- sion Payable (Rs.) | Total (Rs.) |
|--------------------------|-----------------------|---------------------|----------------------|--------------------------------------|--------------------------|-------------------------------------|----------------|
| Mr. Naresh Goyal | Nil | Nil | Nil | Nil | 1,00,000 | 3,31,000 | 4,31,000 |
| Mr. Ali Ghandour | Nil | Nil | Nil | Nil | 60,000 | 3,31,000 | 3,91,000 |
| Mr. Victoriano P. Dungca | Nil | Nil | Nil | Nil | 1,40,000 | 3,31,000 | 4,71,000 |
| Mr. Charles A. Adams | Nil | Nil | Nil | Nil | 2,40,000 | 3,31,000 | 5,71,000 |
| Mr. Javed Akhtar | Nil | Nil | Nil | Nil | 1,80,000 | 3,31,000 | 5,11,000 |
| Mr. I. M. Kadri | Nil | Nil | Nil | Nil | 1,40,000 | 3,31,000 | 4,71,000 |
| Mr. P. R. S. Oberoi | Nil | Nil | Nil | Nil | 20,000 | 3,31,000 | 3,51,000 |
| Mr. Aman Mehta | Nil | Nil | Nil | Nil | 1,40,000 | 3,31,000 | 4,71,000 |
| Dr. Vijay L. Kelkar | Nil | Nil | Nil | Nil | 2,00,000 | 3,31,000 | 5,31,000 |
| Mr. S. G. Pitroda | Nil | Nil | Nil | Nil | Nil | 3,31,000 | 3,31,000 |
| Mr. Yash Raj Chopra | Nil | Nil | Nil | Nil | 60,000 | 3,31,000 | 3,91,000 |
| Mr. Shah Rukh Khan | Nil | Nil | Nil | Nil | Nil | 3,31,000 | 3,31,000 |
| Dr. Pierre J. Jeannot | Nil | Nil | Nil | Nil | Nil | 3,31,000 | 3,31,000 |
| Mr. Saroj K. Datta | 27,84,525 | 14,42,640 | 11,20,149 | 7,21,414 | 1,00,000 | Nil | 61,68,728 |

The Company has paid Rs. 3,90,000/- as consideration, to a company in which Mr. Yash Raj Chopra was a Director / Member towards display of films on the Company's International Flights.

4. INVESTORS' GRIEVANCES COMMITTEE

i. Composition, names of Members and Chairman

The Company has an Investors' Grievances Committee to specifically look into the redressal of the Shareholders' / Investors' complaints. The Members of the Investors' Grievances 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 |

ii. Meetings and attendance during the Financial Year 2006-07

Four Meetings of the Investors' Grievances Committee were held during the Financial Year 2006-07. The dates on which the said Meetings were held are as follows:

29th April, 2006, 29th July, 2006, 17th October, 2006 and 19th January, 2007.

| Name of the Member | No. of Meetings attended |
|----------------------|--------------------------|
| Mr. I. M. Kadri | 3 |
| Mr. Charles A. Adams | 3 |
| Mr. Saroj K. Datta | 4 |



iii. Name and designation of Compliance Officer

Ms. Sheetal S. Tamhane, Company Secretary is the Compliance Officer under Clause 47 of the Listing Agreement after taking over the charge from Mr. Narendra Mehra, who had resigned from the services of the Company on 11th June, 2007.

iv. Details of Shareholders' complaint / queries

| Opening Balance | Received | Attended To | Pending |
|-----------------|----------|-------------|---------|
| Nil | 145 | 145 | Nil |

The Company has designated exclusively the following e-mail ID for the purpose of registering complaints by the Shareholders. The same has been displayed prominently on the Company's website.

investors@jetairways.com

5. GENERAL BODY MEETINGS

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

| Date | Venue | Time |
|----------------------|--|-----------|
| 29th September, 2004 | S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai 400 059 | 5:00 p.m. |
| 27th September, 2005 | Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018 | 3:30 p.m. |
| 20th September, 2006 | Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018 | 3:30 p.m. |

ii. Whether any special resolutions passed in the previous three Annual General Meetings

| Year | Subject |
|----------------------|--|
| 29th September, 2004 | None |
| 27th September, 2005 | <ul style="list-style-type: none"> • Re-appointment and remuneration of Executive Director • Payment of sitting fees to Directors and compensation to Non-executive Directors • Appointment of Mrs. Anita Goyal as Executive Vice-President – Marketing & Sales |
| 20th September, 2006 | <ul style="list-style-type: none"> • Re-appointment and remuneration of Executive Director • Payment of Commission to Non-executive Directors for the Financial Year 2006-07 • Alteration of Articles of Association of the Company |

iii. 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.

There was no Special Resolution which was required to be passed by the Postal Ballot. No Special Resolution is proposed to be passed at the ensuing Annual General Meeting, by Postal Ballot.

6. DISCLOSURES

- i. 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.

- ii. 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.**

No penalties and strictures have been imposed on the Company. It has been regular in complying with the requirements specified by the Stock Exchanges, Securities & Exchange Board of India and other Statutory Authorities.

- iii. Code of Conduct**

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

I hereby confirm that:

The Company has obtained from all the Members of the Board and the Senior Management of the Company, affirmation that they have complied with the Code of Business Conduct and Ethics for all Members of the Board and the Senior Management in respect of the Financial Year 2006-07.

Saroj K. Datta

Executive Director

- iv. ED / CFO Certification**

A Certificate from the Executive Director and the Chief Financial Officer, on the Financial Statements and other matters of the Company for the Financial Year ended 31st March, 2007, was placed before the Board.

- v. Risk Management**

The Company has laid down procedures to inform Board Members about the Risk Assessment and minimization procedures, which are periodically reviewed by the Board.



SHAREHOLDER INFORMATION

| | |
|--|--|
| Date and time of Annual General Meeting | Thursday, 27th September, 2007 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, 2006 to 31st March, 2007 |
| Book Closure Date | Saturday, 15th September, 2007 to Thursday, 27th September, 2007 (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, 2007, but within the statutory time limit of 30 days. |
| Registered Office | S. M. Centre, Andheri-Kurla Road, Andheri (East), Mumbai 400 059 |
| Compliance Officer | Ms. Sheetal S. Tamhane, Company Secretary |
| Website Address | www.jetairways.com |

1. FINANCIAL CALENDAR

The Company has announced / expects to announce the unaudited Quarterly Results for the Financial Year 2007-08, as per the following schedule:

- First Quarter : Announced on 30th July, 2007
- Second Quarter : On or before 31st October, 2007
- Third Quarter : On or before 31st January, 2008

The Audited Financial Results of the Company for the Financial Year 2007-08 will be announced before 30th June, 2008, which will include the Financial Results for the Fourth Quarter of the Financial Year 2007-08.

2. MEANS OF COMMUNICATION

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

The Company publishes financial results (quarterly / half-yearly / annual) in major newspapers after the same are approved by the Board. The financial results are also simultaneously posted on the Company's website. Hence, no separate quarterly or half-yearly report is mailed to the Shareholders.

ii. Quarterly results - which newspapers normally published in

The Quarterly Financial Results are normally, published by the Company, in Indian Express / Mint / Hindustan Times / DNA and in the Loksatta and / or Navshakti.

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

The Quarterly Financial Results and official news are posted on the Company's website at www.jetairways.com

iv. 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.

v. 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:

National Stock Exchange of India Limited (NSE)

"Exchange Plaza"

Bandra-Kurla Complex,

Bandra (East)

Mumbai – 400 051

Bombay Stock Exchange Limited (BSE)

P. J. Towers

Dalal Street, Fort,

Mumbai – 400 001

Listing Fees for the Financial Year 2007-08 have been paid to both the above Stock Exchanges.

4. STOCK CODE

National Stock Exchange of India Limited : JETAIRWAYS

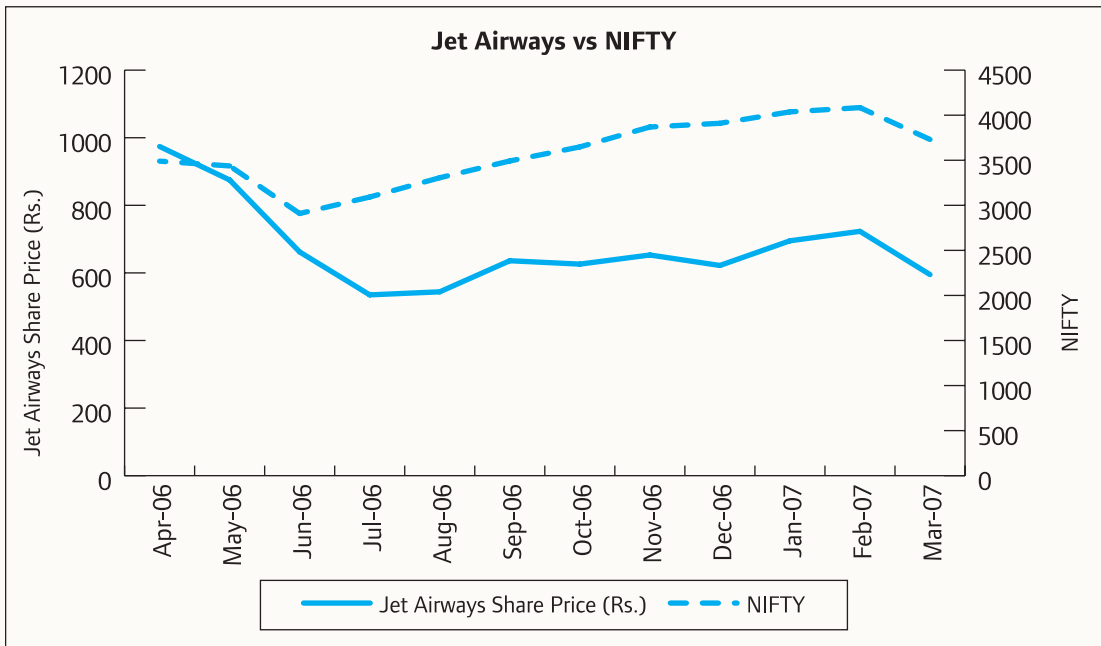
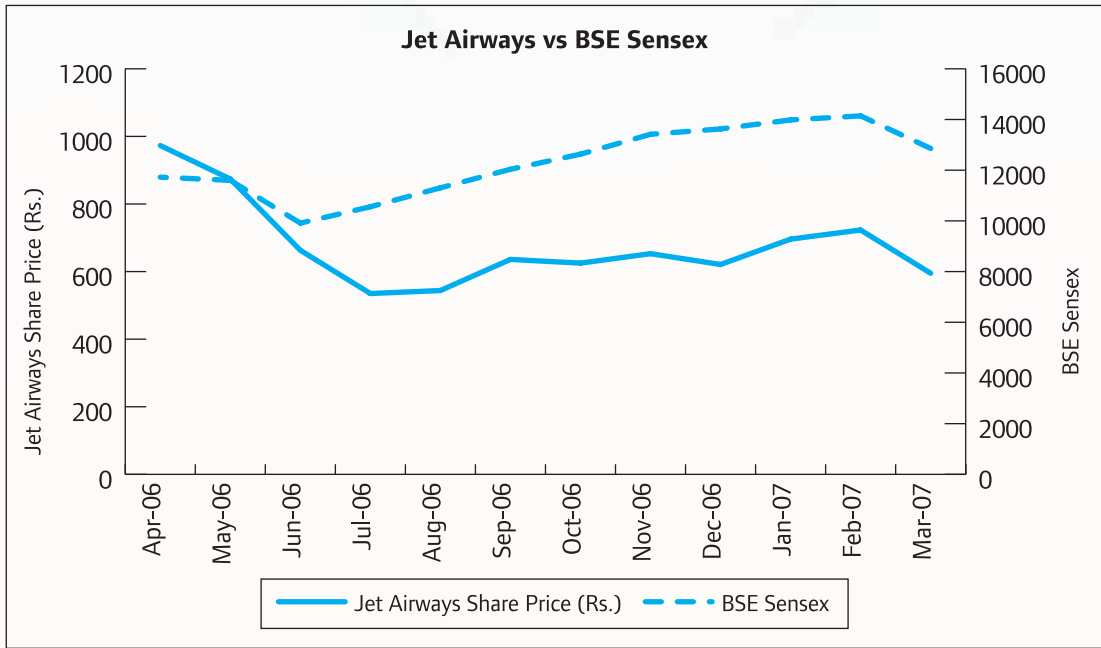
Bombay Stock Exchange Limited : 532617

ISIN Nos. in NSDL and CDSL : INE802G01018

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

| Month | JETAIRWAYS on BSE | | | JETAIRWAYS on NSE | | |
|----------------|-------------------|--------------|------------------|-------------------|--------------|------------------|
| | High (Rs.) | Low (Rs.) | Volume (Nos.) | High (Rs.) | Low (Rs.) | Volume (Nos.) |
| April 2006 | 1058.90 | 907.70 | 886806 | 1057.80 | 910.00 | 2837245 |
| May 2006 | 990.00 | 700.00 | 1234896 | 989.00 | 711.15 | 3438268 |
| June 2006 | 770.00 | 585.00 | 1045017 | 770.00 | 576.15 | 2867922 |
| July 2006 | 606.90 | 475.10 | 1818523 | 654.00 | 475.00 | 4465496 |
| August 2006 | 605.00 | 494.00 | 1746478 | 605.00 | 489.35 | 4561697 |
| September 2006 | 707.00 | 529.00 | 9317932 | 707.00 | 530.10 | 23026389 |
| October 2006 | 670.00 | 580.00 | 1525221 | 663.00 | 570.00 | 4222729 |
| November 2006 | 731.25 | 586.00 | 4938065 | 731.15 | 585.10 | 13525006 |
| December 2006 | 691.90 | 555.00 | 2117555 | 699.00 | 552.40 | 6590420 |
| January 2007 | 799.00 | 611.00 | 2750854 | 798.00 | 602.00 | 8003166 |
| February 2007 | 804.90 | 590.40 | 1055997 | 805.00 | 585.00 | 3254368 |
| March 2007 | 687.65 | 533.35 | 1871782 | 692.00 | 533.00 | 6112735 |

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



7. REGISTRAR AND SHARE TRANSFER AGENT

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

8. SHARE TRANSFER SYSTEM

99.99% of the issued Equity Shares of the Company are in the dematerialized form. Transfers of these shares are done through the depositories with no involvement of the Company or its Registrars.

