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Jet Airways (India) Limited | Annual Report 2015



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Letter from the Chairman



Dear Shareholders,

The Financial Year 2014-15 was another challenging year for the Indian aviation sector, in which interestingly, the entry of some new airlines has underpinned the potential this sector holds. Your Company welcomes competition as we feel it will not only help improve customer experience, but would also highlight the true potential of the aviation industry to be an economic driver of India's trade, as well as boost tourism for the country.

Internationally, it has been a year where emphasis on safety and sustainability have emerged as the aviation industry's two top priority themes.

Safety, especially, has forced the airline industry, governments and the media to raise questions on issues such as aircraft tracking, overflight across conflict zones and psychological fitness of cockpit crew. These are issues that need to be progressively addressed in order to improve the operational safety standards for airlines globally.

The second theme clearly emerging is that of sustainability. Efficiency gains through process improvements, consolidation and the careful balancing of capacity with demand are paying off for consumers and for the industry. A fall in oil prices in the latter part of 2014 and sustaining the same lower levels into 2015, also contributed to improved financial sustainability of airlines all over the world.

For your Company, it was a year of reinventing, as we decided to go back to our roots and implement a full service single brand strategy for the Group. The single brand strategy was a major decision to roll-out a consistent, single brand full-service product, including complimentary dining across all travel classes throughout our network. The move was aimed at providing our guests with a significantly seamless and enhanced service experience across all touch points of their contact with your airline -- be it in the air or on the ground. At the core of this full service strategy was the "Guest First" approach to customer service and hospitality, which is helping your Company in attracting new guests while cementing relations with existing ones. I am happy to state that this coupled with other initiatives like enhanced connectivity, on-time performance, operational efficiencies and cost rationalization have led to an increase in our load factors.

In the Financial Year 2014-15, your Company's international business continued to be robust. Revenues from international operations accounted for over 59 per cent of the Company's total revenues. Enhanced domestic connectivity with the introduction of 12 new routes in the winter schedule further helped your Company.

Moving to some significant developments, the year 2014-2015 was the first full year after your Company's strategic alliance with Etihad Airways. Your Company has moved quickly to derive synergies across all areas, including network growth, revenue enhancement, operational and cost improvements, to the mutual benefit of both airlines, and most importantly, to provide greater convenience and choices to our guests.

The home hubs at Mumbai and Delhi continue to be central pillars of your Company's network strategy. During the year, a total of 23 inbound and outbound flights were introduced from the national capital, New Delhi to other key metros and Tier II & Tier III cities. These include Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Guwahati, Lucknow, Patna, Srinagar, Jaipur and Pune.

Some of these flights include late night departures from New Delhi to Mumbai, Chennai, Kolkata, Pune and Bengaluru. Your Company has also increased frequencies to Pune, Goa and Imphal looking at the growing demand in these sectors owing to buoyant business and tourist travel. The 31 additional domestic frequencies are in line with your Company's strategy to deliver a full service, consistent, high quality travel experience to its guests across India.

On the international front, your Company has worked tirelessly to strengthen its home hubs by adding international services to new destinations, and connected Mumbai to Paris and New Delhi to Ho Chi Minh City. It also launched additional flights to Dubai, Doha and Dammam in the Gulf region.

Additionally, your Company progressively expanded its operations to Abu Dhabi. Direct international flights were introduced from more Indian points as your Company commenced services from Lucknow, Goa, Ahmedabad and Pune to Abu Dhabi.

In an effort to expand its international footprint, your Company also introduced enhanced connectivity through numerous codeshares with partner airlines in the last Financial Year, giving travelers increased schedule and connectivity options.

With 574 weekly return flights from 12 Indian cities, your Company today operates more flights to the Gulf region than any other Indian carrier. Today, your Company and Etihad Airways together operate over 4,300 international flights a month, connecting India to the world.

All of these measures are working well for your Company, as it continues to work tirelessly on its three year recovery plan to return your Company to profitability.

