

JET AIRWAYS 

*Joy of Flying.*

---

*Jet Airways (India) Limited | Annual Report 2016.*



20 Codeshare Partners

31 Frequent Flier Partners

148 Interline Partners

105 Interline eTicketing Partners

58 Through Check-in Partners

*It's how we connect you across the globe.*

### Codeshare Partners



### Frequent Flier Partners



**Contents**

|  |     |
|--|-----|
| Letter from the Chairman                               | 02  |
| Operating Highlights                                   | 04  |
| Financial Highlights                                   | 05  |
| Corporate Information                                  | 06  |
| Notice of the 24 <sup>th</sup> Annual General Meeting  | 07  |
| Board's Report   | 21  |
| Management Discussion and Analysis                     | 44  |
| Report on Corporate Governance                         | 48  |
| Auditors' Report                                       | 66  |
| Balance Sheet  | 72  |
| Statement of Profit and Loss                           | 73  |
| Cash Flow Statement                                    | 74  |
| Notes to the Financial Statements                      | 76  |
| Auditors' Report and Consolidated Financial Statements | 115 |

## Letter from the Chairman



The Financial Year 2015-16 has been a remarkable one for your Company. We have faced tough challenges and been tested by extraordinary circumstances in our 23-year history. Yet, our resilience has never been more apparent, as we emerged from it all to fly higher than ever before.

Whilst the Indian aviation sector has grown at 20 percent last year, our focus on cost and pressure on yields continues in one of the most competitive aviation markets in the world.

I am delighted to announce that despite the headwinds, we have closed the financial year 2015-16 as our most successful year ever.

Your Company recorded its highest-ever annual and quarterly profit in its history, for the year and fourth-quarter ended March 31st, 2016. It marks a return to profitability for your Company, a year earlier than envisaged by our three-year turnaround plan.

Low fuel prices have certainly given us a helping hand. Recently, however, there are indications of a possible reversal of trends due to global drivers beyond our control. Some of the steps we have taken include returning to a full-service model last year and the implementation of our 'Guest

First' initiative which has set us apart as the benchmark for service excellence, bringing the spirit of Indian hospitality to the world.

Aircraft utilisation for our fleet of Boeing 737s reached 13.01 hours per day in FY16, amongst the highest in the industry as certified by Boeing itself. A feat, truly praiseworthy, for which we must thank our engineering and operations teams. Our cost per available seat kilometre (CASK), excluding fuel, also fell 3.2 percent to INR 3.26.

Your Company's improved financial performance also allowed us to significantly reduce debt. We used surplus funds generated from operations, after accounting for financing expenses, to cut our net debt by INR 1,680 crores. This earned your Company a rating upgrade from credit-rating agency ICRA, which will help cut borrowing costs going forward.

But most importantly, I must take a moment to emphasise here the contribution from our strategic partnership with Etihad Airways. The year 2015-16 marked Jet Airways' second full year with Etihad Airways and Etihad Airline Partners. Your Company continues to derive synergies across all areas from the strategic partnership, including network growth, revenue enhancement, operational efficiencies and cost improvement. The partnership has worked to the mutual benefit for both airlines, but most importantly, it has helped give our guests greater choice and convenience. Today, together with our partner Etihad, we operate more flights to and from India than any other airline in the world!

During the year, we relocated your Company's European operations hub from Brussels to Amsterdam's Schiphol Airport. Amsterdam is now our new gateway to Europe and your Company has significantly enhanced international connectivity from Amsterdam by inking codeshare pacts with KLM Royal Dutch Airlines and Delta Air Lines. This move has opened up a whole new world of choice for our guests, by offering them one-stop codeshare access to 30 destinations in Europe and 11 across the U.S. and Canada in North America.

Jet Airways is a truly home-grown global Indian brand and we take great pride in taking India to the world and welcoming the world to India. India as a nation has global aspirations. Your Company has given these aspirations wings so that India can prosper, modernise and compete on a global level.

The year gone by is also notable for the unprecedented test we faced when our guests, crew and aircraft were left stranded in the aftermath of the utterly condemnable attack in Brussels. Our employees, particularly our stranded pilots, cabin crew and ground staff, displayed great courage, calmness and professionalism of the highest order. A lot of heroes were born that day and I truly salute the resilience shown by all our teams in Brussels, Amsterdam and Mumbai for coming together and helping your Company tide over this harrowing incident.

On a happier note, the future as we all know belongs to new technology and innovation, which have given wings to dreams once considered unattainable, making what was earlier the impossible, a reality today!