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

There was one transfer of shares in physical form during the Financial Year 2006-07.

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 Company's Equity Shares in electronic form. Over 99.99% of Company's Equity Shares are held in electronic form. The Company's Equity Shares are regularly traded on NSE and BSE.

For the Financial Year ended 31st March, 2007, M/s. T. M. Khumri & Co., Company Secretaries, carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and total issued and listed capital. The Secretarial Audit Reports for all the quarters of the said Financial Year confirm 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 Shares held with NSDL and CDSL.

10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2007

| Sl. No. | Category | Number of Shareholders | % of Shareholders | Amount (Rs.) | % of Amount |
|---------|--------------------|------------------------|-------------------|------------------|---------------|
| 1 | From – To 1-500 | 130617 | 99.62 | 24813130 | 2.87 |
| 2 | 501-1000 | 211 | 0.16 | 1568730 | 0.18 |
| 3 | 1001-1500 | 64 | 0.05 | 774240 | 0.09 |
| 4 | 1501-2000 | 35 | 0.03 | 629740 | 0.07 |
| 5 | 2001-2500 | 26 | 0.02 | 601610 | 0.07 |
| 6 | 2501-3000 | 12 | 0.01 | 339760 | 0.04 |
| 7 | 3001-3500 | 6 | 0.00 | 195320 | 0.02 |
| 8 | 3501-4000 | 9 | 0.01 | 335120 | 0.04 |
| 9 | 4001-4500 | 6 | 0.00 | 251810 | 0.03 |
| 10 | 4501-5000 | 4 | 0.00 | 191100 | 0.02 |
| 11 | 5001-10000 | 27 | 0.02 | 1953260 | 0.23 |
| 12 | 10001-20000 | 26 | 0.02 | 3777090 | 0.44 |
| 13 | 20001-30000 | 9 | 0.01 | 2376510 | 0.28 |
| 14 | 30001-40000 | 10 | 0.01 | 3631070 | 0.42 |
| 15 | 40001-50000 | 9 | 0.01 | 4040250 | 0.47 |
| 16 | 50001-100000 | 8 | 0.01 | 5887550 | 0.68 |
| 17 | 100001 & above | 23 | 0.02 | 811973820 | 94.05 |
| | Total | 131102 | 100.00 | 863340110 | 100.00 |

11. SHAREHOLDING PATTERN AS PER CLAUSE 35 OF THE LISTING AGREEMENT, AS ON 31ST MARCH, 2007

| Sl.No. | Category | No. of Shares held | % of Shares |
|-----------|---|--------------------|----------------|
| A. | PROMOTERS HOLDING | | |
| | 1. Promoters | 69067205 | 80.00% |
| | 2. Persons acting in concert | 553 | 0.00% |
| B. | NON-PROMOTERS HOLDING | | |
| | 3. Institutional Investors | | |
| | (a) Mutual Funds and UTI | 1229948 | 1.42% |
| | (b) Banks, Financial Institutions, Insurance, Companies (Central/ State Govt. Institutions / Non-Governmental Institutions) | 4321351 | 5.01% |
| | (c) FIs | 8518789 | 9.87% |
| | 4. Others | | |
| | (a) Private Corporate Bodies | 397320 | 0.46% |
| | (b) Indian Public | 2670508 | 3.09% |
| | (c) NRIs / OCBs | 66975 | 0.08% |
| | (d) Any Other | 61362 | 0.07% |
| | TOTAL | 86334011 | 100.00% |

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

As on 31st March, 2007, 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. Adoption of other non-mandatory requirements will be considered by the Company.

15. INVESTOR COMPLAINTS

Investor complaints are given top priority by the Company and are replied to promptly by the Secretarial Department and also by the Registrar and Share Transfer Agent of the Company. It is the endeavour of the Company that Investor Complaints are attended to within 48 hours of receipt. The Company has attended to all investors' grievances / correspondences. The Company has a separate e-mail ID investors@jetairways.com for addressing investors' grievances.

16. ADDRESS FOR CORRESPONDENCE

Company Secretary
Jet Airways (India) Limited
S. M. Centre, Andheri-Kurla Road,
Andheri (East), Mumbai 400 059
Tel.: (022) 2920 1744, Fax : (022) 28527745
E-mail : companysecretary@jetairways.com,
Website: www.jetairways.com



Auditors' Certificate on Compliance of Conditions of Corporate Governance

To the Members of
Jet Airways (India) Limited

We have examined the compliance of conditions of Corporate Governance by Jet Airways (India) Limited ("the Company"), for the year ended on 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

We 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

P. R. Barpande
Partner
Membership No: 15291

Place: Mumbai
Date: 24th August, 2007

For Chaturvedi & Shah
Chartered Accountants

C. D. Lala
Partner
Membership No: 35671

Auditors' Report

The Members of Jet Airways (India) Limited

1. We have audited the attached Balance Sheet of **Jet Airways (India) Limited** ("the Company") as at 31st March, 2007, and the Profit and Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2007, and taken on the record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;



- 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 notes thereto, gives the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India;
- i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - 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

P. R. Barpande
Partner
M. No. 15291
Mumbai
Dated : 26th June, 2007

FOR CHATURVEDI & SHAH
Chartered Accountants

C.D. LALA
Partner
M. No. 35671

Annexure to the Auditors' Report

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

1. In respect of its fixed assets;
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The Company has reconciled the aircraft being material items physically verified with the book record and for other assets, the same is in the process of reconciliation, though the Company as represented to us does not expect any material discrepancies on completion of such reconciliation with book records for remaining assets.
 - c) In our opinion, the Company has not disposed off a substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories;
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. 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.
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) According to the records of the Company, undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2007 for a period of more than six months from the date they become payable.
 - b) 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. in lac | Period to which the amount relates | Forum where dispute is pending |
|--------------------|-------------------------|----------------------|--|---|
| IATT Rules, 1989 | IATT Interest & Penalty | 321 | 2003-04 | Commissioner of Customs (Appeals), New Delhi |
| IATT Rules, 1989 | IATT Interest & Penalty | 35 | 2001-02 | Commissioner of Customs (Appeals), New Delhi |
| B.M.C. Act, 1988 | Octroi Dues | 2,899 | 2000-01 | Mumbai High Court |
| Sales Tax Act | Sales Tax | 6 | 1998-99 & 1999-00 | Maharashtra Sales Tax Tribunal |
| Sales Tax Act | Sales Tax | 1 | 2003-04 | Deputy Commissioner of Sales Tax, Mumbai |
| Central Excise Act | Service Tax | 33 | 2001-2002 to 2004-2005 | Commissioner of Central Excise (Appeals) |
| Central Excise Act | Service Tax | 277 | 2001-2002 to 2004-2005 | Custom, Excise and Service Tax Appellate Tribunal |

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. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks. There were no debentures issued during the year or outstanding at the beginning of the year.

12. We are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. The Company has not dealt, other than in units, or traded in shares, securities, debentures or other investments during the year. In our opinion and according to information and explanations given to us the Company has dealt in units of Mutual Funds for which the Company has maintained proper records of transactions and contracts. All the investments have been held by the Company in its own name.
15. 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 an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long-term investment except Rs. 47,454 lac utilized for extending certain capital advances.
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(xvii) 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. According to the information and explanations given to us, the management has disclosed the end use of money raised by the Company by public issue of equity shares and the same has been verified by us and disclosed in the notes to the financial statements.
21. According to the information and explanations given to us and on the basis of the examination of the records, no fraud on or by the Company was noticed or reported during the year except fraudulent use of credit cards for booking of tickets amounting to Rs. 582 lac.

FOR DELOITTE HASKINS & SELLS
Chartered Accountants

P. R. Barpande
Partner
M. No. 15291
Mumbai
Dated : 26th June, 2007

FOR CHATURVEDI & SHAH
Chartered Accountants

C. D. LALA
Partner
M. No. 35671

Balance Sheet as at 31st March, 2007

| | Schedule No. | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac |
|--|--------------|--------------------------------------|--------------------------------------|
| I. SOURCES OF FUNDS | | | |
| 1. Shareholders' Funds : | | | |
| a) Share Capital Equity | A | <u>8,633</u> | <u>8,633</u> |
| | | 8,633 | 8,633 |
| b) Reserves and Surplus | B | <u>215,092</u> | <u>221,955</u> |
| | | 223,725 | 230,588 |
| 2. Loan Funds : | | | |
| a) Secured Loans | C | 74,246 | 20,602 |
| b) Unsecured Loans | D | 531,384 | 468,958 |
| | | 605,630 | 489,560 |
| 3. Deferred Tax Liability (Ref. Note 17 of Schedule S) | | 33,106 | 32,066 |
| Total | | <u>862,461</u> | <u>752,214</u> |
| II. APPLICATION OF FUNDS | | | |
| 1. Fixed Assets : | E | | |
| a) Gross Block | | 571,383 | 437,206 |
| b) Less : Depreciation | | 241,634 | 224,958 |
| c) Net Block | | 329,749 | 212,248 |
| d) Capital Work-in-progress | | 399,452 | 266,567 |
| | | 729,201 | 478,815 |
| 2. Investments | F | 6,893 | 18,723 |
| 3. Current Assets, Loans and Advances : | | | |
| a) Inventories | G | 43,899 | 40,525 |
| b) Sundry Debtors | H | 60,390 | 43,315 |
| c) Cash and Bank Balances | I | 109,664 | 210,425 |
| d) Loans and Advances | J | 122,494 | 93,271 |
| | | 336,447 | 387,536 |
| Less : Current Liabilities and Provisions : | | | |
| a) Current Liabilities | K | 185,264 | 106,562 |
| b) Provisions | L | 24,816 | 26,298 |
| | | 210,080 | 132,860 |
| Net Current Assets | | 126,367 | 254,676 |
| Total | | <u>862,461</u> | <u>752,214</u> |
| Significant Accounting Policies and Notes to Accounts | S | | |

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

P. R. Barpande
Partner

For CHATURVEDI & SHAH
Chartered Accountants

C. D. LALA
Partner

For and on behalf of the Board

Dr. Vijay L. Kelkar
Director

Saroj K. Datta
Executive Director

Sheetal S. Tamhane
Company Secretary

Place : Mumbai
Dated : 26th June, 2007

Profit and Loss Account for the year ended 31st March, 2007

| | Schedule No. | Rs. in lac | For the Year ended 31st March, 2007 Rs. in lac | For the Year ended 31st March, 2006 Rs. in lac |
|---|--------------|------------|---|---|
| INCOME : | | | | |
| Operating Revenue | M | | 705,778 | 564,583 |
| Non-Operating Revenue | N | | 34,353 | 44,174 |
| Total | | | <u>740,131</u> | <u>608,757</u> |
| EXPENDITURE : | | | | |
| Employees Remuneration and Benefits | O | | 93,812 | 56,715 |
| Aircraft Fuel Expenses | | | 242,764 | 167,893 |
| Selling & Distribution Expenses | P | | 80,085 | 72,612 |
| Other Operating Expenses (including Maintenance, Airport Charges, etc.) | Q | | 188,329 | 131,111 |
| Aircraft Lease Rentals (Refer Note 4 of Schedule S) | | | 64,580 | 43,399 |
| Depreciation / Amortisation | | 44,368 | | 47,482 |
| Less : Depreciation on amount added on Revaluation charged to Revaluation Reserve | | 2,958 | | 6,841 |
| Interest and Finance Charges | R | | 41,410 | 40,641 |
| Total | | | <u>734,995</u> | <u>536,531</u> |
| PROFIT BEFORE TAXATION | | | 5,136 | 72,226 |
| Income Tax Expenses | | | | |
| Current Tax (including provision for Wealth Tax Rs. 7 lac, Previous Year Rs. 7 lac) | | | 475 | 13,406 |
| Deferred Tax | | | 1,369 | 12,581 |
| Fringe Benefit Tax | | | 966 | 1,035 |
| MAT Credit Entitlement (Refer Note 21 of Schedule S) | | | (468) | - |
| PROFIT AFTER TAXATION | | | 2,794 | 45,204 |
| Balance Brought Forward | | | 49,743 | 14,967 |
| PROFIT AVAILABLE FOR APPROPRIATION | | | 52,537 | 60,171 |
| Less : Appropriations | | | | |
| Transferred to General Reserve | | | 280 | 4,521 |
| PROFIT AVAILABLE FOR DISTRIBUTION | | | 52,257 | 55,650 |
| Proposed Dividend | | | 5,180 | 5,180 |
| Income Tax on Dividend | | | 880 | 727 |
| BALANCE CARRIED TO BALANCE SHEET | | | 46,197 | 49,743 |
| Earnings per share of Rs. 10 each (Ref. Note 16 of Schedule S) | | | | |
| Basic (in Rupees) | | | 3.24 | 52.36 |
| Diluted (in Rupees) | | | 3.24 | 32.04 |
| Significant Accounting Policies and Notes to Accounts | S | | | |