Importantly, your Company successfully concluded a five-year syndicated loan facility transaction of USD 150 Million. Mashreqbank PSC, was the sole initial mandated lead arranger and book runner for the transaction. The transaction was fully subscribed to by banks spread across the Middle East region, from Dubai, Abu Dhabi, Bahrain and Doha.

JetPrivilege, the internationally acclaimed, award-winning loyalty rewards and frequent flyer program of your Company announced the launch of a truly novel enhancement in the form of the MyFamily+ program. This new feature allows JetPrivilege members to connect and link their nominated family members' accounts into a single MyFamily+ account to further enrich their family's travel experience.



With a constant focus on using innovative technology to enhance passenger value, your Company was once again at the forefront. In a first-of-its-kind initiative in India, your Company successfully collaborated with the Bureau of Civil Aviation Security of India and the Bangalore International Airport Limited on a unique pilot project to test the use of Mobile Boarding Passes on its flights. For the very first time in India, guests were able to use bar-coded boarding passes on their mobile phones to enter Bengaluru's Kempegowda International Airport, pass through security and board their flight, thus, eliminating the need for paper or physical boarding passes, fast tracking the departure processes and supporting our responsibility towards protecting our environment.

Your Company was also the first to integrate Google Now into the booking system for guests booking flights on its website and through its mobile application. Google Now has the ability to show guests timely and relevant updates through Google Now flight cards. In addition to the above, your Company also launched an all new self check-in service on mobile devices.

Your company also recently launched a new website www.jetairways.com, which has been built around the theme, 'Designed to Delight.' A one-stop travel solution for guests, the all new website features user friendly navigation, simplified and integrated booking process and responsive design for a seamless experience across all devices. In addition, the new website also provides for easy accessibility for differently-abled guests.

Your Company also unveiled #JetInstant, a first-of-its-kind online feature that enables guests to access information on fares and flight status in real-time through Twitter.

Importantly, in line with its social responsibilities your Company was among the first few to come to the aid of those stranded in Leh and Kathmandu during the recent natural calamities which struck these cities. Your Company operated special flights to fly relief material and ferry those stranded. As we have done in the past, the Airline continues its commitment to Corporate Social Responsibility through its well-recognized inflight Magic Box collection programme that helps support education and sustainable community services by partnering with the non-governmental organization – (NGO) Save the Children India (STCI).

I would like to emphasize that your Company continues to work towards building a stronger base for the future through hard work, dedication and team efforts by demonstrating the ability to take tough decisions that are in the long term interest of your Company and all its Stakeholders.

My fellow Directors, the Management of your Company and I continue to be optimistic on our growth strategy and on the expansion of your Company. I can confidently assert that we will spare no efforts to realize our three year turnaround plan to profitability.

It is heartening to see Government initiatives like the Make in India campaign aimed to transform our country into a global manufacturing hub. This, in addition to travel specific initiatives like visas on arrival, electronic pre-travel authorization and enhanced connectivity on domestic routes will undoubtedly go a long way in helping India leverage the growth in global trade and also position itself as a global tourism brand that is physically invigorating, mentally rejuvenating and culturally and spiritually enriching. All of the above significantly enhances both tourism arrivals into and trade within the country, which augurs well for your Company.

It is, however, essential to collectively address the challenges and high input costs faced by the industry in order to achieve self-sustaining and profitable growth that will nurture our economy and nurse the Indian aviation sector back to health.

The aviation sector is looking forward to the desired incentives from the Government of India to address the burden of increased taxation, the high taxes on Aviation Turbine Fuel and increased surcharge and airport related levies. We look forward to encouragement to the aviation sector, which has grown by leaps and bounds over the past decade resulting in enhanced connectivity to more towns in the Indian hinterland.

I would like to take this opportunity to express our most sincere gratitude to our valued guests, our loyal JetPrivilege members for their continuing patronage and to our esteemed shareholders for the continued faith reposed in your Company. I am equally grateful to all our partners, vendors, aircraft and engine manufacturers and lessors and the various national and international banks for their continued support.

I also thank the Indian Government, the Ministry of Civil Aviation and the Directorate General of Civil Aviation for working cohesively towards restoring India's aviation safety status by the US Federal Aviation Administration (FAA), following the downgrade last year. This will help us crystallize our plans to fly to more destinations in the United States of America. I am also grateful to all other Government Ministries and Departments for their continued support and cooperation.