Your Company too, has always prided itself at being at the forefront of technological innovation in the aviation space. Jet Airways has been a pioneer in incorporating next-generation technology to create path-breaking features that enrich our guests' flying experience.

To that end, as we do every year, we introduced a series of industry "firsts." We were the first to introduce an app for the Apple Watch and expanded our usage of the mobile paperless boarding pass, which again was an innovative first by your Company.

We have already rolled out a new generation in-flight wireless streaming entertainment service that allows our guests to stream our rich library of content directly onto their personal mobile devices.

At Jet Airways, we take our commitment to society very seriously. We continue to work with several NGOs in an effort to drive positive societal change and do our part to support community initiatives related to education and the development of children.

We partnered with ActionAid to rebuild the lives of those affected by the devastating floods in Chennai and Thiruvallur district last year. Our colleagues volunteered to assist in immediate post-disaster relief operations, distributing food and supplies to those most affected by the flood.

Most importantly, your Company prides itself on being an equal-opportunity employer. Nearly 35 percent of our workforce comprise women and to celebrate their spirit of womanhood, we flew flights operated by an all-woman crew on International Women's Day. The initiative was not just limited to the pilots and cabin crew either. Every aspect of these flights was managed by an all-woman crew, including engineering, ground handling, cargo, ramp and airport services.

Rife as the sector is with opportunity and an untapped base of travellers waiting to take to the skies, its immense potential can only be fully realized if key reforms in the aviation sector continue to be made.

Demand and capacity, for instance, must go hand-in-hand. High operational costs are a product of escalating levels of airport levies, surcharges and an uncompetitive tax regime which is amongst the highest in emerging markets. These factors impact and pressurise yields.

Infrastructure is another area that needs to be addressed on a priority basis. The Government is taking steps to improve infrastructure but airports in some key metros are struggling to keep pace with the fast-paced growth in capacity and traffic.

Despite all the challenges, the sector is poised for further growth. Factors like rising disposable incomes, greater purchasing power and a convergence in fares between air and rail travel will enable an increasing number of Indians to fly. With India emerging as a global hub for business and leisure, international rivals are bolstering their connectivity between the subcontinent and the rest of the world. They are adding capacity by deploying larger aircraft on key routes, which will lead to growing competition.

I am confident that our trademark warm Indian hospitality and our passion to design and deliver an ever more exceptional flying experience for our guests will enable us stay ahead of the competition.

I take this opportunity to express my sincere thanks to our valued guests for their continued patronage and support.

I also thank the various ministries of the Government of India including the Ministry of Civil Aviation, Ministry of Finance and Ministry of Commerce & Industry and also the Directorate General of Civil Aviation, the Bureau of Civil Aviation Security, Airports Authority of India, various State Governments, Delhi International Airport and Mumbai International Airport for their continued support.

I also express my continued gratitude to all lenders, aircraft and engine lessors, the US Ex-Im Bank, the European Export Credit Agencies, various national and international banks, fuel suppliers, spare parts suppliers, who have been there to support us in difficult times.

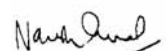
My thanks also go to the Boeing Company, Airbus Industries, ATR, General Electric, Rolls Royce and Pratt & Whitney for their contribution and partnership.

Warm thanks also to the media, both print and electronic, for the extensive coverage accorded to us.

My thanks to my fellow Directors, our staff and each and every member of our management team for all their efforts to sustain high service levels and support the Company with their hard work, dedication and loyalty.

Finally, let me reiterate my gratitude to the shareholders for their continued faith reposed in the Company. I look forward to working together to ensure Jet Airways' pride of place amongst the top 5 international airlines in the world.