As per our attached report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants

P. R. Barpande
Partner

For CHATURVEDI & SHAH
Chartered Accountants

C. D. LALA
Partner

For and on behalf of the Board

Dr. Vijay L. Kelkar
Director

Saroj K. Datta
Executive Director

Sheetal S. Tamhane
Company Secretary

Place : Mumbai
Dated : 26th June, 2007

Statement of Cash Flow for the year ended 31st March, 2007

| | For the Year ended 31st March, 2007 Rs. in lac | For the Year ended 31st March, 2006 Rs. in lac |
|--|--|--|
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax | 5,136 | 72,226 |
| Adjustments for : | | |
| Depreciation / Amortisation & Stock Obsolescence | 43,752 | 42,589 |
| Loss / (Profit) on sale of Fixed assets (Net) | (20,775) | (27,037) |
| Loss / (Profit) on sale of Investments | (1,049) | (5,253) |
| Interest & Finance Charges | 24,015 | 24,160 |
| Interest on Bank & Other Deposits | (5,355) | (5,542) |
| Excess Provision no longer required | (2,449) | (4,101) |
| Provision for doubtful debts no longer required | (11) | (20) |
| Provision for Leave Encashment & Gratuity | 2,253 | 2,627 |
| Exchange difference on translation (Net) | (1,907) | (1,468) |
| Provision for doubtful debts | 121 | 247 |
| Bad Debts written off | 645 | 14 |
| Inventory scrapped during the year | 1,845 | 2,325 |
| Operating profit before working capital changes | 46,221 | 100,767 |
| Changes in Inventories | (7,561) | (11,546) |
| Changes in Sundry Debtors | (17,912) | (18,427) |
| Changes in Loans & Advances | (25,686) | (26,513) |
| Changes in Current Liabilities & Provisions | 79,225 | 29,863 |
| Cash generated from operations | 74,287 | 74,144 |
| Income tax refunded / paid | (5,534) | (13,392) |
| Wealth tax paid | (7) | (4) |
| Net cash from operating activities | 68,746 | 60,748 |
| B. Cash Flow from Investing Activities | | |
| Capital Expenditure - Aircraft & Others | (307,637) | (279,457) |
| Proceeds from sale of fixed assets | 46,663 | 46,282 |
| Purchase of Investments | (208,475) | (545,424) |
| Changes in Fixed Deposits with Banks (Refer Note 2 below) | 13,613 | 34,549 |
| Interest Received on Bank & Other Deposits | 5,874 | 5,367 |
| Deposit in Escrow Account (Refer Note 3 below) | 150,000 | (150,000) |
| Advance paid as per Share Purchase Agreement (Refer Note 8 of Schedule S) | - | (50,000) |
| Sale of Investments | 221,354 | 691,527 |
| Net cash used for investing activities | (78,608) | (247,156) |

Statement of Cash Flow for the year ended 31st March, 2007

| | For the Year ended 31st March, 2007 Rs. in lac | For the Year ended 31st March, 2006 Rs. in lac |
|---|---|---|
| C. Cash Flows from Financing Activities | | |
| Net Increase in Short Term Loans | 31,025 | 76,080 |
| Proceeds from Long Term Loans during the year | 250,210 | 212,369 |
| Repayment of Long Term Loans & subordinated Debt during the year | (153,663) | (96,711) |
| Interest & Finance Charges paid | (48,438) | (30,005) |
| Dividend paid (including Income Tax on Dividend) | (5,901) | (2,950) |
| Net cash from financing activities | 73,233 | 158,783 |
| Net change in cash (A + B + C) | 63,371 | (27,625) |
| Cash and cash equivalents at beginning of the year | 22,776 | 50,401 |
| Cash and cash equivalents at end of the year (Refer Note 1 & 3 below) | 86,147 | 22,776 |

Notes :

1. Cash and Cash equivalents for the period ended 31st March, 2007 includes unrealised Gain of Rs. 3 lac (Previous Year unrealised loss of Rs. 2 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.
3. Cash and Cash Equivalents at the end of the year excludes Nil (Previous Year Rs. 150,000 lac) being balance in Escrow Account as per the terms of the Share Purchase Agreement (SPA) entered into for the acquisition of Sahara Airlines Limited. (Refer Note 8 of Schedule S).

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

P. R. Barpande
Partner

Place : Mumbai
Dated : 26th June, 2007

For CHATURVEDI & SHAH
Chartered Accountants

C. D. LALA
Partner

For and on behalf of the Board

Dr. Vijay L. Kelkar
Director

Saroj K. Datta
Executive Director

Sheetal S. Tamhane
Company Secretary

Schedules to the Balance Sheet as at 31st March, 2007

| | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac |
|--|---|---|
| SCHEDULE A : | | |
| SHARE CAPITAL | | |
| Authorized | | |
| 180,000,000 (Previous Year 130,000,000) Equity Shares of Rs. 10/- each | 18,000 | 13,000 |
| 20,000,000 (Previous Year 70,000,000) Preference Shares of Rs. 10/- each | 2,000 | 7,000 |
| | <u>20,000</u> | <u>20,000</u> |
| Issued, Subscribed and Paid up | | |
| Equity: | | |
| 86,334,011 Equity Shares (Previous Year 86,334,011) of Rs.10/- each fully paid up | 8,633 | 8,633 |
| 1. Of the above Equity Shares: | | |
| - 69,067,205 Equity Shares held by the holding company, Tail Winds Limited & its nominee (Previous Year 69,067,205 Shares) | | |
| - 9,402,900 shares are allotted as fully paid bonus shares by Capitalization of Profit (Previous Year 9,402,900 Shares) | | |
| 2. The Company, in accordance with the resolution passed by the Shareholders at the Annual General Meeting held on 20th September, 2006, reclassified its Authorized Share Capital from 130,000,000 Equity Shares of Rs. 10/- each and 70,000,000 Preference Shares of Rs. 10/- each to 180,000,000 Equity Shares of Rs. 10/- each and 20,000,000 Preference Shares of Rs. 10/- each respectively. | | |
| Total | <u>8,633</u> | <u>8,633</u> |

Schedules to the Balance Sheet as at 31st March, 2007

| | Rs. in lac | As at 31st March, 2007 Rs. in lac | As at March 31, 2006 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 Rs. 2/-) | | * | * |
| Capital Redemption Reserve | | | |
| Balance as per Last Balance Sheet | | 5,558 | 5,558 |
| Share Premium | | | |
| Balance as per Last Balance Sheet | | 141,418 | 141,418 |
| Revaluation Reserve | | | |
| Balance as per Last Balance Sheet | 16,202 | | 25,927 |
| Less : Adjustment / Reversal during the year | - | | 2,884 |
| Less : Depreciation for the year on amount added on Revaluation transferred to P & L Account | 2,958 | | 6,841 |
| | | 13,244 | 16,202 |
| General Reserve | | | |
| Balance as per Last Balance Sheet | 9,034 | | 4,513 |
| Less : Difference in opening liability upon implementation of AS 15 (Revised 2005) "Employee Benefits" [net of deferred tax Rs. 329 lac (Previous year Nil)] (Refer Note 9(a) of Schedule S) | 639 | | - |
| Add : Transferred from Profit & Loss Account | 280 | | 4,521 |
| | | 8,675 | 9,034 |
| Surplus Balance in Profit and Loss Account | | 46,197 | 49,743 |
| Total | | 215,092 | 221,955 |

Schedules to the Balance Sheet as at 31st March, 2007

| | Rs. in lac | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac |
|---|----------------|---|---|
| SCHEDULE C : | | | |
| SECURED LOANS | | | |
| From Banks - Rupee Loans (Loans from Banks are secured by hypothecation of Stocks, Debtors & Movable Fixed Assets other than Aircraft and / or by lien on Bank Deposits) | | 36,978 | 16,602 |
| From Financial Institutions | | | |
| Rupee Loan | 2,000 | | 4,000 |
| Foreign Currency Loan | 35,268 | | — |
| | | 37,268 | 4,000 |
| (Rs. 2,000 lac Secured by hypothecation of Simulator & other accessories thereto) | | | |
| (Rs. 35,268 lac to be Secured by Mortgage on leasehold land situated at Bandra-Kurla Complex) | | | |
| Total | | 74,246 | 20,602 |
| SCHEDULE D : | | | |
| UNSECURED LOANS | | | |
| Short Term Loans: | | | |
| From Banks | | 70,127 | 59,478 |
| Other Loans: | | | |
| From Banks | 174,532 | | 169,282 |
| [Repayable within one year Rs. 164,752 lac (Previous Year - Nil)] | | | |
| From Financial Institutions | 43,500 | | 43,500 |
| [Repayable within one year Rs. 43,500 lac (Previous Year - Nil)] | | | |
| From Others | | | |
| Outstanding Hire Purchase / Finance Lease Instalments | 243,225 | | 196,698 |
| [Instalments due within one year Rs. 25,481 lac (Previous Year - Rs. 27,481 lac)] | | 461,257 | 409,480 |
| Total | | 531,384 | 468,958 |

Schedules to the Balance Sheet as at 31st March, 2007

SCHEDULE - E
FIXED ASSETS

Rs. in lac

| NATURE OF ASSETS | GROSS BLOCK (At Cost Valuation) | | | DEPRECIATION/AMORTISATION | | | | NET BLOCK | | |
|---|---------------------------------|---------------------------------|----------------------------|---------------------------|--------------------|-----------------|------------|--------------------|---------------------|---------------------|
| | As at 01.04.2006 | Additions during the year | Deductions/ Adjustments | As at 31.03.2007 | Upto 31.03.2006 | For the Year | Deductions | Upto 31.03.2007 | As at 31.03.2007 | As at 31.03.2006 |
| LEASEHOLD LAND | - | 37,134 | - | 37,134 | - | 289 | - | 289 | 36,845 | - |
| PLANT AND MACHINERY | 82 | 672 | - | 754 | 8 | 64 | - | 72 | 682 | 74 |
| FURNITURE AND FIXTURES | 2,015 | 396 | 8 | 2,403 | 1,257 | 259 | 6 | 1,510 | 893 | 758 |
| ELECTRICAL FITTINGS | 1,765 | 417 | 69 | 2,113 | 815 | 181 | 44 | 952 | 1,161 | 950 |
| DATA PROCESSING EQUIPMENT | 6,345 | 686 | 214 | 6,817 | 4,723 | 773 | 206 | 5,290 | 1,527 | 1,622 |
| OFFICE EQUIPMENT | 3,098 | 994 | 283 | 3,809 | 1,576 | 308 | 193 | 1,691 | 2,118 | 1,522 |
| GROUND SUPPORT EQUIPMENT | 4,672 | 606 | 71 | 5,207 | 2,478 | 368 | 47 | 2,799 | 2,408 | 2,194 |
| VEHICLES | 876 | 57 | 68 | 865 | 356 | 144 | 56 | 444 | 421 | 520 |
| GROUND SUPPORT VEHICLES | 4,345 | 599 | 50 | 4,894 | 2,960 | 486 | 47 | 3,399 | 1,495 | 1,385 |
| AIRCRAFT AND SPARE ENGINE | 385,659 | 131,832 | 52,816 | 464,675 | 203,265 | 36,209 | 27,093 | 212,381 | 252,294 | 182,394 |
| IMPROVEMENT ON LEASED AIRCRAFT | 4,999 | 3,027 | - | 8,026 | 2,259 | 1,381 | - | 3,640 | 4,386 | 2,740 |
| IMPROVEMENT ON LEASED PROPERTY | 1,000 | 3,293 | - | 4,293 | 941 | 413 | - | 1,354 | 2,939 | 59 |
| SIMULATOR | 5,138 | 5,462 | - | 10,600 | 2,932 | 702 | - | 3,634 | 6,966 | 2,206 |
| INTANGIBLE ASSETS (Other than internally generated) | | | | | | | | | | |
| SOFTWARE | 1,865 | 371 | - | 2,236 | 799 | 656 | - | 1,455 | 781 | 1,066 |
| LANDING RIGHTS | 12,201 | 2,210 | - | 14,411 | 377 | 1,820 | - | 2,197 | 12,214 | 11,824 |
| TRADEMARKS | 3,146 | - | - | 3,146 | 212 | 315 | - | 527 | 2,619 | 2,934 |
| TOTAL | 437,206 | 187,756 | 53,579 | 571,383 | 224,958 | 44,368 | 27,692 | 241,634 | 329,749 | 212,248 |
| PREVIOUS YEAR | 520,209 | 20,996 | 103,999 | 437,206 | 259,346 | 47,482 | 81,870 | 224,958 | 212,248 | 260,863 |
| CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCE | | | | | | | | | 399,452 | 266,567 |

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. (-) 3,314 lac (Previous Year net of Rs. 1,338 lac) on account of exchange (-) Gain/loss during the year. Capital Work in Progress includes Rs. (-) 8,485 lac (Previous Year Rs. 373 lac) on account of exchange (-) Gain / loss during the year.
- Aircraft were revalued on March 31, 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. Deduction from Gross Block during the year includes Nil (Previous Year Rs. 31,060 lac) being reversal of amount added on revaluation in respect of aircraft sold and leased back.
- Useful life of Intangible Assets :
Software - 3 years
Landing Rights - upto 20 years
Trademarks - 10 years

