

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of Jet Airways (India) Private Limited will be held on Wednesday, 29th September, 2004 at 5.00 p. m at 5th floor Conference Room, S. M. Centre, Andheri - Kurla Road, Andheri (East), Mumbai 400 059, to transact the following business:-

Ordinary Business

1. To consider and adopt the Directors' Report, the Auditor's Report and the Audited Profit & Loss Account for the year ended 31st March 2004, and the Balance Sheet as at that date.
2. To appoint Directors in place of those retiring.
3. To appoint Auditors and for this purpose to consider, and if thought fit, to pass, with or without modification(s), if any, the following resolution as an Ordinary Resolution -:

"RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company in place of retiring auditors M/s. C. C. Chokshi & Co., Chartered Accountants, Mumbai, to hold office till the conclusion of the next Annual General Meeting and such audit to be carried out by the two firms as Auditors by mutual arrangement and such remuneration as may be mutually agreed upon by the Board of Directors in consultation with them plus reimbursement of service tax and actual out of pocket expenses".

Special Business

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

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 1956, if any, the Company hereby approves the re-appointment of Mr. S. K. Datta as Executive Director of the Company, from 1st September, 2004 to 29th September, 2004, on the following terms of remuneration:

i. Salary:

Basic	:	Rs. 1,92,500 /- per month
Other allowances	:	Not exceeding Rs. 88,000/- per month

ii. Perquisites:

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 applicable in accordance with the Rules of the Company."

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

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 1956, if any, the Company hereby approves the re-appointment of Mr. S. K. Datta as Executive Director of the Company, from 30th September, 2004 upto the date of the 13th Annual General Meeting or 30th September, 2005, whichever is earlier, on the following terms of remuneration:

i. Salary:

Basic	:	Rs. 1,92,500 / - per month
Other allowances	:	Not exceeding Rs. 88,000/- per month

ii. Perquisites:

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 applicable in accordance with the Rules of the Company."

BY ORDER OF THE BOARD OF DIRECTORS
For JET AIRWAYS (INDIA) PVT. LTD.


A. R. RAJARAM
Company Secretary

Dated : 16th September, 2004

Registered Office :
41/42, Maker Chambers III,
Nariman Point,
Mumbai - 400 021.

Notes

1. 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.
2. Proxies, in order to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. The relevant Explanatory Statement in respect of Item No. 4 and 5 of the Notice is annexed hereto.
4. In accordance with Article 49 of the Articles of Association of the Company, all retiring Directors shall retire annually at the Annual General Meeting of the Company. The said Article 49 provides for Mr. Naresh Goyal to appoint all the Directors to the Board annually at the Annual General Meeting of the Company. Accordingly, persons nominated by Mr. Naresh Goyal as Directors shall be appointed at the ensuing Annual General Meeting. Mr. T. N. V. Ayyar however does not seek re-appointment in view of his letter dated 21st July, 2004.
5. A special notice in terms of Section 190 of the Companies Act, 1956 read with section 225(1) of the Companies Act, 1956 has been received from Tail Winds Limited, a shareholder proposing the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants & M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai as Joint Auditors of the Company as M/s. C. C. Chokshi & Co do not seeking re-appointment at the ensuing 12th Annual General Meeting. The proposed joint auditors being eligible have offered themselves for appointment.

The following are available for inspection at the Registered Office of the Company during business hours :

1. Letter dated 30th July, 2004 from M/s. C. C. Chokshi & Co expressing their desire not to seek re-appointment
2. Letter dated 31st July, 2004 from Tail Winds Limited, a shareholder proposing the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants & M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai as Joint Auditors
3. Letter dated 6th September, 2004 from M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai and letter dated 20th August, 2004 from M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai expressing their eligibility to act as joint auditors, if appointed.

Explanatory statement

(Annexed pursuant to Section 173 of the Companies Act, 1956)

Item No. 4

At the Board Meeting held on 20th September, 2003, the Board of Directors had re-appointed Mr. S. K. Datta as Executive Director for a period of one year effective from 1st September, 2003 which was ratified by the Shareholders at the 11th Annual General Meeting held on 20th September, 2003. His tenure of appointment expired on 31st August, 2004.