I would like to take this opportunity to extend our grateful thanks to the various State governments for their continued support. I would also like to thank the Airports Authority of India, Delhi International Airport Private Limited, Mumbai International Airport Private Limited, and the Bureau of Civil Aviation whose unwavering cooperation has helped us deliver our services to our guests.

I cannot but also extend to all of you my friends in the Media, our heartfelt thanks for your continued patience and encouragement.

Finally, my gratitude goes out to my fellow Directors, the Management team and every member of our Company's staff for their tireless efforts, hard work, dedication and loyalty to sustain high service levels that have come to be associated with your Company.

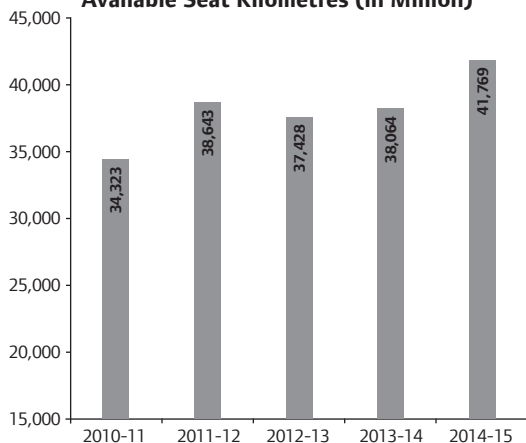
With kind regards,

Naresh Goyal
Chairman

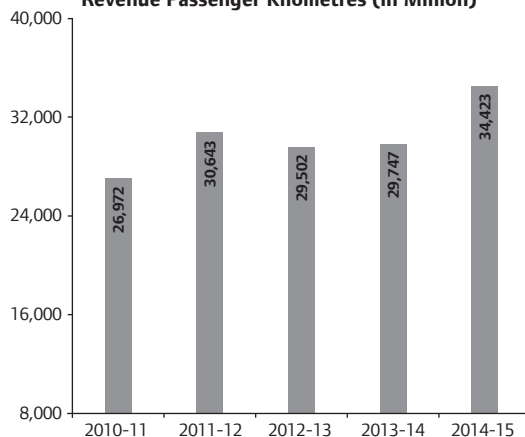


Operating Highlights

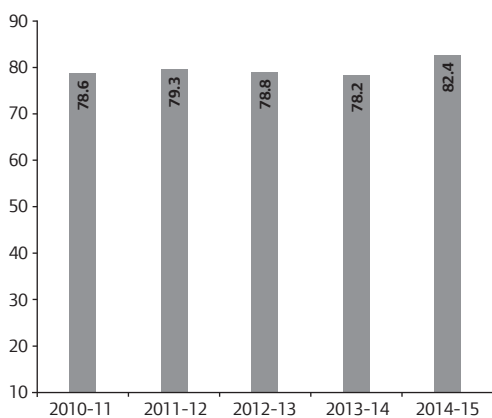
Available Seat Kilometres (in Million)



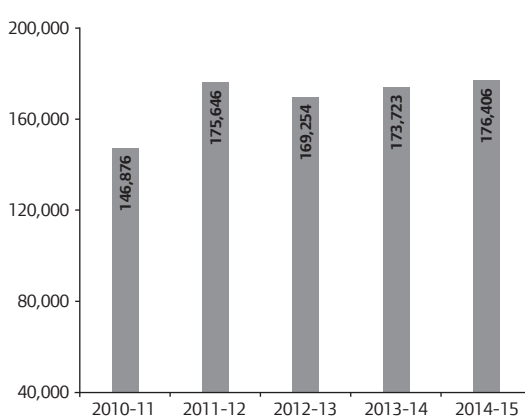
Revenue Passenger Kilometres (in Million)



