

# New destinations. New challenges.

report  junction.com





## 16th Annual Report 2007-08

### Contents

Corporate Information .....	2
Notice of the 16th Annual General Meeting .....	4
Directors' Report .....	10
Management Discussion and Analysis .....	19
Corporate Governance Report and Shareholder Information .....	28
Auditors' Certificate on Corporate Governance Report .....	44
Auditors' Report .....	45
Balance Sheet .....	50
Profit and Loss Account .....	51
Cash Flow Statement .....	52
Notes and Schedules forming part of Balance Sheet and Profit and Loss Account	54
Balance Sheet Abstract and Company's General Business Profile .....	86
Statement Pursuant to Section 212(1) of the Companies Act, 1956 relating to Subsidiary Company.....	88
Audited Consolidated Statement of Accounts .....	89
Directors' Report and Audited Statement of Accounts of Subsidiary Company ...	121



## Corporate Information

2

### Board of Directors (as on 1st September, 2008)

Mr. Naresh Goyal	Chairman
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	
Mr. S. G. Pitroda	
Mr. Yash Raj Chopra	
Mr. Shah Rukh Khan	
Mr. Pierre Jean Jeannot	
Mr. Saroj K. Datta	Executive Director

### Senior Management

Mr. Wolfgang Prock-Schauer	Chief Executive Officer
Mr. Saroj K. Datta	Executive Director
Mr. Abdulrahman Albusaidy	Group Executive Officer
Capt. Hameed Ali	Chief Operating Officer
Mr. Sudheer Raghavan	Chief Commercial Officer
Mrs. Anita Goyal	Executive Vice President - Network Planning & Revenue Management

### Company Secretary

Mr. Shirish Limaye

### 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  
Nariman Point  
Mumbai - 400 021

### Legal Advisors

#### Gagrats

Nirmal, 12th Floor  
Nariman Point  
Mumbai 400 021



## Jet Airways (India) Limited – 16th Annual Report 2007-08

3

### Registered Office

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

### Registrar & Share Transfer Agents

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

### Bankers to the Company

ABN AMRO BANK  
AXIS Bank Ltd.  
(formerly known as UTI Bank Ltd.)  
Abhu Dhabi Commercial Bank  
Bank Of America  
Banque Nationale de Paris  
Barclays Bank  
Calyon Bank  
Citibank N.A.  
Corporation Bank  
DBS Bank Ltd  
Dena Bank

Deutsche Bank AG  
HDFC Bank Ltd.  
ICICI Bank Ltd  
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  
The Hong Kong & Shanghai Banking  
Corporation Ltd  
YES Bank

Report  Junction.com



**Notice** is hereby given that the **Sixteenth Annual General Meeting** of the Members of Jet Airways (India) Limited will be held on Monday, 29th September, 2008 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, 2008 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. G. Pitroda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Javed Akhtar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Saroj K. Datta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ali Ghandour, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of the 16th Annual General Meeting until the conclusion of the 17th Annual General Meeting, and to fix their remuneration.

### SPECIAL BUSINESS

#### 7. 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 of three years, with effect from 30th September, 2008, upon the terms and conditions as set out in the Explanatory Statement annexed hereto and as may be approved by the Central Government, 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."

#### 8. Payment of Commission to Non-executive Directors for the Financial Year 2008-09

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



## Jet Airways (India) Limited - 16th Annual Report 2007-08

5

Financial Year 2008-09 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. 600,000/- (Rupees Six Hundred Thousand 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

SHIRISH LIMAYE  
Company Secretary

Dated: 1st September, 2008

### Registered Office:

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

Report  junction.com

### Notes

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 7 and 8 of the Notice is annexed hereto. The relevant details of persons seeking re-appointment as Directors under Item Nos. 2 to 5 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 remain closed from 17th September, 2008 to 29th September, 2008, both days inclusive.
4. 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 advice about change in address / any other details to their respective Depository Participants and not to the Company or its Registrar and Share Transfer Agent.