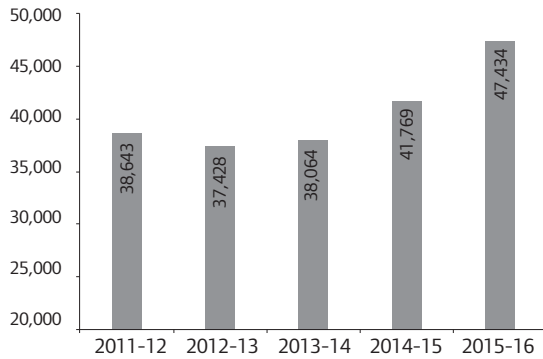
With kind regards,



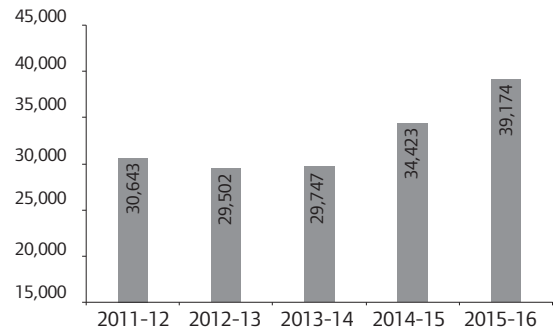
Naresh Goyal  
Chairman

## Operating Highlights

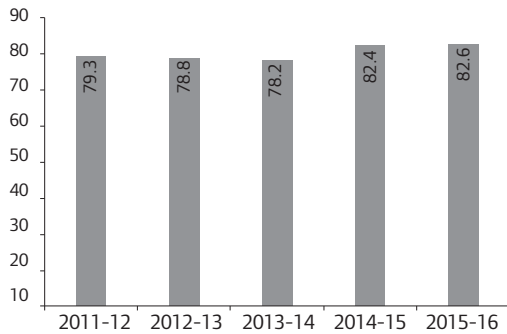
**Available Seat Kilometres (in Million)**



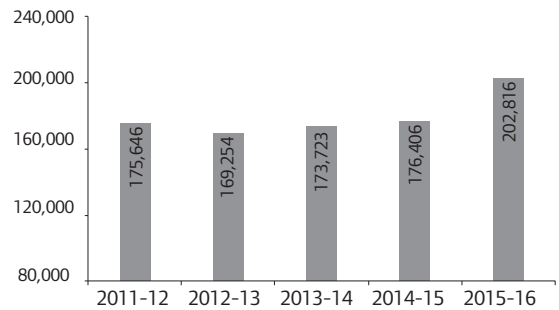
**Revenue Passenger Kilometres (in Million)**