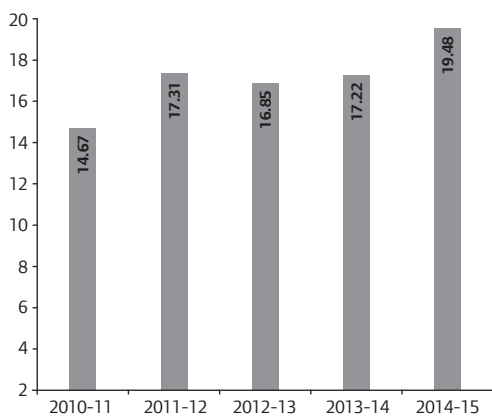
Passenger Load Factor (%)



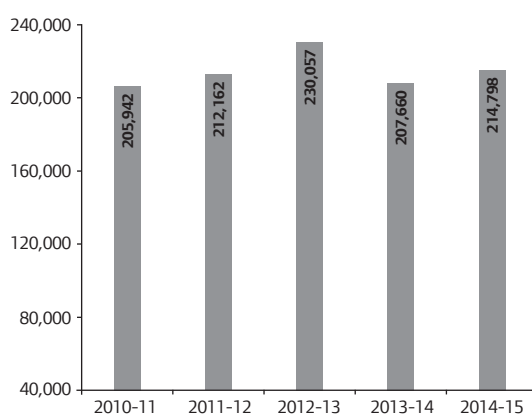
Number of Departures



Revenue Passenger (in Million)



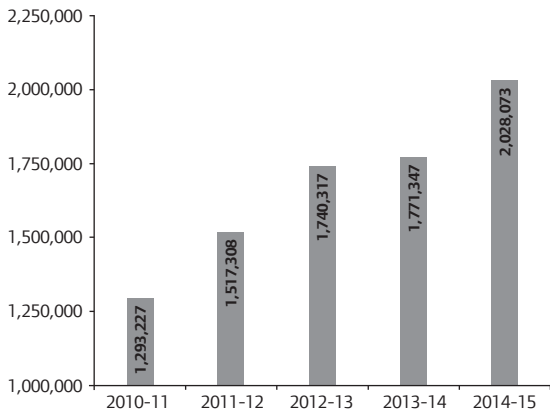
Cargo Tonnes



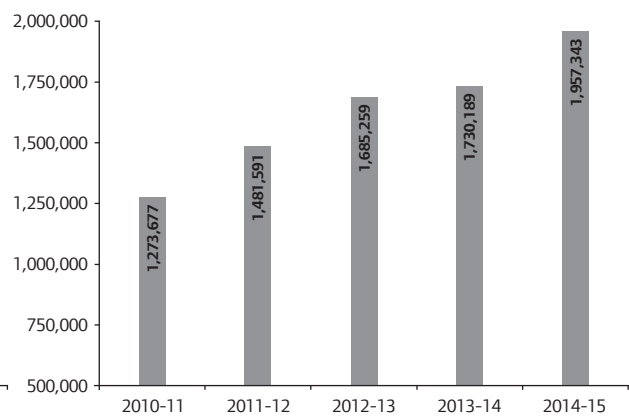


Financial Highlights

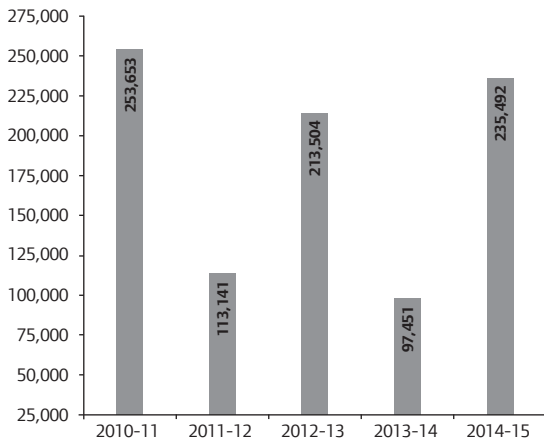
Income (lakh ₹)