5. 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 4.
6. 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.
7. 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.
8. 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.
9. 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. 7 and 8 of the accompanying Notice:

##### **Item No. 7**

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 16th Annual General Meeting.

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

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 and Compensation Committee of the Board of Directors and subject to the approval of the Central Government, is as follows:

**(i) Salary and Allowances:**

The proposed Salary and Allowances is Rs. 1,100,000 /- (Rupees One Million One Hundred Thousand only) per month with authority to the Board of Directors based on the recommendation of the Remuneration and Compensation Committee to give annual increment not exceeding 20% of the immediately previously drawn Salary and Allowances.

**(ii) Perquisites:**

In addition to the Salary and Allowances aforesaid, Mr. Saroj K. Datta shall be entitled to Perquisites (at actual cost to the Company) such as free furnished accommodation, use of Company's car, telephone at residence, medical reimbursement and medical coverage, ex gratia, 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 any or all of 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. 8**

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 29th July, 2008 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 2008-09, a sum not exceeding 1% of the net profits of the Company, calculated in accordance with provisions





## Jet Airways (India) Limited - 16th Annual Report 2007-08

8

of Section 198, 349 and 350 of the Companies Act, 1956, subject to a ceiling of Rs. 600,000/- (Rupees Six Hundred Thousand 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



SHIRISH LIMAYE  
Company Secretary

Dated: 1st September, 2008

**Registered Office:**

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



## Jet Airways (India) Limited - 16th Annual Report 2007-08

9

### Annexure to Notice

#### Details of the Directors seeking re-appointment at the 16th Annual General Meeting

Particulars	Mr. S. G. Pitroda	Mr. Javed Akhtar	Mr. Saroj K. Datta	Mr. Ali Ghandour
Date of Birth	4th May, 1942	17th January, 1945	3rd May, 1936	28th May, 1931
Date of Appointment	24th December, 2004	1st March, 1993	1st March, 1993	19th February, 1998
Qualifications	Masters Degree in Physics from India and Masters Degree in Electrical Engineering from the Illinois Institute of Technology, Chicago, U.S.A.	Bachelor of Arts	Master degree in Economics from Delhi University	Aeronautical Engineer from New York University, U. S. A.
Expertise in specific functional area	Mr. Pitroda worked with Rockwell International as Vice President of its telecom business worldwide. In 1984, Mr. Pitroda returned to India and founded the Centre for Development of Telematics. In 1987 he became an advisor to the Prime Minister of India, with the rank of a Minister, on national technology missions in various fields. Mr. Pitroda was the founding Chairman of the Telecom Commission in India. Mr. Pitroda has been appointed a member of the National Advisory Council, in the Prime Minister's Office in India under the Chairmanship of Ms. Sonia Gandhi. Currently, Mr. Pitroda is the Chairman of WorldTel Limited. Mr. Pitroda holds over 50 worldwide patents.	Mr. Akhtar is a well-known poet, lyricist, screenplay and scriptwriter and is a famous media personality. Mr. Akhtar has won fourteen times Filmfare Award, five times National Award for the Best Lyricist / Best Script. He has also won Padma Bhushan Award in 2007, Padmashri Award in 1999 by the Government of India, besides many other awards.	Mr. Datta has over 40 years of experience in civil aviation in India and abroad. He joined Air India in 1962 and rose to the position of Deputy Director, Planning and International Relations in 1977. In 1987, he left Air India to join in a senior position in Kuwait Airways. He has been involved with the Company since its inception and is currently the Executive Director of the Company	Mr. Ghandour has over 50 years of experience in the civil aviation industry. He was an advisor of the late King Hussein of Jordan and was earlier the Chairman of the Royal Jordanian Airlines. He has also been associated with the development of a number of airlines in Middle East.
Directorships held in other Public Companies (excluding foreign and private companies)	None	Jet Lite (India) Limited	Jet Lite (India) Limited	None
Memberships/ Chairmanships of Committees in Public Companies	None	Audit Committee – Jet Lite (India) Limited	None	None
Shareholding, if any, in the Company	Nil	5,990	553	Nil