Schedules to the Balance Sheet as at 31st March, 2007

| | | | | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac |
|---|---|---|---|---|---|
| SCHEDULE F : INVESTMENTS | | | | | |
| Long Term | | | | | |
| 18 Shares (Previous Year -18 Shares) held with Societe Internationale de Telecommunications Aeronautiques (S.I.T.A S.C) * (Rs. 2/-, Previous Year Rs. 2/-) | | | | | |
| | | | | * | * |
| 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. 2/-) by crediting equivalent amount to Capital Reserve. | | | | | |
| 2. The transfer of this investment is restricted to other Depository Certificate holders for e.g. Air Transport members, etc. | | | | | |
| Current: Quoted | | | | | |
| Investments in Mutual Funds - Traded (Debt Schemes) | | | | | |
| | | | | # | # |
| Schemes | As at 31st March, 2007 No. of Units | As at 31st March, 2006 No. of Units | Face Value/ Unit (Rs.) | | |
| Growth Plan | | | | | |
| Kotak Mahindra Mutual Fund | - | 35,370,418 | 10.00 | - | 4,159 |
| JM Mutual Fund | - | 29,835,170 | 10.00 | - | 3,000 |
| Prudential ICICI Mutual Fund | 3,877,722 | 4,752,607 | 10.00 | 493 | 564 |
| DSP Merrill Lynch Mutual Fund | - | 294,923 | 1,000.00 | - | 3,000 |
| UTI Mutual Fund | - | 20,466,744 | 10.00 | - | 4,000 |
| LIC Mutual Fund | - | 31,741,245 | 10.00 | - | 4,000 |
| Standard Chartered Mutual Fund | 46,615,184 | - | 10.00 | 6,400 | - |
| Market Value | As at March 31, 2007 Rs. in lac | As at March 31, 2006 Rs. in lac | | 6,893 | 18,723 |
| Growth Plan | | | | | |
| Kotak Mahindra Mutual Fund | - | 4,205 | | | |
| JM Mutual Fund | - | 3,185 | | | |
| Prudential ICICI Mutual Fund | 494 | 564 | | | |
| DSP Merrill Lynch Mutual Fund | - | 3,014 | | | |
| UTI Mutual Fund | - | 4,019 | | | |
| LIC Mutual Fund | - | 4,019 | | | |
| Standard Chartered Mutual Fund | 6,407 | - | | | |
| | 6,901 | 19,006 | | | |
| Note : The market price is based on the repurchase price declared by the respective funds | | | | | |
| # Refer Note 3 of Schedule S | | | | | |
| Total | | | | 6,893 | 18,723 |

Schedules to the Balance Sheet as at 31st March, 2007

| | Rs. in lac | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac | | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------|---|---|--|---------------------------|---------------------------|---------|--|--|--------------------|---------------|--------|---------------------|------------|-----|--|---------------|--------|--|--|--|-------|---------------|--------|
| SCHEDULE G : | | | | | | | | | | | | | | | | | | | | | | | | |
| INVENTORIES (At Lower of Cost or Net Realisable Value) | | | | | | | | | | | | | | | | | | | | | | | | |
| i) Rotables, Consumable stores and tools | | 50,007 | 44,623 | | | | | | | | | | | | | | | | | | | | | |
| Less : Provision for Obsolescence / Slow & Non-Moving items (Refer Note I (M) of Schedule S) | | 9,974 | 8,223 | | | | | | | | | | | | | | | | | | | | | |
| | | 40,033 | 36,400 | | | | | | | | | | | | | | | | | | | | | |
| ii) Fuel | | 126 | 115 | | | | | | | | | | | | | | | | | | | | | |
| iii) Other Stores Items | | 3,740 | 4,010 | | | | | | | | | | | | | | | | | | | | | |
| Total | | 43,899 | 40,525 | | | | | | | | | | | | | | | | | | | | | |
| SCHEDULE H : | | | | | | | | | | | | | | | | | | | | | | | | |
| SUNDRY DEBTORS | | | | | | | | | | | | | | | | | | | | | | | | |
| (Unsecured) | | | | | | | | | | | | | | | | | | | | | | | | |
| a) Debts (Outstanding for a period exceeding six months) | 997 | | 1,059 | | | | | | | | | | | | | | | | | | | | | |
| b) Other Debts | 60,277 | | 43,030 | | | | | | | | | | | | | | | | | | | | | |
| | 61,274 | | 44,089 | | | | | | | | | | | | | | | | | | | | | |
| Less : Provision for Doubtful Debts | 884 | | 774 | | | | | | | | | | | | | | | | | | | | | |
| | | 60,390 | 43,315 | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center;">As at 31st March, 2007</th> <th style="text-align: center;">As at 31st March, 2006</th> </tr> </thead> <tbody> <tr> <td>NOTES :</td> <td></td> <td></td> </tr> <tr> <td>1. Considered good</td> <td style="text-align: right;">60,390</td> <td style="text-align: right;">43,315</td> </tr> <tr> <td>Considered doubtful</td> <td style="text-align: right;">884</td> <td style="text-align: right;">774</td> </tr> <tr> <td></td> <td style="text-align: right;">61,274</td> <td style="text-align: right;">44,089</td> </tr> <tr> <td>2. Debtors include Rs. 122 lac (Previous Year Rs. 73 lac) due from private company in which the Company's director is a director / member.</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">60,390</td> <td style="text-align: right;">43,315</td> </tr> </tbody> </table> | | | | | As at 31st March, 2007 | As at 31st March, 2006 | NOTES : | | | 1. Considered good | 60,390 | 43,315 | Considered doubtful | 884 | 774 | | 61,274 | 44,089 | 2. Debtors include Rs. 122 lac (Previous Year Rs. 73 lac) due from private company in which the Company's director is a director / member. | | | Total | 60,390 | 43,315 |
| | As at 31st March, 2007 | As at 31st March, 2006 | | | | | | | | | | | | | | | | | | | | | | |
| NOTES : | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Considered good | 60,390 | 43,315 | | | | | | | | | | | | | | | | | | | | | | |
| Considered doubtful | 884 | 774 | | | | | | | | | | | | | | | | | | | | | | |
| | 61,274 | 44,089 | | | | | | | | | | | | | | | | | | | | | | |
| 2. Debtors include Rs. 122 lac (Previous Year Rs. 73 lac) due from private company in which the Company's director is a director / member. | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 60,390 | 43,315 | | | | | | | | | | | | | | | | | | | | | | |

Schedules to the Balance Sheet as at 31st March, 2007

| | Rs. in lac | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac |
|--|---------------|---|---|
| SCHEDULE I : | | | |
| CASH AND BANK BALANCES | | | |
| Cash on hand [includes cheques on hand Rs. 5 lac (Previous Year Rs. 312 lac)] | | 26 | 331 |
| Balance with Scheduled banks : | | | |
| a) In Current Account | | 1,333 | 1,620 |
| b) In Escrow Account | | - | 150,000 |
| c) In Fixed Deposit Account (Refer Note 3 of Schedule S) [Including margin deposit Rs. 66,434 lac and Nil given as collateral for overdraft and other loans (Previous Year Rs. 12,693 lac and Rs. 13,693 lac)] | | 104,862 | 57,153 |
| Add : Interest accrued | | 1,403 | 788 |
| | | 107,624 | 209,892 |
| Balance with other banks : | | | |
| In Current Account | | | |
| a) Citibank N.A, Johannesburg South Africa Maximum balance outstanding during the year Rs. 62 lac (Previous Year Rs. 93 lac) | - | | 16 |
| b) National Bank of Kuwait Maximum balance outstanding during the year Rs. 28 lac (Previous Year Rs. 28 lac) | Rupees 45,241 | - | 1 |
| c) Barclays Business Premium GBP Account, UK Maximum balance outstanding during the year Rs. 3,128 lac (Previous Year Rs. 6,477 lac) | 337 | | 87 |
| d) Barclays Bank - PLC - USD Maximum balance outstanding during the year Rs. 1 lac (Previous Year Rs. 149 lac) | 1 | | - |
| e) HSBC CCF - Paris - Euro Maximum balance outstanding during the year Rs. 220 lac (Previous Year Rs. 831 lac) | 156 | | - |
| f) Deutsche Bank AG - Frankfurt - Euro Maximum balance outstanding during the year Rs. 325 lac (Previous Year Rs. 816 lac) | 325 | | 124 |
| g) Barclays Bank - PLC - GBP Maximum balance outstanding during the year Rs. 35 lac (Previous Year Rs. 2,185 lac) | - | | - |
| h) DBS Bank Ltd. - Singapore - SGD Maximum balance outstanding during the year Rs. 899 lac (Previous Year Rs. 1,030 lac) | 449 | | 246 |
| i) DBS Bank Ltd. - Disbursement, Singapore - SGD Maximum balance outstanding during the year Rs. 24 lac (Previous Year Rs. 78 lac) | - | | - |
| j) HSBC Bank - Brussels - Maximum balance outstanding during the year Rs. 70 lac (Previous Year Rs. 32 lac) | 60 | | 25 |
| k) Barclays GBP Interest Account, UK Maximum balance outstanding during the year Rs. 14 lac (Previous Year Rs. 12 lac) | - | | - |
| l) Barclays Bank - PLC - Euro Account Maximum balance outstanding during the year Rs. 117 lac (Previous Year Rs. 13 lac) | 74 | | 13 |
| m) ICICI Bank UK Ltd., UK Maximum balance outstanding during the year Rs. 2,092 lac (Previous Year Rs. 860 lac) | 291 | | - |
| n) Bank of America - USD A/c, USA Maximum balance outstanding during the year Rs. 162 lac (Previous Year Rs. 22 lac) | 162 | | 21 |
| o) ING Brussel Maximum balance outstanding during the year Rs. 214 lac (Previous Year N.A.) | 185 | | - |
| Total | | 2,040 109,664 | 533 210,425 |

Schedules to the Balance Sheet as at 31st March, 2007

| | Rs. in lac | As at 31st March, 2007 Rs. in lac | As at 31st March, 2006 Rs. in lac |
|---|---------------|---|---|
| SCHEDULE J : | | | |
| LOANS and ADVANCES | | | |
| (Unsecured unless otherwise stated and Considered Good) | | | |
| Loans (Refer Note 8 of Schedule S) | | 18,000 | 10,000 |
| Advances Recoverable in Cash or in kind or for value to be Received (Considered Good) | | 87,716 | 69,295 |
| [Includes Secured to the extent of Rs. 50,000 lac (Previous Year Rs. 50,000 lac) Refer Note 8 of Schedule S] | | | |
| Deposits with Airport Authorities & others | | 12,798 | 13,545 |
| [Including margin deposit Nil (Previous Year Rs. 2,587 lac)] | | | |
| Balances with Customs Authorities | | 4 | 6 |
| Advance Tax & Tax deducted at Source (Net of Provisions) | | 3,508 | 425 |
| MAT Credit Entitlement (Refer Note 21 of Schedule S) | | 468 | - |
| Total | | 122,494 | 93,271 |
| Note : Deposits & Advances include Rs. 2,299 lac (Previous Year Rs. 603 lac) amount placed with private limited companies in which the Company's director is a director / member. | | | |
| SCHEDULE K : | | | |
| CURRENT LIABILITIES | | | |
| Sundry Creditors | | | |
| Outstanding dues to small scale industries | | | |
| Others | - | | - |
| | 74,977 | | 25,152 |
| Other Current Liabilities | | 74,977 | 25,152 |
| Interest Accrued but not due on loans | | 42,608 | 33,404 |
| Forward Sales (net) (Passenger / Cargo) | | 1,045 | 962 |
| Balance with Scheduled Banks in Current Account - overdrawn as per books | | 51,161 | 35,129 |
| Balance with Other Banks in Current Account - overdrawn as per books | | 15,391 | 11,847 |
| Unclaimed Dividend * | | 70 | 61 |
| Unclaimed Share Application Money * | | 9 | 3 |
| * Note : These figures do not include any amounts due and outstanding to be credited to the Investor Education & Protection Fund | | 3 | 4 |
| Total | | 185,264 | 106,562 |
| SCHEDULE L : | | | |
| PROVISIONS | | | |
| Wealth Tax | | 12 | 12 |
| Income Tax (Net of Taxes paid) | | 92 | 1,109 |
| Proposed Dividend | | 5,180 | 5,180 |
| Income Tax on Dividend | | 880 | 727 |
| Gratuity | | 3,603 | 2,690 |
| Leave Encashment | | 2,405 | 596 |
| Others | | 12,644 | 15,984 |
| Total | | 24,816 | 26,298 |