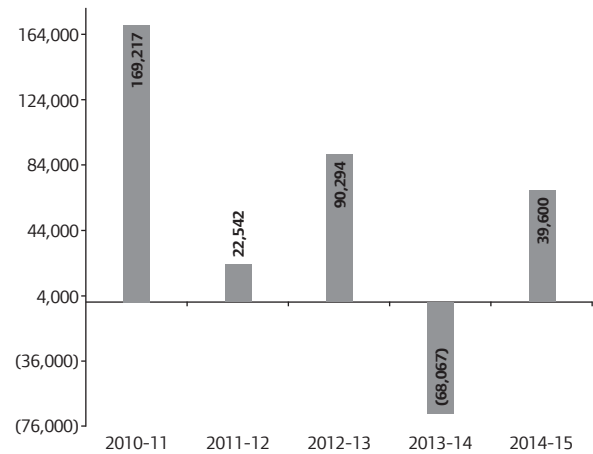
Operating Revenue (lakh ₹)



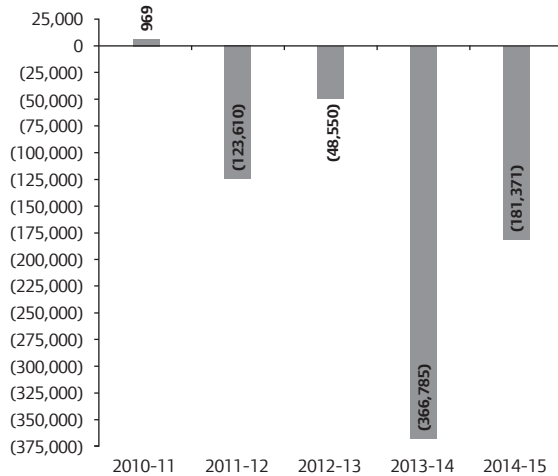
EBTDAR (lakh ₹)



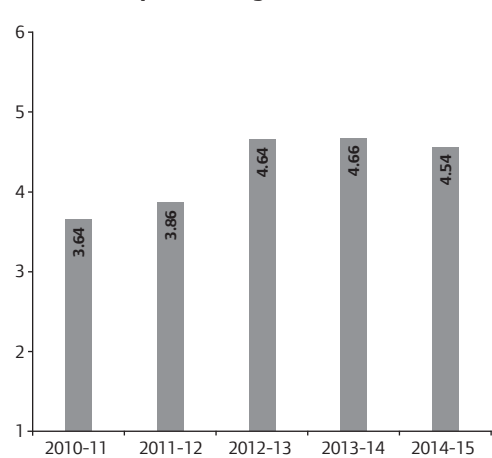
EBTDA (lakh ₹)



Profit After Tax (₹ lakh)



Revenue per Passenger Kilometres (₹)





Corporate Information

Board of Directors

Mr. Naresh Goyal	Chairman
Mr. James Hogan	
Mr. James Rigney	
Mr. Javed Akhtar	
Mr. I. M. Kadri	
Mr. Aman Mehta	
Mr. Dinesh Kumar Mittal	
Mr. Diwakar Gupta	(Appointed on 16 th May, 2015)
Mrs. Anita Goyal	(Appointed on 8 th April, 2015)
Mr. Gaurang Shetty	Whole Time Director (With effect from 24 th May, 2015)

Company Secretary

Mr. Arun Kanakal

Statutory Auditors

Deloitte Haskins & Sells LLP
Chaturvedi & Shah

Legal Advisors

Gagrats

CIN No.: L99999MH1992PLC066213

Registered Office

Siroya Centre
Sahar Airport Road
Andheri (East)
Mumbai 400 099
Tel: +91 22 6121 1000
Fax: +91 22 6121 1950

Registrar & Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Tel: +91 40 6716 1500
Fax: +91 40 2300 1153
Email: einward.ris@karvy.com
Contact Person: Mr. S. V. Raju

Bankers

Abu Dhabi Commercial Bank
Allahabad Bank
AXIS Bank Limited
Banca Popolare Di Milano
Bank of America N.A.
Bank of Baroda
Bank of India
Barclays Bank Plc
Canara Bank
Citibank N.A.
Corporation Bank
DBS Bank Limited
DVB Bank SE
First National Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Overseas Bank
ING Belgium SA / N.V.
JP Morgan Chase, N.A.
Kotak Mahindra Bank Limited
Lloyds Bank (formerly known as Bank of Scotland Plc)
Mashreq Bank PSC
Punjab National Bank
Standard Chartered Bank Plc
State Bank of India
The Hong Kong & Shanghai Banking Corporation Limited
The Royal Bank Of Scotland N.V. (formerly known as ABN AMRO Bank)
Yes Bank