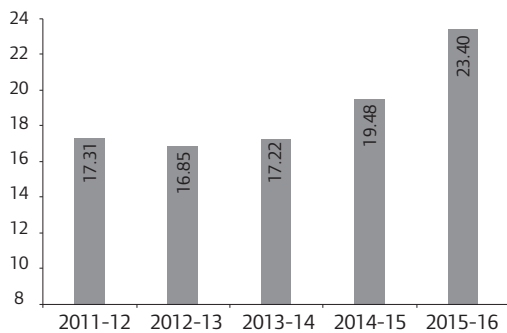
**Passenger Load Factor (%)**



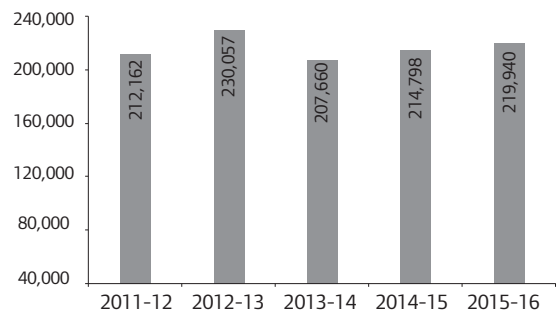
**Number of Departures**



**Revenue Passenger (in Million)**

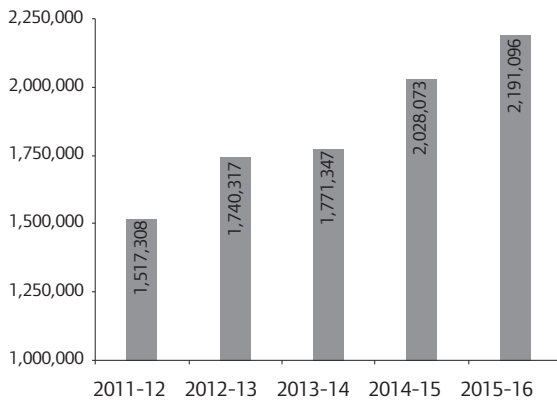


**Cargo Tonnes**

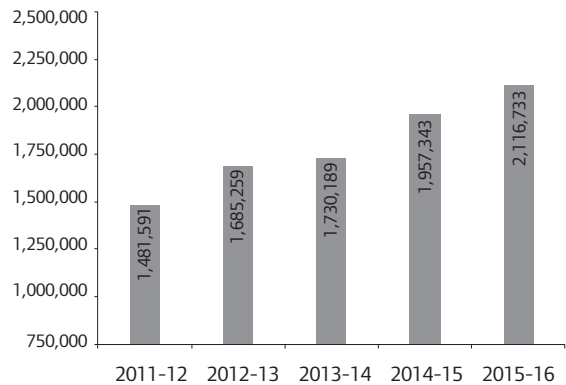


## Financial Highlights

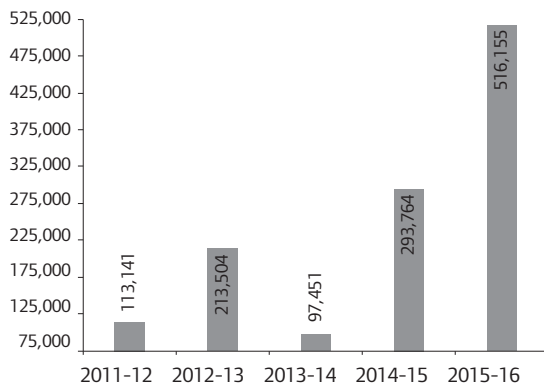
**Income (₹ Lakhs)**



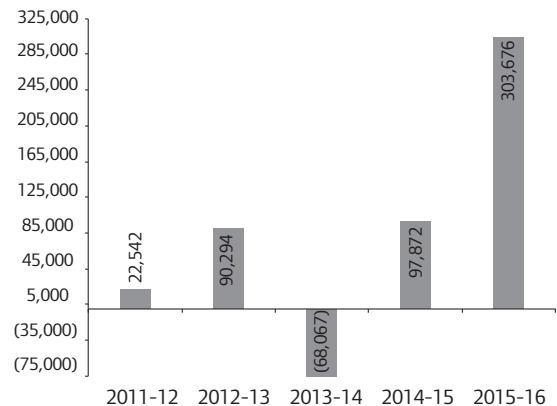
**Operating Revenue (₹ Lakhs)**



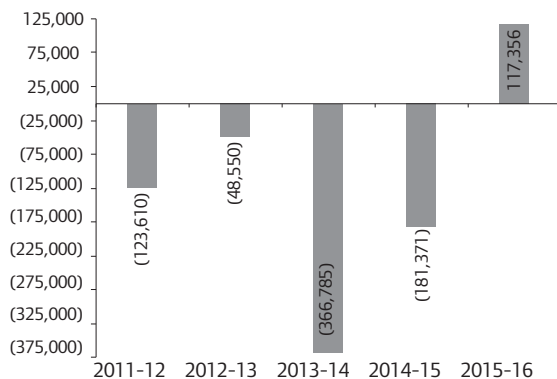
**EBITDAR (₹ Lakhs)**



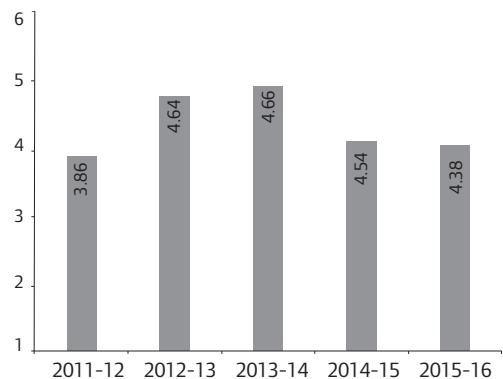
**EBITDA (₹ Lakhs)**



**Profit After Tax (₹ Lakhs)**



**Net Revenue per Passenger Kilometres (₹)**



## Corporate Information

### Board of Directors

|                             |  |
|-----------------------------|--|
| Mr. Naresh Goyal            | Chairman                                       |
| Mr. James Hogan             | Vice Chairman                                  |
| Mr. James Rigney            |  |
| Mr. Javed Akhtar            |  |
| Mr. I. M. Kadri             |  |
| Mr. Aman Mehta              |  |
| Mr. Dinesh Kumar Mittal     |  |
| Mr. Srinivasan Vishvanathan | (Appointed on 29 <sup>th</sup> December, 2015) |
| Mrs. Anita Goyal            | (Appointed on 8 <sup>th</sup> April, 2015)     |
| Mr. Gaurang Shetty          | Whole Time Director                            |

### Company Secretary

|                    |  |
|--------------------|--|
| Mr. Kuldeep Sharma | Vice President – Global Compliance & Company Secretary |
|--------------------|--|

### Senior Management

| Name                                   | Designation  |
|--|--|
| Mr. Amit Agarwal                       | Acting Chief Executive Officer and Chief Financial Officer |
| Mr. Jayaraj Shanmugam                  | Chief Commercial Officer                                   |
| Mr. Rahul Taneja                       | Chief People Officer                                       |
| Mr. K. M. Unni                         | Chief of Operations  |
| Mr. Shrimanikandan Ananthvaideyanathan | Chief Information Officer                                  |
| Capt. Hameed Ali                       | Group Executive Officer                                    |

### Statutory Auditors

|                   |
|-------------------|
| BSR & Co, LLP     |
| Chaturvedi & Shah |

### Debenture Trustees

|   |
|---|
| Vistra ITCL (India) Limited<br>(formerly IL&FS Trust Company Limited) |
|---|