Schedules to the Profit and Loss Account for the year ended 31st March, 2007

| | Rs. in lac | For the Year ended 31st March, 2007 Rs. in lac | For the Year ended 31st March, 2006 Rs. in lac |
|---|--------------|---|---|
| SCHEDULE M : | | | |
| OPERATING REVENUE | | | |
| Passenger | 645,405 | | 526,450 |
| Less : Service Tax | <u>1,621</u> | | <u>–</u> |
| | | 643,784 | 526,450 |
| Excess Baggage | | 3,344 | 5,089 |
| Cargo | 44,124 | | 28,127 |
| Less : Service Tax | <u>3,010</u> | | <u>2,072</u> |
| | | 41,114 | 26,055 |
| Export Incentives | | 9,896 | – |
| Other Revenue | | <u>7,640</u> | <u>6,989</u> |
| Total | | <u>705,778</u> | <u>564,583</u> |
| SCHEDULE N : | | | |
| NON-OPERATING REVENUE | | | |
| Interest on Bank & Other Deposits [Tax Deducted at Source Rs. 1,567 lac (Previous Year Rs. 1,226 lac)] | | 5,355 | 5,542 |
| Exchange difference (Net) | | 701 | – |
| Profit on Sale and Lease back of Aircraft | | 21,107 | 27,064 |
| Profit on Sale of Current Investments (Net) | | 1,049 | 5,253 |
| Provision for aircraft maintenance no longer required | | 2,281 | 3,600 |
| Excess Provision written back | | 168 | 501 |
| Provision for Doubtful Debts no longer required | | 11 | 20 |
| Other Income [including Interest on Income Tax Refund of Nil (Previous Year Rs. 2 lac)] | | <u>3,681</u> | <u>2,194</u> |
| Total | | <u>34,353</u> | <u>44,174</u> |
| SCHEDULE O : | | | |
| EMPLOYEES REMUNERATION AND BENEFITS (Net) | | | |
| (Includes Managerial Remuneration - Refer Note 11 of Schedule S) | | | |
| Salaries, Wages, Bonus & Allowances | | 82,349 | 49,039 |
| Contribution to Provident Fund & ESIC | | 1,916 | 1,344 |
| Provision for Gratuity | | 1,088 | 1,441 |
| Provision for Leave Encashment | | 1,165 | 1,186 |
| Staff Welfare Expenses | | <u>7,294</u> | <u>3,705</u> |
| Total | | <u>93,812</u> | <u>56,715</u> |

Schedules to the Profit and Loss Account for the year ended 31st March, 2007

| | Rs. in lac | For the Year ended 31st March, 2007 Rs. in lac | For the Year ended 31st March, 2006 Rs. in lac |
|---|------------|---|---|
| SCHEDULE P : | | | |
| SELLING & DISTRIBUTION EXPENSES | | | |
| Computerised Reservation System Cost (Net) | | 17,788 | 13,437 |
| Commission | | 55,890 | 51,736 |
| Others | | 6,407 | 7,439 |
| Total | | <u>80,085</u> | <u>72,612</u> |
| SCHEDULE Q : | | | |
| OTHER OPERATING EXPENSES | | | |
| Aircraft Variable Rentals | | 20,412 | 12,408 |
| Aircraft Insurance & Other Insurance | | 7,221 | 6,896 |
| Landing, Navigation & Other Airport Charges | | 47,871 | 35,046 |
| Aircraft Maintenance (including Customs Duty and Freight, where applicable) | | | |
| - Component Repairs, Recertification, Exchange, Consignment Fees and Aircraft Overhaul | 35,000 | | 21,269 |
| - Lease of Aircraft Spares incl. Engine | 2,375 | | 1,565 |
| - Consumption of Stores & Spares (net) [including items scrapped / written off Rs.1,845 lac (Previous Year Rs. 2,325 lac)] | 6,875 | | 6,312 |
| - Provision for Spares Obsolescence | 2,342 | | 1,948 |
| | | <u>46,592</u> | <u>31,094</u> |
| Inflight & Other Pax Amenities | | 31,868 | 21,452 |
| Communication Cost (Net) | | 2,133 | 1,803 |
| Travelling & Subsistence | | 11,164 | 7,109 |
| Rent | | 3,816 | 3,221 |
| Rates & Taxes | | 94 | 60 |
| Repairs & Maintenance | | | |
| - Leased Premises | 177 | | 186 |
| - Others | 3,703 | | 2,644 |
| | | <u>3,880</u> | <u>2,830</u> |
| Electricity | | 938 | 928 |
| Commission to Directors (Refer Note 11 of Schedule S) | | 43 | 66 |
| Director's Sitting Fees | | 14 | 14 |
| Provision for Bad & Doubtful Debts [Net of Bad debts written off Rs. 63 lac (Previous Year Nil)] | | 121 | 247 |
| Bad Debts Written off | | 645 | 14 |
| Exchange difference (Net) | | - | 1,404 |
| Loss on scrapping of Fixed Asset (including Aircraft Parts) | | 206 | - |
| Loss on sale of Fixed Assets other than Aircraft (Net) | | 126 | 27 |
| Miscellaneous Expenses (including Professional Fees, Audit Fees, Printing & Stationery, Cargo Handling and Bank Charges etc.) | | 11,185 | 6,492 |
| Total | | <u>188,329</u> | <u>131,111</u> |

Schedules to the Profit and Loss Account for the year ended 31st March, 2007

| | Rs. in lac | For the Year ended 31st March, 2007 Rs. in lac | For the Year ended 31st March, 2006 Rs. in lac |
|-------------------------------------|------------|---|---|
| SCHEDULE R : | | | |
| INTEREST AND FINANCE CHARGES | | | |
| - On Fixed Loan | 40,892 | | 25,951 |
| - Others | 7,629 | | 1,774 |
| | 48,521 | | 27,725 |
| Less : Capitalised during the Year | 24,506 | | 3,565 |
| | | 24,015 | 24,160 |
| Total | | 24,015 | 24,160 |

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 are in accordance with the generally accepted accounting principles in India, the applicable 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 results and estimates are recognised in the period in which the results are known / materialised.

C. REVENUE RECOGNITION :

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

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

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

D. EXPORT INCENTIVE :

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

E. COMMISSION :

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

F. EMPLOYEE RETIREMENT BENEFITS :

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

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

G. 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 :**

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

- c) **ASSETS TAKEN ON LEASE :**

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

H. IMPAIRMENT OF ASSETS :

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

I. DEPRECIATION / AMORTISATION :

- a) Depreciation 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.
- b) On revalued assets, depreciation is charged over the residual life and the additional charge of depreciation is withdrawn from the Revaluation reserve.
- c) Intangible assets are amortised on straight line basis as follows.
 1. Landing Rights acquired are amortised over a period not exceeding 20 years. Amortisation period exceeding 10 years is applied considering industry experience and expected asset usage.



2. Trademarks are amortised over 10 years.
3. Computer Software is amortised over 36 months.

J. INVESTMENTS :

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

K. BORROWING COSTS :

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

L. FOREIGN CURRENCY TRANSACTIONS / TRANSLATION :

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- 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 / discount arising on forward contracts is 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.

M. INVENTORIES :

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

N. AIRCRAFT MAINTENANCE & REPAIRS COST :

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

O. 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, as the case may be, that the asset will be realised in future.

P. 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.

Q. SHARE ISSUE EXPENSES :

Issue Expenses are adjusted against the Share Premium Account.

R. SALE AND LEASE BACK TRANSACTION :

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

S. ACCOUNTING FOR FINANCIAL DERIVATIVES :

The Company uses derivative instruments to hedge its exposure to movements in interest rates. The objective of these derivative instruments is to reduce the risk or cost to the Company and is not intended for trading or speculation purposes.

Financial Derivative instruments are considered as off-balance sheet items and cash flows arising therefrom are recognized in the books of accounts as and when the settlements take place in accordance with the terms of the respective contracts. The Income / Expenses accrued on unsettled financial derivative instruments is taken to the Profit & Loss account on the reporting date.

II. NOTES TO ACCOUNTS :

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

| | |
|-----------------|---|
| Tangible Assets | Rs. 648,508 lac (Previous Year - Rs. 963,614 lac) |
|-----------------|---|

2. CONTINGENT LIABILITY :

- a) Unprovided Income Tax demands which are under appeals Rs. 5,387/- (Previous Year Rs. 375 lac).
- b) Unprovided Service Tax demands which are under appeals Rs. 310 lac (Previous Year Nil).
- c) Unprovided Sales Tax demands which are under appeals Rs. 7 lac (Previous Year Nil).
- d) Unprovided claims against the Company, pending Civil and Consumer suits of Rs. 1,140 lac (Previous Year Rs. 1,044 lac).
- e) Unprovided Inland Air Travel Tax demands which are under appeal Rs. 473 lac (Previous Year Rs. 473 lac) against which the amount of Rs. 117 lac (Previous Year Nil) is deposited with the Authorities.
- f) Unprovided claims for Octroi amounts to Rs. 2,899 lac (Previous Year Rs. 2,899 lac).
- g) Disputed claims against the Company towards Landing & Navigation Charges amounts to Nil. (Previous Year Rs. 2,009 lac).
- h) Disputed claims against the company towards Ground Handling charges amounts to Rs. 3,836 lac (Previous Year Rs. 3,226 lac).
- i) Letters of Credit outstanding are Rs. 37,920 lac (Previous Year Rs. 31,727 lac) and Bank Guarantees outstanding are Rs. 182,432 lac (Previous Year Rs. 5,975 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 2004-2005 the proceeds of which have been utilised as follows :

Amount (Rs. in Lac)

| Particulars | 31st March, 2007 | 31st March, 2006 |
|--|------------------|------------------|
| Balance as per last Balance Sheet | 22,782 | 144,285 |
| Gross proceeds of the Fresh Issue | Nil | Nil |
| Less : Share Issue Expenses adjusted against Share Premium (Net) | Nil | (8,002) |
| Sub Total (A) | 22,782 | 136,283 |
| Utilization of proceeds | | |
| Repayment of debts and redemption of CCRPS | 11,359 | 66,799 |
| Capital Expenditure | 11,423 | 33,897 |
| General Corporate Expenses | Nil | 12,805 |
| Total Out Flow (B) | 22,782 | 113,501 |
| Unutilized Balance (A – B) | Nil | 22,782 |
| Unutilized balance deployed in | | |
| Investment in Mutual Funds | Nil | 18,159 |
| Fixed Deposit with Bank | Nil | 4,623 |

The Company has reclassified the utilisation of funds during the year.

4. Aircraft Lease Rentals are stated net of sub-lease rentals of Rs. 1,740 lac (Previous Year Rs. 1,646 lac).
5. During the year the Company purchased and sold Current Investments in Debt Schemes of various Mutual Funds as detailed below :

Amount (Rs. in Lac)

| Mutual Fund | No. of Units (in lac) | Cost of Units |
|--------------------------------|--------------------------|---------------|
| SBI Mutual Fund | 2,329 | 27,500 |
| DSP ML Mutual Fund | 1 | 1,525 |
| HDFC Mutual Fund | 157 | 2,000 |
| HSBC Mutual Fund | 223 | 2,500 |
| ING Vysya Mutual Fund | 467 | 5,000 |
| Kotak Mutual Fund | 283 | 4,026 |
| LIC Mutual Fund | 2,819 | 35,858 |
| Prudential Mutual Fund | 8,906 | 109,084 |
| Reliance Mutual Fund | 598 | 7,408 |
| Standard Chartered Mutual Fund | 2 | 2,500 |
| Tata Mutual Fund | 2 | 2,680 |
| UTI Mutual Fund | 73 | 1,500 |

6. Prior Period credits included in the determination of the net profit are towards Inventory Obsolescence Nil (Previous Year Rs. 166 lac), Other Expenses Nil (Previous Year Rs. 104 lac) and Other Revenue Rs. 65 lac (Previous Year Nil).
7. Disclosure on Derivatives

(i) The Company has entered into the following derivative instruments :

- a) Forward Exchange Contracts which are not intended for trading or speculative purposes, but for hedge purposes, entered into by the Company as on 31st March, 2007 are as follows :

| Currency | Amount (USD in lac) | Amount (Rs. in lac) | Buy/Sell | Cross Currency |
|-----------|----------------------------------|-------------------------------------|----------|----------------|
| US Dollar | Nil (Previous Year 32) | Nil (Previous Year 1,431) | Buy | Rupees |

- b) Interest Rate Swaps to hedge against fluctuations in interest rate changes:

| No. of Contracts | USD Equivalent (lac) | INR Equivalent (lac) |
|------------------|-------------------------|-----------------------------|
| 9 (10) | 3,963 (3,730) | 172,279 (161,968) |

- c) Currency and Interest rate swaps to hedge against fluctuations in changes in exchange rate and interest rate:

| No. of Contracts | USD Equivalent (lac) | INR Equivalent (lac) |
|------------------|-------------------------|----------------------------|
| 14 (4) | 3,391 (1,613) | 147,407 (71,950) |

(ii) The foreign currency exposures that have not been hedged by any derivative instrument or otherwise as on 31st March, 2007 are as follows:

| Particulars | INR Equivalent (lac) | USD Equivalent (lac) |
|---|----------------------------|-------------------------|
| Assets (Receivables) | 39,393 (27,250) | 906 (611) |
| Liability (Payable) | 53,541 (32,220) | 1,232 (722) |
| Interest (Payable) | 870 (493) | 20 (11) |
| Long Term Loans for purchase of Aircraft* | 135,829 (44,972) | 3,125 (1,008) |
| Loans for Pre Delivery Payment** | 174,532 (67,800) | 4,015 (1,520) |
| Other Loans | 41,267 (Nil) | 949 (Nil) |

(Figures in brackets indicate 31st March, 2006 figures)

*Includes Loans payable after 5 years Rs. 68,749 lac (Previous Year Rs. 11,153 lac)

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

The payables and receivables shown above offer a natural hedge to the Company against movement of foreign exchange currency rates.