Notice

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Jet Airways (India) Limited will be held at ITC Maratha Hotel, Sahar Airport Road, Andheri (East), Mumbai - 400 099 on Friday, 14th August, 2015, at 3.00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. Adoption of audited Financial Statements and Reports of the Directors and the Auditors

To receive, consider and adopt the audited Financial Statements (including audited consolidated Financial Statements) for the Financial Year ended 31st March, 2015, together with the Reports of the Directors and the Auditors thereon.

2. Re-appointment of a Director

To appoint a Director in place of Mr. James Hogan (DIN: 06540486), who retires by rotation, and being eligible, offers himself for re-appointment.

3. Re-appointment of Joint Statutory Auditors

To re-appoint M/s Chaturvedi & Shah, Chartered Accountants (Registration Number 101720W), as the Joint Statutory Auditors of the Company to hold office from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, and the rules framed there under, as amended from time to time, M/s Chaturvedi & Shah, Chartered Accountants, (Registration Number 101720W) be and are hereby reappointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting (subject to the ratification by the Members of the Company at every subsequent Annual General Meeting) that may be held before the Twenty Fifth Annual General Meeting and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the Financial Year ending 31st March, 2016.

4. Appointment of M/s BSR & Co, LLP, Chartered Accountants as Joint Statutory Auditor

Appointment of M/s. BSR & Co, LLP, Chartered Accountants (Registration Number 101248W/W-100022) as Joint Statutory Auditor in place of M/s Deloitte Haskins & Sells LLP, Chartered Accountants the retiring Joint Statutory Auditors to hold office, for five years, from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Eighth Annual General Meeting of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, and the rules framed there under, as amended from time to time, M/s BSR & Co, LLP, Chartered Accountants, (Registration Number 101248W/W-100022) be and are hereby appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Eighth Annual General Meeting, subject to the ratification by the Members of the Company at every subsequent Annual General Meeting that may be held before the Twenty Eighth Annual General Meeting and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the Financial Year ending on 31st March 2016.

SPECIAL BUSINESS:

5. Appointment of Mrs. Anita Goyal as a Director

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

"RESOLVED THAT pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment for the time being in force), Mrs. Anita Goyal (DIN: 01992051), who was appointed by the Board of Directors as an Additional Director with effect from 8th April, 2015, and who holds Office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."



Notice (Contd.)

6. Re-Appointment of Mr. Iftikhar Kadri as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Iftikhar Kadri (DIN 00081694), in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of one year from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting of the Company."

7. Re-Appointment of Mr. Aman Mehta as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Aman Mehta (DIN 00009364), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of one year from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting of the Company."

8. Re-Appointment of Mr. Javed Akhtar as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Javed Akhtar (DIN 00112984), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of three year(s) from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting of the Company."

9. Re-Appointment of Mr. Dinesh Kumar Mittal as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Dinesh Kumar Mittal (DIN 00040000), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of three year(s) from the conclusion of the Twenty Third Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting of the Company."

10. Appointment of Mr. Gaurang Shetty as a Whole Time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Central Government approval, if required, the Company hereby accords its approval to the appointment of Mr. Gaurang Shetty (DIN 01293134) as a Whole Time Director of the Company for a period of two years with effect from 24th May, 2015 on the terms and conditions including remuneration as set out in the Explanatory Statement to the Notice with authority to the Board of Directors and the Nomination & Remuneration Committee to vary or increase the remuneration and perquisites payable or to be provided to Mr. Gaurang Shetty, including any monetary value thereof to the extent the Board of Directors may consider appropriate and to alter and vary the terms and conditions of the agreement entered into by the Company with Mr. Gaurang Shetty, as may be agreed between the Board of Directors and Mr. Gaurang Shetty.