### Legal Advisors

|         |
|---------|
| Gagrats |
|---------|

**CIN No.: L99999MH1992PLC066213**

### Registered Office

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

### Registrar & Share Transfer Agents

|                                     |
|-------------------------------------|
| Karvy Computershare Private Limited |
| Karvy Selenium Tower B,             |
| Plot 31-32, Gachibowli,             |
| Financial District, Nanakramguda,   |
| Hyderabad - 500 032                 |
| Tel: +91 40 6716 1500               |
| 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 India   |
| Barclays Bank Plc   |
| Canara Bank   |
| Citibank N.A.   |
| 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 Fourth Annual General Meeting of the Members of Jet Airways (India) Limited will be held at Bhaidas Maganlal Sabhagriha, Juhu Vile Parle Development Scheme, Bhaktivendanta Swami Marg, Vile Parle (West), Mumbai - 400 056 on Tuesday, 27<sup>th</sup> December, 2016, at 2.30 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) of the Company for the Financial Year ended 31<sup>st</sup> March, 2016, 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 Rigney (DIN: 06540653), who retires by rotation, and being eligible, offers himself for re-appointment.

**3. Ratification of the appointment of the Joint Statutory Auditor, M/s. Chaturvedi & Shah**

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 Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company do hereby ratify the appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Registration Number 101720W) as one of the Joint Statutory Auditors of the Company to hold office from the conclusion of the Twenty Fourth Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting and the Board of Directors of the Company is hereby authorised to fix their remuneration for the Financial Year ending 31<sup>st</sup> March, 2017."

**4. Ratification of the appointment of the Joint Statutory Auditor, M/s. BSR & Co. LLP**

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 Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company do hereby ratify the appointment of M/s. BSR & Co. LLP, Chartered Accountants (Registration Number 101248W/W-100022) as one of the Joint Statutory Auditors of the Company to hold office from the conclusion of the Twenty Fourth Annual General Meeting till the conclusion of the Twenty Fifth Annual General Meeting and the Board of Directors of the Company is hereby authorised to fix their remuneration for the Financial Year ending 31<sup>st</sup> March, 2017."

### SPECIAL BUSINESS:

**5. Appointment of Mr. Vikram Mehta as an Independent 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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013, and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Vikram Mehta (DIN 00041197) 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 from the date of the Twenty Fourth Annual General Meeting till the conclusion of the Twenty Seventh Annual General Meeting of the Company to be held in the year 2019 and he shall not be liable to retire by rotation.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (the "Board") be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to any committee of directors, director or any other principal officer of the Company on such conditions as the Board may prescribe."

**Notice (Contd.)****6. Appointment of Ms. Rajshree Pathy as an Independent 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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013 and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to receipt of security clearance from the Ministry of Civil Aviation, Ms. Rajshree Pathy (DIN 00001614), in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from the date which is the later of the approval by the Members at this Annual General Meeting or the date of receipt of security clearance from the Ministry of Civil Aviation, till the conclusion of the Twenty Seventh Annual General Meeting of the Company to be held in the year 2019 and she shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (the “Board”) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to any committee of directors, director or any other principal officer of the Company on such conditions as the Board may prescribe.”

**7. Appointment of Mr. Ranjan Mathai as an Independent 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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment for the time being in force) read with Schedule IV of the Companies Act, 2013 and as per the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to receipt of security clearance from the Ministry of Civil Aviation, Mr. Ranjan Mathai (DIN 07572976), 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 with effect from the date which is the later of the approval by the Members at this Annual General Meeting or the date of receipt of security clearance from the Ministry of Civil Aviation, till the conclusion of the Twenty Seventh Annual General Meeting of the Company to be held in the year 2019 and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (the “Board”) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this resolution and the Board may, by a resolution delegate the aforementioned power to any committee of directors, director or any other principal officer of the Company on such conditions as the Board may prescribe.”

**8. Increase in remuneration of Mr. Gaurang Shetty, 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** in partial modification of the resolution passed by the Members at the Twenty Third Annual General Meeting of the Company held on 14<sup>th</sup> August, 2015 for the appointment of Mr. Gaurang Shetty as the Whole Time Director of the Company and the terms of remuneration payable to him and pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, the Company hereby approves the increase in the remuneration of Mr. Gaurang Shetty, with effect from 1<sup>st</sup> April, 2016 to 23<sup>rd</sup> May, 2017, as detailed in the explanatory statement forming part of this Notice.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorised to fix his salary within the salary scale approved, increasing thereby, proportionately, all benefits related to the quantum of salary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (the “Board”) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient, to give effect to this