8. Jet Airways and the Shareholders of Sahara Airlines Limited had concluded a Share Purchase Agreement on 18th January, 2006 whereby Jet Airways was to acquire the 100% shares of Sahara Airlines Limited (SAL) for a Total Consideration of Rs. 200,000 lac. The original 65 days Term of the Agreement expired in March 2006. This was mutually extended to 21st June, 2006, at which time Jet Airways had paid an advance of Rs. 50,000 lac to a shareholder of SAL, the repayment of which was secured by 100% Pledge of SAL's shares and a personal guarantee of Mr. Subrata Roy Sahara.

In addition to that, the Jet Airways also provided a loan of Rs. 18,000 lac to Sahara Airlines Limited for the smooth running of the operations of the Sahara Airlines Limited during the Term of Share Purchase Agreement and its extension.

At the expiry of the extended period, disputes arose between the parties as to whether or not the agreement had terminated and these disputes were referred for hearing to an Arbitral Tribunal.

Before the commencement of Arbitral Proceedings, the two parties successfully resolved their disputes and the Company has since agreed to acquire the 100% shares of Sahara Airlines Limited for a revised lumpsum price of Rs. 146,500 lac. Out of which, Rs. 50,000 lac as referred above had already been paid and Rs. 41,500 lac was payable on or before 20th April, 2007. The balance of Rs. 55,000 lac is payable in four interest free annual equal installments commencing on or before 30th March, 2008. The agreement reached between the parties was confirmed by a Consent Award passed by the Arbitral Tribunal.

On 20th April, 2007, the Company had paid an installment amount of Rs. 41,500 lac and all the shares of Sahara Airlines Limited have been transferred in the name of the Company and its nominees.

As on 31st March, 2007, an amount of Rs. 18,000 lac as referred above is reflected as a Loan Receivable (Schedule J) and Rs. 50,000 lac as referred above is reflected as an Advance (Schedule J) in the books of the Company.

As on 31st March, 2007, the total Loans and Advance outstanding aggregating to Rs. 68,000 lac have been considered by the Management good of recovery considering the future growth in operations of SAL (now known as 'Jet Lite (India) Limited') and its consequential profitability.

9. EMPLOYEE BENEFITS

- a) Pursuant to the early adoption of Accounting Standard 15 (AS-15) (Revised 2005) 'Employee Benefits' read with recent Guidance on implementation of the Standard issued by the Institute of Chartered Accountants of India (ICAI), though not yet mandatory in nature, the Company has adjusted Rs. 639 lac (net of deferred tax of Rs. 329 lac) in respect of the additional liability pertaining to Employee Benefits, up to 31st March, 2006, against the opening balance of General Reserve in accordance with the transitional provisions referred to in the said standard.

b) Retirement Benefit Plans

i) Defined contribution plans

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

The Company recognised Rs. 1,818 lac (Previous year Rs. 1,315 lac) for provident fund contributions in the profit and loss account.

ii) Defined benefit plan

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

On Normal retirement / early retirement / withdrawal / resignation:

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

On death while in service:

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity and leave encashment were carried out at 31st March, 2007 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and leave encashment and the amounts recognised in the Company's financial statements as at 31st March, 2007.

Amount (Rs. in Lac)

| Sl. No. | Particulars | Gratuity (Non-Funded) As on 31st March, 2007 | Leave Encashment (Non-Funded) As on 31st March, 2007 |
|-------------|--|--|--|
| I) | Reconciliation in present value of obligations (PVO) – defined benefit obligation : | | |
| | Current Service Cost | 495 | 114 |
| | Interest Cost | 202 | 45 |
| | Actuarial (gain) / losses | 391 | 1,974 |
| | Benefits paid | (175) | (324) |
| | Past service cost | | |
| | PVO at the beginning of the year | 2,690 | 596 |
| | PVO at end of the year | 3,603 | 2,405 |
| II) | Net cost for the year ended 31st March, 2007 : | | |
| | Current Service cost | 495 | 114 |
| | Interest cost | 202 | 45 |
| | Actuarial (gain) / losses | 391 | 1,974 |
| | Net cost | 1,088 | 2,133 |
| III) | Assumption used in accounting for the gratuity plan: | | |
| | Discount rate (%) | 8.00% | 8.00% |
| | Salary escalation rate (%) | 7.50% | 7.50% |

Note : Leave encashment liabilities are excluding Provident Fund contribution.

10. PAYMENT TO AUDITORS (including Service Tax) :

Amount (Rs. in lac)

| | Particulars | 2006-07 | 2005-06 |
|-----------|--|------------|------------|
| a) | As Audit Fees | 126 | 110 |
| | As Tax Audit Fees | 11 | 6 |
| b) | As Advisor or in any other capacity in respect of : | | |
| | Company Law | Nil | Nil |
| | Tax Matters | 57 | 50 |
| c) | In any other manner | | |
| | Other Certification, etc. | 15 | 35 |
| d) | For reimbursement of expenses | 1 | 2 |
| | Total | 210 | 203 |

Payments for services other than audit include Rs. 3 lac (Previous Year Rs. 5 lac) to a firm where partners of one of the Statutory Auditors are partners.



11. MANAGERIAL REMUNERATION :

i) Details of Managerial Remuneration :

Amount (Rs. in lac)

| | Particulars | 2006-07 | 2005-06 |
|------|---|------------|------------|
| i) | Salary and Allowances | 42 | 35 |
| ii) | Contribution to Provident Fund and Provision for Gratuity | 7 | 5 |
| iii) | Perquisites | 12 | 10 |
| iv) | Commission to Non-Executive Directors | 43 | 66 |
| v) | Sitting Fees | 14 | 14 |
| | Total | 118 | 130 |

ii) Computation of Profit under Section 349 of the Companies Act, 1956

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|---|--------------|---------------|
| Profit before taxation as per Profit and Loss Account | 5,136 | 72,226 |
| Add : | | |
| Managerial Remuneration | 118 | 130 |
| Provision for Doubtful Debts | 121 | 247 |
| | 5,375 | 72,603 |
| Less : | | |
| Profit on sale of Investments | 1,049 | 5,253 |
| Provision for Doubtful Debts no longer required | 11 | 20 |
| Profit for the purpose of Director's Commission | 4,315 | 67,330 |
| Commission to Non-Executive Directors subject to a ceiling of 1% of Profits as computed above | 43 | 673 |
| Commission payable as per Shareholders' approval | 43 | 66 |

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

12.1 Value of imports calculated on CIF Basis :

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|---------------------|---------|---------|
| Components & Spares | 12,628 | 13,141 |
| Capital Goods | 140,871 | 1,064 |

12.2 Earnings in Foreign Exchange :

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|-----------------------------------|---------|---------|
| Passenger & Cargo Revenue | 139,428 | 101,662 |
| Sale of Aircraft | 46,616 | 46,225 |
| Sub Lease Income | Nil | 1,758 |
| Interest on Bank & Other Deposits | 94 | 152 |
| Other Income | 161 | 178 |

12.3 Expenditure in Foreign Currency:

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|---|---------|---------|
| Aircraft Lease Rentals (Net) | 84,516 | 54,189 |
| Communication (Gross) | 20,723 | 17,040 |
| Aircraft Overhaul, Maintenance & Component Support Services | 32,562 | 20,987 |
| Commission | 13,314 | 13,081 |
| Fuel Cost | 25,212 | 10,555 |
| Landing Rights / Intangible Assets | 2,681 | 9,799 |
| Landing & Navigation Charges | 13,693 | 7,141 |
| In-flight Passenger Amenities | 10,433 | 5,242 |
| Travelling | 3,068 | 1,860 |
| Hire Purchase Finance Charges | 10,000 | 3,066 |
| Payroll Costs | 8,356 | 6,016 |
| Advertisement & Sales Promotion | 1,605 | 1,249 |
| Ground and Cargo Handling | 2,848 | 1,059 |
| Professional / Consultancy | 1,310 | 996 |
| Insurance | 90 | 306 |
| Others | 2,203 | 1,432 |

12.4 Remittance in foreign currency on account of dividend :

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|---|------------|------------|
| Number of Non Resident Shareholders to whom remittance was made | 1 | 1 |
| Number of Equity Shares held by them | 69,057,210 | 69,057,210 |
| Amount of Dividend paid | 4,144 | 2,072 |
| Year to which dividend relates | 2005-06 | 2004-05 |

12.5 Value of Components & Spare Parts Consumed :

Amount (Rs. in lac)

| | 2006-07 | % | 2005-06 | % |
|--------------|--------------|------------|--------------|------------|
| Imported | 6,287 | 91 | 5,611 | 89 |
| Indigenous | 588 | 9 | 701 | 11 |
| Total | 6,875 | 100 | 6,312 | 100 |

13. SEGMENT REPORTING :

a) Primary Segment : Geographical Segment

The Company, during the year, considering its higher level of international operations and present internal financial reporting based on geographic segment, has identified geographic segment as primary segment. On that basis the information for the previous year for this segment has been compiled and disclosed by the Company for comparative purpose.

The geographic segment consists of:

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

Revenue and expenses directly attributable to segments are reported based on items that are individually identifiable to that segment, while the remainder of the expenses are categorized as unallocated which are



mainly employee remuneration and benefits, other selling & distribution expenses, other operating expenses, aircraft lease rentals, depreciation / amortization and interest, since these are not specifically allocable to specific segments as the underlying assets / services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to these revenue and expenses, and accordingly these expenses are separately disclosed as “unallocated” and directly charged against total revenues.

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

Amount (Rs. in lac)

| | Domestic | International | Total |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Passenger and Cargo Revenue | 552,541 (495,973) | 135,701 (61,621) | 688,242 (557,594) |
| Segment result | 293,191 (284,409) | 56,024 (25,926) | 349,215 (310,335) |
| Less : Un-allocable expenses | | | 371,953 (265,112) |
| Add : Un-allocable revenue | | | 51,889 (51,163) |
| Profit before Interest and tax | | | 29,151 (96,386) |
| Less : Interest and Finance Charges | | | 24,015 (24,160) |
| Profit before tax | | | 5,136 (72,226) |
| Tax | | | 2,342 (27,022) |
| Profit after tax | | | 2,794 (45,204) |

(Figures in brackets indicate 31st March, 2006 figures)

b) Secondary Segment : Business Segment

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

14. 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 :

| Sl. No. | Name of the related party | Nature of relationship |
|---------|---|--|
| 1. | Tailwinds Ltd. | Holding Company |
| 2. | Naresh Goyal | Controlling Shareholder of Holding Company |
| 3. | Anita Goyal | Relative of controlling shareholder of Holding Company |
| 4. | Saroj K Datta | Key Managerial Personnel |
| 5. | Jetair Private Ltd. | Associate Companies |
| 6. | Jet Enterprises Private Ltd. | |
| 7. | Jet Airways LLC | |
| 8. | Jet Airways of India Inc. | |
| 9. | India Jet Airways Pty Ltd. | |
| 10. | Trans Continental e Services Private Ltd. | |

(ii) Transactions during the year ended 31st March, 2007 and balances with related parties :

Amount (Rs. in lac)

| Sl. No. | Nature of Transactions | Holding Co. | Relative of controlling shareholder of Holding Company | Controlling Shareholder of Holding Company | Key Managerial Personnel | Associate Companies |
|---------|---|------------------|--|--|--------------------------|---------------------|
| A) | Remuneration | | 127 (52) | | 60 (50) | |
| B) | Sitting Fees | | | 1 (1.3) | 1 (2.45) | |
| C) | Commission paid to Directors | | | 3 (6) | | |
| D) | Agency Commission | | | | | 14,413 (13,255) |
| E) | Rent paid | | | | | 106 (142) |
| F) | Expenses Reimbursed (net) (Staff Costs / Communication Costs, Rent) | | | | | -5,525 (-5,915) |
| G) | Selling & Distribution Cost | | | | | 1,431 (Nil) |
| H) | Purchase of Assets | | | | | Nil (33) |
| I) | Excess Provision written back | | | | | 168 (Nil) |
| J) | Deposits & Advance for Leased Premises | | | | | 2,299 (620) |
| K) | Sundry Creditors | | | | | 1,135 (1,138) |
| L) | Sundry Debtors | | | | | 122 (73) |
| M) | Share Capital | 6,907 (6,907) | | 1 (1) | 0.06 (0.06) | |
| N) | Purchase of Trademark | | | | | Nil (3,045) |
| O) | Dividend Paid | 4,144 (2,072) | | 0.60 (0.30) | 0.04 (0.02) | |

(Figures in brackets indicate 31st March, 2006 figures)

(iii) Statement of Material Transactions

Amount (Rs. in lac)

| Associate Companies Jetair Pvt. Ltd. | |
|--|---------------------------|
| - Agency Commission | 10,403 (10,080) |
| - Rent Paid | 46 (44) |
| - Expenses Reimbursed (net) (Staff Costs / Communication Costs, Rent) | -5,617 (-5,920) |
| - Deposits & Advance for Leased Premises | 299 (268) |
| - Sundry Creditors | 507 (580) |
| - Sundry Debtors | 122 (73) |

(Figures in brackets indicate 31st March, 2006 figures)

Amount (Rs. in lac)

| Associate Companies Jet Airways LLC | |
|--|-------------------------|
| - Agency Commission | 3,309 (2,473) |
| - Expenses Reimbursed (net) (Staff Costs / Communication Costs, Rent) | 55 (Nil) |
| - Sundry Creditors | 332 (251) |

(Figures in brackets indicate 31st March, 2006 figures)