The Directors, in terms of Article 100 of the Articles of Association of the Company have approved the re-appointment of Mr. S. K. Datta as Executive Director on the existing terms of remuneration as described in the resolution.

Accordingly the shareholders are requested to ratify the re-appointment of Mr. S. K. Datta by passing the Ordinary Resolution as set out in the accompanying Notice.

Except Mr. S. K. Datta, no other Director is concerned or interested in the proposed resolution.

Item No. 5

In terms of the proposed Resolution at Item No. 4 of the accompanying Notice, the term of office of Mr. S. K. Datta as Executive Director expires on 29th September, 2004.

It is proposed to re-appoint Mr. S. K. Datta as an Executive Director from 30th September, 2004 upto the date of the 13th Annual General Meeting or 30th September, 2005, whichever is earlier, on terms of remuneration as described in the resolution.

Accordingly the shareholders are requested to ratify the re-appointment of Mr. S. K. Datta by passing the Ordinary Resolution as set out in the accompanying Notice.

Except Mr. S. K. Datta, no other Director is concerned or interested in the proposed resolution.

BY ORDER OF THE BOARD OF DIRECTORS

For JET AIRWAYS (INDIA) PVT. LTD.


A. R. RAJARAM
Company Secretary

Dated : 16th September, 2004

Registered Office:
41/42, Maker Chambers III,
Nariman Point,
Mumbai - 400 021.



DIRECTORS' REPORT

Dear Members,

1. Your Directors have pleasure in presenting their Twelfth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2004.

FINANCIAL HIGHLIGHTS

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

PARTICULARS	YEAR ENDED 31.03.04 RS. (000)	YEAR ENDED 31.03.03 RS. (000)	% Variation
GROSS REVENUE	35,508,014	29,391,069	20.69%
Profit before Interest, Depreciation & Tax	7,210,650	2,711,913	168.92%
Interest	498,081	435,576	22.97%
Profit before Depreciation & Tax	6,712,569	2,276,337	194.88%
Depreciation	5,151,543	4,732,715	8.85%
Profit / (Loss) Before Taxation & Adjustments	1,561,026	(2,456,378)	
Provision for Tax	(150,330)	(500)	
Deferred Tax Credits	Nil	12,377	
Profit / (Loss) after Taxation	1,410,696	(2,444,501)	
Profit / (Loss) for the year	1,410,696	(2,444,501)	
Balance brought forward	(2,811,223)	96,749	
Profit / (Loss) available for appropriation	(1,400,527)	(2,347,752)	
Provision for dividend on Preference Shares no longer required	Nil	1,686	
Total	(1,400,527)	(2,346,066)	
Opening Deferred Tax Liability	Nil	(465,157)	
Transferred to Balance Sheet	(1,400,527)	(2,811,223)	
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DIVIDEND

3. In view of the carry forward losses, the Board of Directors is not in a position to recommend any dividend on either equity or preference shares.

REVIEW OF OPERATIONS

4. During the year under review, the Company carried 6.91 million passengers compared to 6.41 million in the previous Financial Year, an increase of 7.8%. Your Company operated at an average seat factor of 63.9 % during the Year under review compared to 62.3% in the previous Financial Year. Your Company enjoyed a market share of 46% in terms of number of passengers carried in the domestic aviation sector, the largest among all domestic carriers. This was achieved in an increasingly competitive environment.
5. At the end of the current Financial Year, the Company had a fleet of 41 aircraft (Financial Year 2002-03 :41) comprising of 33 Boeing 737 and 8 ATR72-500 aircraft. During the year under review, the Company added two new Next Generation B737-900 aircraft to its fleet, and sub-leased two Boeing 737-400 aircraft to Skynet Airways, Japan, for a period of 5 years.
6. During the year under review the Company received the following awards, a measure of the Company's high levels of service and reliability
- ♦ In May 2003, your Company was awarded the Boeing Company Award for maintaining 'Best Technical Despatch Reliability' for 2002, in view of maintaining technical despatch reliability in excess of 99 per cent during the calendar year 2002.
 - ♦ In August 2003, the Company was declared a 'Superbrand' by the world's leading authority on branding, the Superbrands Council.
 - ♦ In December 2003, the Company won the first ever Galileo-Express Travel & Tourism Award for 'India's Best Domestic Airline' for the year 2003
 - ♦ In February 2004 the Company won all three awards, instituted during the year by "feBusiness Traveller", viz. for 'Best Business Class', 'Best Economy Class' and 'Best Service (Airport & Inflight)' in the Domestic Airline category.
7. During the year under review, the Company commenced its maiden international operations to Colombo, Sri Lanka on 23rd March, 2004 with a daily flight from Chennai. The Company also commenced operations to Kathmandu, Nepal on 14th May, 2004.