Amount (Rs. in lac)

| Associate Companies Trans Continental e Services Pvt. Ltd. | |
|---|-----------------------|
| - Selling & Distribution Cost | 1,431 (Nil) |
| - Sundry Creditors | 101 (Nil) |

(Figures in brackets indicate 31st March, 2006 figures)

Amount (Rs. in lac)

| Associate Companies Jet Enterprises Pvt. Ltd. | |
|--|-----------------------|
| - Rent Paid | 60 (60) |
| - Advance given and returned back during the year | Nil (2,500) |
| - Deposits for Leased Premises | 2,000 (335) |
| - Trademark Purchase | Nil (3,045) |
| - Sundry Creditors | Nil (43) |

(Figures in brackets indicate 31st March, 2006 figures)

Amount (Rs. in lac)

| Associate Companies | |
|--|---------------------|
| Jet Airways of India Inc. | |
| - Agency Commission | 658 (702) |
| - Rent Paid | Nil (38) |
| - Expenses Reimbursed (net) (Staff Costs / Communication Costs, Rent) | 37 (5) |
| - Excess Provision written back | 148 (Nil) |
| - Deposits & Advances for Leased Premises | Nil (17) |
| - Assets Purchased | Nil (33) |
| - Sundry Creditors | 97 (264) |

(Figures in brackets indicate 31st March, 2006 figures)

Amount (Rs. in lac)

| Associate Companies | |
|-----------------------------------|--------------------|
| India Jet Airways Pty Ltd. | |
| - Agency Commission | 43 (47) |
| - Excess Provision written back | 20 (Nil) |
| - Sundry Creditors | 6 (24) |

(Figures in brackets indicate 31st March, 2006 figures)

15. 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

Amount (Rs. in lac)

| Particulars | Future Minimum Lease Payments As at 31st March, 2007 | Present Value of Future Minimum Lease Payments As at 31st March, 2007 | Finance Charges |
|-----------------------|---|--|---------------------------|
| Aircraft | | | |
| Less than 1 year | 41,995 (36,974) | 25,481 (20,791) | 16,514 (16,183) |
| Between 1 and 5 years | 160,072 (158,561) | 113,394 (113,304) | 46,678 (45,257) |
| More than 5 years | 120,945 (71,297) | 104,350 (62,603) | 16,596 (8,694) |
| Grand Total | 323,012 (266,832) | 243,225 (196,698) | 79,788 (70,134) |

(Figures in brackets indicates 31st March, 2006 figures)



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

- Option to purchase the aircraft either during the term of the Hire Purchase on payment of the outstanding Principal amount or at the end of the Hire Purchase term on payment of a nominal option price.
- In the event of default, the Hirer / Lessee is responsible for payment of all costs of the Owner including the financing cost, and other associated costs. Further a right of repossession is available to the Owner / Lessor.
- The Hirer / Lessee is responsible for maintaining the aircraft as well as insuring the same.
- In the case of 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 & spare engines the future minimum lease payments in respect of which, as at 31st March, 2007 are as follows :

Amount (Rs. in lac)

| Particulars | Total Lease Payments |
|-------------------------------------|------------------------------------|
| Aircraft & Spare Engines | |
| Less than 1 year | 55,601 <i>(58,650)</i> |
| Between 1 and 5 years | 138,062 <i>(94,994)</i> |
| More than 5 years | 11,183 <i>(18,347)</i> |
| Grand Total | 204,846 <i>(171,991)</i> |

| | |
|--------------------------------------|----------------------------------|
| Aircraft given on sub – lease | |
| Less than 1 year | -1,674 <i>(-1,718)</i> |
| Between 1 and 5 years | -549 <i>(-2,282)</i> |
| More than 5 years | NIL <i>(NIL)</i> |
| Grand Total | -2,223 <i>(-4,000)</i> |

(Figures in brackets indicates 31st March, 2006 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. 91,667 lac (Previous Year Rs. 60,815 lac), it includes Rs. 3,840 lac (Previous Year Rs. 74 lac) recognised as lease rental expenses on account of sale and lease back of aircraft.

16. 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)

| | 2006-07 | 2005-06 |
|---|-------------------|-------------|
| Net Profit after tax | 2,794 | 45,204 |
| Profit attributable to Equity Shareholders (A) | 2,794 | 45,204 |
| Add : Interest (net) on Institutional Loan with Convertibility clause | Nil | 302 |
| Adjusted Net Profit for Diluted Earnings per Share (B) | 2,794 | 45,506 |
| No. of Equity Shares outstanding during the year (C) | 86,334,011 | 86,334,011 |
| No. of Equity Shares resulting from the potential conversion of Institutional Loan | Nil | 55,685,000 |
| Weighted No. of Diluted Equity Shares outstanding during the year (Nos.) (D) | 86,334,011 | 142,019,011 |
| Nominal Value of Equity Shares (Rs.) | 10 | 10 |
| Basic EPS (Rs.) (E = A/C) | 3.24 | 52.36 |
| Diluted EPS (Rs.) (F = B/D) | 3.24 | 32.04 |

17. The Deferred Tax Liability as at 31st March, 2007 comprises of the following :

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|---|---------------|---------|
| Deferred Tax Liability | | |
| Related to Fixed Assets | 36,891 | 33,444 |
| Deferred Tax Asset | | |
| Unabsorbed Depreciation | 1,182 | Nil |
| Other Disallowances under Income Tax Act, 1961 | 2,603 | 1,378 |
| Provision for Deferred Tax Liability (Net) | 33,106 | 32,066 |

Deferred Tax Asset on account of Unabsorbed tax depreciation has been recognized as it can be realised against the reversal of Deferred Tax Liability on account of Depreciation.



18. 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 :

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|--|--------------|---------|
| Opening Balance | 1,635 | 1,321 |
| Add :- Additional Provisions during the year | 359 | 928 |
| Less :- Amounts used during the year | 343 | 614 |
| Less :- Unused Amounts reversed during the year | - | - |
| Closing Balance | 1,651 | 1,635 |

b) Redelivery of Aircraft :

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

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

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|--|--------------|---------|
| Opening Balance | 1,934 | 1,463 |
| Add :- Additional Provisions during the year* | 717 | 471 |
| Less :- Amounts used during the year | - | - |
| Less :- Unused Amounts reversed during the year | - | - |
| Closing Balance | 2,651 | 1,934 |

* Additions are on account of Exchange fluctuation.

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

| Year | Aircraft | Amount (Rs. in lac) |
|--------------|----------|---------------------|
| 2007-08 | 9 | 1,053 |
| 2008-09 | 6 | 492 |
| 2009-10 | 5 | 145 |
| 2010-11 | 4 | 234 |
| 2011-12 | 2 | 71 |
| 2012-13 | 13 | 573 |
| 2013-14 | 1 | 83 |
| Total | | 2,651 |

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 | 2006-07 | 2005-06 |
|--|--------------|---------|
| Opening Balance | 9,994 | 15,377 |
| Add :- Additional Provisions during the year * | 26 | 482 |
| Less :- Amounts used during the year | 2,026 | 2,773 |
| Less :- Unused Amounts reversed during the year | 596 | 3,092 |
| Closing Balance | 7,398 | 9,994 |

* Additions are on account of Exchange fluctuation.

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 predetermined rate.

Amount (Rs. in lac)

| Particulars | 2006-07 | 2005-06 |
|--|--------------|---------|
| Opening Balance | 2,421 | 3,841 |
| Add :- Additional Provisions during the year * | 142 | 214 |
| Less :- Amounts used during the year | 412 | 1,288 |
| Less :- Unused Amounts reversed during the year | 1,208 | 346 |
| Closing Balance | 943 | 2,421 |

* Additions are on account of Exchange fluctuation.

19. Pending resolution of representation made by the Board of Airline Representatives in India "BAR (I)" to the statutory authorities regarding non levy of Fringe Benefit Tax on free / concessional tickets issued by the airline companies, no provision for the same is made cumulatively in the books of account amounting to Rs. 596 lac (Previous Year Rs. 284 lac).
20. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.



21. Considering the future profitability and taxable position in the subsequent years, the Company has recognised the 'MAT Credit entitlement' as an asset by crediting the Profit & Loss Account for an equivalent amount and disclosed under 'Loans and Advance' (Schedule J) in the accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative tax under Income Tax Act, 1961" issued by The Institute of Chartered Accountants of India on 23rd March, 2006.
22. 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

P. R. Barpande
Partner

Place : Mumbai
Dated : 26th June, 2007

For **CHATURVEDI & SHAH**
Chartered Accountants

C. D. LALA
Partner

For and on behalf of the Board

Dr. Vijay L. Kelkar
Director

Saroj K. Datta
Executive Director

Sheetal S. Tamhane
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 | 7 |
| | Date | | Month | | Year | | | |

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

| | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------|--|--|--|--|--|--|--|---|---|---|-------------|-------------------|--|--|--|--|--|--|---|---|---|---|---|---|
| Public Issue | | | | | | | | N | I | L | Bonus Issue | | | | | | | | N | I | L | | | |
| | | | | | | | | (| N | I | L |) | | | | | | | | (| N | I | L |) |
| Rights Issue | | | | | | | | | 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 | | | 8 | 6 | 2 | 4 | 6 | 0 | 8 | 9 | Total Assets | | | 8 | 6 | 2 | 4 | 6 | 0 | 8 | 9 | | | | | | | |
| | (| 7 | 5 | 2 | 2 | 1 | 4 | 0 | 5 |) | | (| 7 | 5 | 2 | 2 | 1 | 4 | 0 | 5 |) | | | | | | | |
| Sources of Funds | | | | | | | | | | | Reserves & Surplus | | | 2 | 1 | 5 | 0 | 9 | 2 | 0 | 5 | | | | | | | |
| Paid-up Capital | | | | 8 | 6 | 3 | 3 | 4 | 0 | | (| 2 | 2 | 1 | 9 | 5 | 5 | 0 | 8 |) | | | | | | | | |
| | (| 8 | 6 | 3 | 3 | 4 | 0 |) | Unsecured Loans | | | 5 | 3 | 1 | 3 | 8 | 4 | 1 | 5 | | | | | | | | | |
| Subordinated Debt | | | | | | | | | N | I | L | | (| 4 | 6 | 8 | 9 | 5 | 7 | 8 | 1 |) | | | | | | |
| | (| N | I | L |) | Secured Loans | | | | 7 | 4 | 2 | 4 | 5 | 5 | 3 | Investments | | | | | | 6 | 8 | 9 | 3 | 1 | 6 |
| | | | | | | | (| 2 | 0 | 6 | 0 | 2 | 1 | 2 |) | | (| 1 | 8 | 7 | 2 | 3 | 1 | 8 |) | | | |
| Deferred Tax Liability | | | 3 | 3 | 1 | 0 | 5 | 7 | 6 | Miscellaneous Expenditure | | | | | | | | | | N | I | L | | | | | | |
| | (| 3 | 2 | 0 | 6 | 5 | 6 | 4 |) | | | | | | | | | (| N | I | L |) | | | | | | |
| Application of Funds | | | | | | | | | | | Accumulated Losses | | | | | | | | | N | I | L | | | | | | |
| Net Fixed Assets | | | 7 | 2 | 9 | 2 | 0 | 0 | 9 | 5 | | (| N | I | L |) | | | | | | | | | | | | |
| | (| 4 | 7 | 8 | 8 | 1 | 4 | 9 | 2 |) | | | | | | | | | | | | | | | | | | |
| Net Current Assets | | | 1 | 2 | 6 | 3 | 6 | 6 | 7 | 8 | | | | | | | | | | | | | | | | | | |
| | (| 2 | 5 | 4 | 6 | 7 | 5 | 9 | 5 |) | | | | | | | | | | | | | | | | | | |

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

Turnover

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

Profit/Loss Before Tax

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 5 | 1 | 3 | 5 | 9 | 5 |
| (| 7 | 2 | 2 | 2 | 5 | 9 | 9 |) | |

Earnings per Share in (Rs.)

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3 | . | 2 | 4 |
| (| 5 | 2 | . | 3 | 6 |) | | | |

Total Expenditure

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

Profit/Loss After Tax

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

Dividend Rate @ %

Equity

| | | | | | | | | | |
|---|---|---|---|--|--|--|--|---|---|
| | | | | | | | | 6 | 0 |
| (| 6 | 0 |) | | | | | | |

Preference

| | | | | | | | | | | |
|--|--|--|--|--|--|--|--|---|---|---|
| | | | | | | | | (| - |) |
| | | | | | | | | (| - |) |

(Figures in brackets indicates 31st March, 2006 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

Dr. Vijay L. Kalkar
Director

Saroj K. Datta
Executive Director

Sheetal S. Tamhane
Company Secretary

Place : Mumbai
Dated : 26th June, 2007



JET AIRWAYS (INDIA) LIMITED

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

**ATTENDANCE SLIP
15th Annual General Meeting**

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip on request.

DP ID No. : _____

Regd. Folio/Client ID No.: _____

I am / We are a registered shareholder / proxy for the registered shareholder of the Company and hereby record my / our presence at the Fifteenth Annual General Meeting of the Company held on Thursday, 27th September, 2007 at 3:30 p.m. at Nehru Centre Auditorium, Discovery of India Building, Dr. Annie Besant Road, Worli, Mumbai 400 018.

NAME OF THE SHAREHOLDER/PROXY (IN BLOCK LETTERS)

SIGNATURE OF THE SHAREHOLDER/PROXY

Note: Shareholder / Proxy Holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand-over the same at the entrance, duly signed.