DIRECTORS' RESPONSIBILITY STATEMENT

8. As required under Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- i. in the preparation of Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- ii. the Directors had 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 Loss of the Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and to preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the Annual Accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

9. The information required pursuant to section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect of these items is given below:

a. Conservation of Energy:

Your Company has taken adequate steps to conserve energy wherever possible. As a part of its policy of deploying fuel-efficient aircraft, the Company has, as mentioned in Paragraph 5 above, added two Next Generation Boeing 737-900 aircraft to its fleet. The Company monitors fuel consumption of its aircraft on an on-going basis.

b. Technology Absorption - Training of Pilots:

During the year under review, the Company's pilots were given endorsement and refresher training for Boeing Aircraft at the Company's Simulator Training Centre at Mumbai. The training was conducted by the Company's own instructors. For its ATR fleet, the Company's Pilots were given endorsement and refresher training for ATR aircraft at ATR's Simulator facility, at Bangkok. The training was also conducted by the Company's own instructors.

c. Foreign Exchange Earnings and Outgo:

The particulars of Foreign Exchange Earnings and utilization during the year under review are given in Note No. 15.2 of Schedule 'R' the Accounts.

DIRECTORS

10. Mr. Ali Ghandour, Mr. Vic P. Dungca, Mr. Charles A Adams, Mr. Javed Akhtar, Mr. J. R. Gagrath, Mr. S. K. Datta, Mr. T.N.V.Ayyar, Mr. Dipankar Basu, and Mr. I. M. Kadri were appointed as Directors of the Company at the 11th Annual General Meeting held on 20th September, 2003 and they hold the office until the 12th Annual General Meeting.
11. Mr. Gert van der Veer served as a Director of the Company till 20 September 2003. The Board of Directors place on record their appreciation of the contribution made by Mr. Van der Veer during his tenure on the Board.
12. Mr. P. R. S. Oberoi was appointed as Additional Director on 29th March, 2004, and holds office until the 12th Annual General Meeting.

AUDITORS

13. At the ensuing Annual General Meeting, members will be requested to appoint statutory Auditors for the Financial Year 2004-5 and to fix their remuneration.

PARTICULARS OF EMPLOYEES

14. A statement giving particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is annexed hereto and forms part of this Report.

SOCIAL CAUSE

15. Your Company supports an inflight collection programme viz. "The Magic Box" to support "SAVE THE CHILDREN", a voluntary organization wholly committed to the welfare, survival, protection, participation and development of the underprivileged children of India.

ACKNOWLEDGEMENTS

16. Despite a difficult year, the Company has been able to turn around its operations. Thanks are due to the Company's staff, for their dedication, for their commitment to the Company's service standards and for their teamwork.
17. Your Directors place on record their appreciation for the contributions of the members of the Management team in achieving an impressive performance, during the year under review.

18. Your Directors would also like to place on record their appreciation for the support rendered by the Company's General Sales Agents and Travel Agents without whose efforts it would not have been possible to achieve the improved working results.
19. Your Directors also take this opportunity to thank the Ministry of Civil Aviation, Government of India, the DGCA and the Airports Authority of India for their support and guidance. Your Directors are also grateful to the Reserve Bank of India, the Ministry of Finance, Government of India, IFC Washington D. C., the US ExIm Bank, financial institutions and banks, the Boeing Company 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 : May 28, 2004

Place : Mumbai

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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Jet Airways (India) Private Limited, as at 31st March 2004 and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 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 paragraph 4 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the 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 accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.