JET AIRWAYS (INDIA) LIMITED

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

**PROXY
15th Annual General Meeting**

I / We of
in the district of being a Member / Members of
Jet Airways (India) Limited, Mumbai, hereby appointof.....in the district of.....
.....or failing him / her,of.....in the district ofas
my / our proxy to attend and vote for me / us and on my / our behalf at the Fifteenth Annual General Meeting of the
Company to be held on Thursday, 27th September, 2007 at 3:30 p.m. at Nehru Centre Auditorium, Discovery of India Building,
Dr. Annie Besant Road, Worli, Mumbai 400 018 and any adjournment(s) thereof.

Signed this.....day of.....2007.

Regd. Folio/Client ID No. :

DP ID No. :

No. of Shares :

Signature

Affix
Revenue
Stamp of
Rs. 1.00

Note: The Proxy completed in all respects must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the Meeting.

FACT FILE

REGISTERED OFFICE

S. M. Centre, 1st Floor, Andheri-Kurla Road, Andheri (E), Mumbai-400 059. Tel: 022-4019100. Fax: 2850 1837 / 2920 5079

DESTINATION OFFICES

Agartala: Agartala Airport, Tripura West, Agartala-799 009.
Airport: (0381) 2341400 /01 (9.30 am to 5.30 pm) Flight Enquiry: (0381) 2341403

Ahmedabad: Ratnanabh Complex, Opp. Gujarat Vidyapith, Income Tax, Char Rasta Ashram Rd, Ahmedabad-9.
City: (079) 27543304-10; Airport: (079) 22866240/6540

Amritsar: Amritsar International Airport, Raja Sansi Amritsar.
City: (0183) 2508003/4; Airport: (0183)2214033/2214034

Aurangabad: 4 Santsheel, Vidyanagar, 7 Hills, Jalna Road, Aurangabad-431210.
City: (0240) 2441392 / 770; Airport: (0240) 2484269 / 2487076.

Bagdogra: L.M. Moulik Complex, 2nd Floor, Adjacent to Hotel Vinayak, Hill Cart Road, Siliguri-734 401.
City: (0353) 2435876/77/80/2538001; I Airport: (0353) 2698019/21.

Bangalore: 1-4 M Block, Unity Building, J C Road, Bangalore-560 002.
City: (080) 39893333(24 hours); Airport: (080) 41511111.

Bhavnagar: Surat House, Waghawadi Road, Bhavnagar.
City: (0278)2433371/72; Airport: (0278) 2202003/4/5.

Bhopal: Plot No. 8, Ranjit Tower, M P Nagar, Zone-2, Bhopal-462002.
City: (0755) 2760371/2; Airport: (0755) 2645676.

Bhuj: Narayan Chambers, Station Road, Bhuj, Kutch-370 001.
City: (02832) 253671/4; Airport: (02832) 254836/253673.

Calicut: 29 Mavoor Road, Kozhikode, Calicut-673 016.
City: (0495) 2740518/2740052; Airport: (0483) 2712375/735.

Chandigarh: SCO 14-15, Sector 9-D, Madhya Marg, Chandigarh.
City: (0172) 2741465; Airport: (0172) 2658934.

Chennai: Thapar House, 43/44 Montieeth Road, Egmore, Chennai-600 008.
City: (044) 39893333 (24 hours); Airport: (044) 22561818.

Cochin: 39/4158, Elmar Square Bldg., M G Road, Cochin-682 016.
City: (0484) 2359212/2358879; Airport: (0484) 2610039/82.

Coimbatore: 1055/1, Gowtham Centre, Avanashi Road, Coimbatore-641 018.
City: (0422) 2212034/6/7; Airport: (0422) 2575387/275.

Delhi: Jetair House, 13 Community Centre, Yusuf Sarai, New Delhi-110 049.
City: (011) 39893333 (24 hours); Airport: (011) 25675404.

Diu: Civil Aerodrome, Nagao Road, Diu. Airport: (02875) 255030/1/8.

Goa: Sesa Ghor, Shop Nos. 7,8 & 9, Patto Plaza, Panjim, Goa.
City: (0832) 2438792; Airport: (0832) 2541354.

Guwahati: Jayanti Commercial Complex, Panchavati, G N Road, Guwahati-781 003.
City: (0361) 2662202/2665784; Airport: (0361) 2840600/2840130.

Hyderabad: Jet Airways (I) Ltd., Reliance Krishna, 5-10-197 ABC, Hill Fort Rd., Hyderabad-500 004.
City: (040) 39893333 (24 hours); Airport: (040) 27900118.

Imphal: C/o. Hotel Nirmala, Room No. 201, M. G. Avenue, Imphal-795 001. City: (0385) 2230835/6; Airport: (0385) 2455054/121.

Indore: G-2, Vidyapathi, Race Course Road, Near Narayan Kothi, Indore-452 003.
City: (0731) 2544590/1/2/3; Airport: (0731) 2620454/2620819.

Jaipur: Umaid Nagar House, 1st Floor, Opp. Ganpati Plaza, M I Rd, Jaipur-302001.
City: (0141) 5112222; Airport: (0141) 2551352/2551 733.

Jammu: C/o. K. C. Residency Hotel, Residency Road, Jammu-180 001. City: (0191) 2574312/15; Airport: (0191) 2453888/2453999/2437688.

Jodhpur: 4, Osho Apartments, Residency Road, Jodhpur-342001. City: (0291) 5102222; Airport: (0291) 2515551

Jorhat: Hotel Paradise, 2nd Floor, Solicitors Rd, Behind ASTC Bus Stand, Jorhat-785 001.
City: (0376) 2325652/2304694; Airport: (0376) 2309252.

Khajuraho: Jet Airways (India) Ltd, Civil Aerodrome, Khajuraho, Dist Chattarpur, M.P.-471 606.
Airport: (07686) 74406/07

Kolkata: Stephen Court, 18-D Park Street, Kolkata-700 071.
City: (033) 39893333 (24 hours); Airport: (033) 25116525.

Leh: Jet Airways (India) Ltd, Kokonor Complex, Main Bazar, Leh, Ladakh-194101.
City: (01982) 250324/250487; Airport: (01982) 250380.

Lucknow: Jet Airways (India) Ltd, No. 6, Park Road, Lucknow-226 001.
City: (0522) 2239612/4; Airport: (0522) 2434009/10/11.

Madurai: Arrival Hall, PTC Post, Perungudi, Madurai Airport, Madurai-22.
Airport: (0452) 2690771/72/74.

Mangalore: Ram Bhavan Complex, 1st Floor, Kodaibail, Mangalore-575 003.
City: (0824) 2441181; Airport: (0824) 253432/34.

Mumbai: Amarchand Mansion, Madame Cama Road, Colaba, Mumbai-400 039.
City: (022) 22855788; Airport: (Flight Enquiry): (022) 26156666.Resv: (022) 39893333 (24 hours)Shivsagar Estate, D wing, 4th Floor, Dr. A B Road, Worli, Mumbai-400 018.

Nagpur: Land Mark, 3rd Floor, ramdas Peth, Warda Road, Nagpur-440010.
City: (0712) 6617888/999; Airport: (0712) 2283384/2286232.

Patna: Jaiprakash Narayan International Airport, Patna-800014.
Reservation (Airport): (0612) 3298224 /2223045/48; Flight Enquiry: (0612) 3098224/3.

Porbandar: Civil Aerodrome, Porbandar. Airport: (0286) 2220974/75/34/35.

Port Blair: 189, 1st Floor, Main Road, Junglighat, Port Blair-744 103.
City: (03192) 36922/33; Airport: (03192) 35911/44.

Pune: 243-244 Century Arcade, B/2 Narangi Baug Road, Pune-411 001.
City: (020) 26167181; Airport: (020) 26685591.

Raipur: C/4, VIP Road, Mana Airport, Raipur 492015 (C.G).
Reservation & Airport: (0771) 2418613/16.

Rajkot: 7 & 8 Bilkhia Plaza, Opp. Lords Banquet Restaurant, Kasturba Road, Rajkot- 360 001.
City: (0281) 2479623/4; Airport: (0281) 2450202/203.

Srinagar: Dhanji Bhoj Building, The Bund, Sherwani Road, Srinagar-190 001.
City: (0194) 2480801 - 05; Airport: (0194)2303300/36; Fax: (0194)2435 362/2433 007.

Trivandrum: Akshaya Towers, 1st Floor, Sasthamangalam Junction, Trivandrum-695 010.
City: (0471) 2721018/2728864; Airport: (0471) 2500710/860.

Udaipur: 5 & 6 Blue Circle, Business Centre, 1 C, Madhuban, Udaipur-313001.
City: (0294) 5102222/2561105; Airport: (0294) 2656288/2656192.

Vadodara: 11, Panorama Building, Opp Welcome Group, R C Dutt Road, Vadodara 390 005.
City: (0265) 2330771/2337051; Airport: (0265)2483938/2484209/2483250.

Varanasi: Krishnayatana Bldg., 1st Floor, 5-20/56 D, Kennedy Road, The Mall Cantt, Varanasi-221 002. City: (0542) 2506444/555; Airport: (0542) 2622795/6/7.

INTERNATIONAL DESTINATIONS

Kathmandu: Annapurna Arcade, Durbar Marg, GPO Box 214, Kathmandu, Nepal
City: 009771 4222121/ 4243591/ 4221657; Airport: 009771 4461904/ 4461906.

Colombo: City ticketing office No. 1, Justice Akbar Mawatha, Colombo-2. City: 009411 2440880
Extn.: 311; Airport: 009411 2260088.

Singapore: Jet Airways (India) Limited (Singapore Branch), 108 Robinson Road
01-00 GMG Building, Singapore - 068900 Tel: 6227 0222 Fax: 6227 0244

Kuala Lumpur: Lot 2.3 & 2.5, Angkasa Raya Building, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.
Reservation: (603) 2141 3403 Fax: (0603) 2148 1357

London: Jet Airways (India) Ltd.,1000 Great West Road, Brentford, Middlesex, TW8 9HH.
Reservation: (0800) 0265626 Fax: (0800) 9101050/ 020 83801950. Tele check-in No. +44 208 564 8748
With effect from 15th June Toll Free No. is (0808) 1011199

Bangkok: Jet Airways (India) Ltd 8/15-16 Cabbage House, 4th Floor, North Sathorn Road, Bangrak,
Silom, Bangkok 10500, THAILAND Tel Number : off. 66-2-696-8980 Fax Number : off. 66-2-696-8955

Brussels: Jet Airways, Bessenveldstraat, 231831 Diegem, Belgium
City office & Airport No: 0800 99 99 0. Fax: 02/709 09 99. Toll Free No. 0800 99 99 0.

New York: 525 Washington Blvd., Suite 2005, Jersey City, NJ07310, USA City office No:+1 201 653 8001
Airport No: +1 973 504 8700

| THE FLEET | |
|-----------------|----------------|
| Aircraft | No. in Service |
| 737-400 | 4 |
| 737-700 | 14 |
| 737-800 | 29 |
| 737-900 | 2 |
| Boeing 777-300E | 4 |
| A330-200 | 4 |
| ATR72-500 | 8 |
| Total No. | 65 |
| Average Age: | 5.03 years old |

| FLEET FACTS | | | | |
|------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | B737-400 | B737-700 | B737-800 | B737-900 |
| Total in Service | 04 | 14 | 15 | 02 |
| Capacity | Club Première-24 Economy Class-112 | Club Première-20 Economy Class-102 | Club Première-28 Economy Class-126 | Club Première-32 Economy Class-138 |
| Engines | CFM56 3C1 | CFM56 7B22 | CFM56 7B24 | CFM56 7B24 |
| Cruise Speed | 815 kmph | 871 kmph | 871 kmph | 871 kmph |
| Length | 36.4 m | 33.6 m | 39.5 m | 41.9 m |
| Wing Span | 28.9 m | 34.3 m | 34.3 m | 34.3 m |

| FLEET FACTS | | | | |
|------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------|
| | B737-800 | B737-800 | B737-800 | B737-800 |
| Total in Service | 06 | 03 | 03 | 02 |
| Capacity | Club Première-24 Economy Class-126 | Club Première-24 Economy Class-126 | Club Première-16 Economy Class-124 | Economy Class-175 |
| Engines | CFM56 7B26 | CFM56 7B24 | CFM56 7B26 | CFM56 7B24 |
| Cruise Speed | 871 kmph | 871 kmph | 871 kmph | 871 kmph |
| Length | 39.5 m | 39.5 m | 39.5 m | 39.5 m |
| Wing Span | 35.7 m | 35.7 m | 35.7 m | 35.7 m |

| FLEET FACTS | | | | |
|------------------|------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | B777-300 ER | Airbus A330-200 | A330-200 | ATR 72-500 |
| Total in Service | 04 | 02 | 02 | 08 |
| Capacity | First Class-8 Economy Class-274 | Premire-30 Economy Class-190 | Premire-30 Economy Class-196 | Première-30 Economy Class-62 |
| Engines | GE90-115B | GE CF6-80E1A4/B | Rolls Royce Trent-772B | pw127f |
| Cruise Speed | 1029.04 kmph | 896 kmph | 850 kmph | 511 kmph |
| Length | 209ft. 02 inches | 188ft. 8.2 inches | 57,512 m (188 ft 8.2 in) | 27.17 m |
| Wing Span | 199 ft. 11 inches | 197ft. 10 inches | 60,304 m (197 ft 10 in) | 27.0 m |

JET AIRWAYS 

Jet Airways (India) Limited

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

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